WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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MICHAEL D. ANTONOVICH
Fifth District

June 11, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADJUSTMENTS TO EMPLOYEE RETIREMENT CONTRIBUTION RATES
ALL DISTRICTS
(3 VOTES)

SUBJECT

Recommendation to approve negotiated adjustments to employee retirement contribution rates based upon the June 30, 2012 Los Angeles County Employees Retirement Association (LACERA) actuarial valuation report as approved by the LACERA Board of Investments on April 10, 2013. The recommended changes are applicable to represented and non-represented employees, effective July 1, 2013.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve Amendment Number 1 to the Fringe Benefit Memorandum of Understanding (MOU) with Service Employees International Union (SEIU), Local 721, Change to Win (CtW), Canadian Labour Congress (CLC) implementing changes in employee retirement contribution rates (Attachment A).

2. Approve Amendment Number 5 to the Fringe Benefit Memorandum of Understanding with the Coalition of County Unions (CCU), American Federation of Labor/Congress of Industrial Organizations (AFL-CIO) implementing changes in employee retirement contribution rates (Attachment B).

3. Approve the attached resolution implementing changes in employee retirement contribution rates for represented and non-represented employees effective July 1, 2013 (Attachment C).

4. Approve the employee contribution rates for the new Safety Member Plan C and General Member Plan G effective January 1, 2013 for all new LACERA members hired on or after December 1, 2012 who are appointed to classifications not covered under the SEIU, Local 721 or CCU Fringe Benefit MOUs (Attachment D).

5. Instruct the Auditor-Controller to make the system changes necessary to implement these recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

County Employees Retirement Law of 1937 (CERL) requires LACERA to obtain an actuarial valuation at least once every three years. This law further requires that on the basis of such valuation, a recommendation is to be made to the Board of Supervisors to change employer and/or member contributions rates as may be necessary to properly fund the retirement system.

In October 2011, LACERA's Board of Investments adopted a decrease in the assumed rate of return of its investments (ARR) to be phased in over a period of three years. Decreases in the ARR require increases in the employer and employee contributions rates to make up for the anticipated shortfall in investment returns. For the 2012 valuation, the ARR used was 7.6 percent, down from the 7.7 percent used in the 2011 valuation. For the 2013 valuation, the effective rate will be reduced to 7.5 percent.

Based upon LACERA's June 30, 2012 actuarial valuation report, we have negotiated adjustments to the employee retirement contribution rates for CCU and SEIU Local 721 employees. These changes are reflected in the respective Fringe Benefit MOU amendments and will be effective July 1, 2013. These same rates are applicable to non-represented employees and will also be effective July 1, 2013.

Impact of the California Public Employees' Pension Reform Act of 2013 (PEPRA)

The recently enacted California Public Employees' Pension Reform Act of 2013 (PEPRA) revised existing retirement contribution and benefits formulas and required the County to implement several significant changes with respect to contribution rates. Effective
January 1, 2013, any "new member" of a California public retirement system must pay 50 percent of the normal cost of funding the retirement benefit.

Under PEPRA, new LACERA members are those hired on or after December 1, 2012 (LACERA membership starts the first of the month after the permanent date of hire) with either 1) no prior membership in a public retirement system - OR - 2) prior membership in a public retirement system but without reciprocity under the current system. In addition, PEPRA's cost-sharing requirement led to the closure of the non-contributory General Member Plan E effective November 27, 2012 and the creation of two new PEPRA-compliant retirement plans (General Member Plan G and Safety Member Plan C) for these "new members."

To facilitate implementation, PEPRA has exempted new members appointed to classifications covered by existing MOUs from the 50/50 cost sharing requirement until the respective MOU expires. For the County, this exemption applies only to members appointed to classifications covered by the SEIU, Local 721 and CCU Fringe Benefit MOUs. For example, General Plan G SEIU and CCU "new members" enjoy the benefit of Plan D negotiated rates until their MOUs expire

on September 30, 2013. Once the MOU expires, the County is mandated by PEPRA to implement the 50/50 cost sharing provision for all "new members" including those covered under these respective MOUs. All other "new members" not covered under these MOUs are subject to the cost sharing provision mandated by PEPRA immediately upon appointment to their respective positions (Plan G – 7.75 percent or Safety Plan C – 13.25 percent).

General Member Plan G and Safety Member Plan C

As described earlier, both General Member Plan G and Safety Member Plan C were established in direct response to the passage of PEPRA for new LACERA members. Aside from the 50/50 cost sharing feature, these plans differ from the other LACERA plans in that the employee contribution rates are flat rates versus age-based rates. The flat-rate feature has significant advantages over the age-based rates including ease of administration and lower probability of calculation errors. Additionally, based upon a LACERA survey of other California public retirement plans, most are using flat rates versus age-based rates.

Implementation of Strategic Plan Goals

The retirement benefit and funding changes provided for in these recommendations are directly responsive to the Strategic Plan goal of fiscal responsibility by ensuring sufficient funding of the County's retirement system.

FISCAL IMPACT/FINANCING

Since these recommendations are limited to changing the employee portion of the retirement contribution rates, there is no increase in net County costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The employee retirement contribution rate adjustments have been negotiated with the Coalition of County Unions and SEIU Local 721. The specific rates by employee age at entry into County service are detailed in the accompanying MOU amendments and related resolution.

The accompanying MOU amendments and resolution have been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These recommendations will not impact any existing County service or project.

Respectfully submitted,

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:BC:JA
MTK:VMH:mst

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Human Resources
Los Angeles County Employees Retirement Association
Coalition of County Unions, AFL-CIO
SEIU Local 721, CTW, CLC

ATTACHMENT A

AMENDMENT NO. 1 TO THE FRINGE BENEFITS

MEMORANDUM OF UNDERSTANDING WITH SEIU, LOCAL 721, CTW, CLC

AMENDMENT NO. 1
MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION
TO THE BOARD OF SUPERVISORS
REGARDING THE
FRINGE BENEFITS

THIS AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING made and entered into this 11th day of June, 2013,

BY AND BETWEEN

Authorized Management Representative (hereinafter referred to as "Management") of the County of Los Angeles (hereinafter referred to as "County")

AND

SEIU, Local 721, CTW, CLC, (hereinafter referred to as "Union")

WHEREAS, on the 4th day of September 2012, the parties entered into a Memorandum of Understanding regarding Fringe Benefits, in which this Memorandum of Understanding was subsequently approved and ordered implemented by the County's Board of Supervisors; and

WHEREAS, as a result of mutual agreement, the parties desire to amend said Memorandum of Understanding as set forth hereafter:

NOW, THEREFORE, the parties agree as follows:

1. Amend Sections 1, 2, and 3 of Article 5, Retirement, as appended hereto.
2. This Amendment No. 1 to said Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the County's Board of Supervisors and this Amendment No. 1 will be effective when and if approved and implemented by said Board of Supervisors, in the same manner as provided in Article 2, which is applicable to the implementation of the original Memorandum of Understanding.
3. Except as herein specifically amended, each and every other provision of said Memorandum of Understanding shall continue to remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this Amendment No. 1 the day, month and year first above written.

SEIU, LOCAL 721, CTW, CLC
REPRESENTATIVE

By _____
President, SEIU Local 721

By _____
Chair, Bargaining Policy Committee

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

By _____
Chief Executive Officer

ARTICLE 5 RETIREMENT

Section 1.

The parties agree to recommend jointly to the County's Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that, effective July 1, 2013, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

a. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs based on the June 30, 2012, Actuarial Valuation dated March 28, 2013, by Milliman USA, were implemented, and

b. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on June 30, 2012, Actuarial Valuation.

Section 2.

The parties agree that, contingent upon action by the Board of Supervisors to adopt a resolution to implement the provisions of Section 1 of this article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association prior to October 1, 1978, shall be as follows; provided, however, such contribution rates shall not apply to employees who are covered by the optional non-contributory plan (hereafter referred to as Plan E) made operative for General Members of said Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	4.13%
17	4.19%
18	4.22%
19	4.28%
20	4.33%
21	4.37%
22	4.43%
23	4.49%
24	4.57%
25	4.59%
26	4.69%
27	4.77%
28	4.89%
29	4.97%
30	5.08%
31	5.23%
32	5.32%
33	5.47%
34	5.63%
35	5.81%
36	5.98%
37	6.15%
38	6.35%
39	6.53%
40	6.71%
41	6.91%
42	7.11%
43	7.33%
44	7.49%
45	7.69%
46	7.89%
47	8.06%
48	8.26%
49	8.37%
50	8.45%
51 & above	8.50%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association between September 1, 1977 and September 30, 1978 (hereinafter referred to as Plan B for General Members):

GENERAL MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	6.00%
17	6.14%
18	6.26%
19	6.39%
20	6.53%
21	6.66%
22	6.80%
23	6.93%
24	7.08%
25	7.23%
26	7.37%
27	7.53%
28	7.68%
29	7.84%
30	8.01%
31	8.17%
32	8.35%
33	8.52%
34	8.70%
35	8.89%
36	9.08%
37	9.27%
38	9.46%
39	9.66%
40	9.85%
41	10.05%
42	10.25%
43	10.43%
44	10.61%
45	10.78%
46	10.95%
47	11.11%
48	11.27%
49	11.41%
50	11.50%
51 & above	11.55%

Section 3.

The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978 and May 31, 1979, and to the retirement plan for employees who became General Members of said Retirement Association on or after June 1, 1979, (hereinafter referred to as Plans C and D for General Members, respectively); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

GENERAL MEMBERS – RETIREMENT PLAN C
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.15%
17	5.26%
18	5.38%
19	5.49%
20	5.60%
21	5.71%
22	5.83%
23	5.96%
24	6.08%
25	6.20%
26	6.33%
27	6.46%
28	6.60%
29	6.74%
30	6.87%
31	7.01%
32	7.16%
33	7.31%
34	7.46%
35	7.62%
36	7.78%
37	7.94%
38	8.10%
39	8.27%
40	8.46%
41	8.63%
42	8.82%
43	9.00%
44	9.19%
45	9.38%
46	9.56%
47	9.75%
48	9.92%
49	10.09%
50	10.25%
51	10.42%

52	10.58%
53	10.73%
54	10.85%
55	10.94%
56 & above	10.99%

GENERAL MEMBERS – RETIREMENT PLAN D
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.06%
17	5.17%
18	5.28%
19	5.39%
20	5.50%
21	5.61%
22	5.73%
23	5.85%
24	5.97%
25	6.09%
26	6.21%
27	6.35%
28	6.48%
29	6.62%
30	6.75%
31	6.88%
32	7.03%
33	7.17%
34	7.32%
35	7.48%
36	7.64%
37	7.79%
38	7.95%
39	8.12%
40	8.31%
41	8.48%
42	8.66%
43	8.84%
44	9.02%
45	9.21%
46	9.39%
47	9.57%
48	9.74%
49	9.91%
50	10.07%
51	10.23%

52	10.38%
53	10.53%
54	10.65%
55	10.74%
56 & above	10.79%

ATTACHMENT B

AMENDMENT NO. 5 TO THE FRINGE BENEFITS

MEMORANDUM OF UNDERSTANDING WITH THE COALITION OF COUNTY UNIONS

AMENDMENT NO. 5
MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION
TO THE BOARD OF SUPERVISORS
REGARDING
FRINGE BENEFITS

THIS AMENDMENT NO. 5 TO THE MEMORANDUM OF UNDERSTANDING made and entered into this 11th day of June, 2013,

BY AND BETWEEN

Authorized Management Representative (hereinafter referred to as "Management") of the County of Los Angeles (hereinafter referred to as "County")

AND

THE COALITION OF COUNTY UNIONS, AFL-CIO, (hereinafter referred to as the "Coalition").

WHEREAS, on the 15th day of December 2009, the parties entered into a Memorandum of Understanding regarding Fringe Benefits, which Memorandum of Understanding was subsequently approved and ordered implemented by the County's Board of Supervisors; and

WHEREAS, as a result of mutual agreement, the parties desire to amend said Memorandum of Understanding as set forth hereafter:

NOW, THEREFORE, the parties agree as follows:

1. Amend Sections 1, 2, and 3 of Article 5, Retirement, as appended hereto.

2. This Amendment No. 5 to said Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the County's Board of Supervisors and this Amendment No. 5 will be effective when and if approved and implemented by said Board of Supervisors, in the same manner as provided in Article 2, which is applicable to the implementation of the original Memorandum of Understanding.

3. Except as herein specifically amended, each and every other provision of said Memorandum of Understanding shall continue to remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this Amendment No. 5 the day, month and year first above written.

COALITION OF COUNTY UNIONS
AFL-CIO

By _____
Chair, Coalition of County Unions

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

By _____
Chief Executive Officer

TO BE JOINTLY SUBMITTED TO THE COUNTY BOARD OF SUPEVISORS

ARTICLE 5 RETIREMENT

Section 1

The parties agree to recommend jointly to the County Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that effective July 1, 2013, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

a. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs based on the June 30, 2012, Actuarial Valuation dated March 28, 2013, by Milliman USA, were implemented, and

b. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on June 30, 2012 Actuarial Valuation.

Section 2.

The parties agree that, contingent upon action by the Board of Supervisors to adopt a resolution to implement the provision of Section 1 of this article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	4.13%
17	4.19%
18	4.22%
19	4.28%
20	4.33%
21	4.37%
22	4.43%
23	4.49%
24	4.57%
25	4.59%
26	4.69%
27	4.77%
28	4.89%
29	4.97%
30	5.08%
31	5.23%
32	5.32%
33	5.47%
34	5.63%
35	5.81%
36	5.98%
37	6.15%
38	6.35%
39	6.53%
40	6.71%
41	6.91%
42	7.11%
43	7.33%
44	7.49%
45	7.69%
46	7.89%
47	8.06%
48	8.26%
49	8.37%
50	8.45%
51 & above	8.50%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association between September 1, 1977, and September 30, 1978, (hereinafter referred to as Plan B for General Members):

GENERAL MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	6.00%
17	6.14%
18	6.26%
19	6.39%
20	6.53%
21	6.66%
22	6.80%
23	6.93%
24	7.08%
25	7.23%
26	7.37%
27	7.53%
28	7.68%
29	7.84%
30	8.01%
31	8.17%
32	8.35%
33	8.52%
34	8.70%
35	8.89%
36	9.08%
37	9.27%
38	9.46%
39	9.66%
40	9.85%
41	10.05%
42	10.25%
43	10.43%
44	10.61%
45	10.78%
46	10.95%
47	11.11%
48	11.27%
49	11.41%
50	11.50%
51 & above	11.55%

3. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977, (hereinafter referred to as Plan A for Safety Members):

SAFETY MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
18	7.62%
19	7.65%
20	7.65%
21	7.70%
22	7.83%
23	7.95%
24	8.06%
25	8.23%
26	8.36%
27	8.50%
28	8.69%
29	8.88%
30	9.08%
31	9.27%
32	9.48%
33	9.69%
34	9.92%
35	10.15%
36	10.37%
37	10.60%
38	10.79%
39	10.96%
40	11.15%
41	11.35%
42	11.49%
43	11.65%
44	11.79%
45	11.89%
46 & above	11.95%

4. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or after September 1, 1977, (hereinafter referred to as Plan B for Safety Members):

SAFETY MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
18	6.55%
19	6.73%
20	6.91%
21	7.09%
22	7.29%
23	7.48%
24	7.68%
25	7.87%
26	8.08%
27	8.29%
28	8.51%
29	8.73%
30	8.95%
31	9.18%
32	9.42%
33	9.66%
34	9.92%
35	10.18%
36	10.44%
37	10.70%
38	10.95%
39	11.18%
40	11.42%
41	11.65%
42	11.87%
43	12.06%
44	12.25%
45	12.38%
46 & above	12.45%

Section 3.

The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978, and May 31, 1979, and to the retirement plan for employees who became General Members of said Retirement Association on or after June 1, 1979 (hereinafter referred to as Plans C and D for General Members, respectively); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

GENERAL MEMBERS – RETIREMENT PLAN C
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.15%
17	5.26%
18	5.38%
19	5.49%
20	5.60%
21	5.71%
22	5.83%
23	5.96%
24	6.08%
25	6.20%
26	6.33%
27	6.46%
28	6.60%
29	6.74%
30	6.87%
31	7.01%
32	7.16%
33	7.31%
34	7.46%
35	7.62%
36	7.78%
37	7.94%
38	8.10%
39	8.27%
40	8.46%
41	8.63%
42	8.82%
43	9.00%
44	9.19%
45	9.38%
46	9.56%
47	9.75%
48	9.92%
49	10.09%
50	10.25%

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
51	10.42%
52	10.58%
53	10.73%
54	10.85%
55	10.94%
56 & above	10.99%

GENERAL MEMBERS – RETIREMENT PLAN D
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.06%
17	5.17%
18	5.28%
19	5.39%
20	5.50%
21	5.61%
22	5.73%
23	5.85%
24	5.97%
25	6.09%
26	6.21%
27	6.35%
28	6.48%
29	6.62%
30	6.75%
31	6.88%
32	7.03%
33	7.17%
34	7.32%
35	7.48%
36	7.64%
37	7.79%
38	7.95%
39	8.12%
40	8.31%
41	8.48%
42	8.66%
43	8.84%
44	9.02%
45	9.21%
46	9.39%
47	9.57%
48	9.74%
49	9.91%
50	10.07%
51	10.23%

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
52	10.38%
53	10.53%
54	10.65%
55	10.74%
56 & above	10.79%

ATTACHMENT C

RESOLUTION IMPLEMENTING CHANGES IN

EMPLOYEE RETIREMENT CONTRIBUTION RATES

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA PROVIDING FOR RETIREMENT SYSTEM CONTRIBUTIONS

WHEREAS, the Board of Supervisors is authorized by Government Code Section 31581.1 to pay up to one-half of the contributions normally required of members of the retirement system of any period of time designated in the resolution providing for such payments; and

WHEREAS, the Board of Supervisors desires that the County shall pay a designated portion of members' contributions normally required of members of the retirement system, which portion does not exceed one-half of such members' contributions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that:

1. The County of Los Angeles shall pay to the Los Angeles County Employees Retirement Association the amounts specified in Section 2 of the Attachment entitled "2013 Implementation of Negotiated Employee Contribution Rates"; and
2. The payments made to the retirement system hereunder by the County of Los Angeles shall not become part of the accumulated contributions of any member of the retirement system; and
3. This resolution shall be effective July 1, 2013 and until further resolution of the Board of Supervisors.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles at the regular meeting on the 11th day of June 2013.

SACHI A. HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By _____
RICHARD D. BLOOM
Principal Deputy County Counsel
Labor & Employment Division

2013 IMPLEMENTATION OF NEGOTIATED EMPLOYEE CONTRIBUTION RATES

Section 1

The parties agree to recommend jointly to the County Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that, effective July 1, 2013, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

a. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs, based on the June 30, 2012, Actuarial Valuation dated March 28, 2013 by Milliman USA, were implemented; and

b. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on the June 30, 2012 Actuarial Valuation.

Section 2

The parties agree that contingent upon action by the Board of Supervisors to adopt a resolution to implement the provisions of Section 1 of this Article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association prior to October 1, 1978, shall be as follows; provided, however, such contribution rates shall not apply to employees who are covered by the optional non-contributory plan (hereafter referred to as Plan E) made operative for General Members of said Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	4.13%
17	4.19%
18	4.22%
19	4.28%
20	4.33%
21	4.37%
22	4.43%
23	4.49%
24	4.57%
25	4.59%
26	4.69%
27	4.77%
28	4.89%
29	4.97%
30	5.08%
31	5.23%
32	5.32%
33	5.47%
34	5.63%
35	5.81%
36	5.98%
37	6.15%
38	6.35%
39	6.53%
40	6.71%
41	6.91%
42	7.11%
43	7.33%
44	7.49%
45	7.69%
46	7.89%
47	8.06%
48	8.26%
49	8.37%
50	8.45%
51 & above	8.50%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of Los Angeles County Employees Retirement Association between September 1, 1977, and September 30, 1978, (hereinafter referred to as Plan B for General Members):

GENERAL MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	6.00%
17	6.14%
18	6.26%
19	6.39%
20	6.53%
21	6.66%
22	6.80%
23	6.93%
24	7.08%
25	7.23%
26	7.37%
27	7.53%
28	7.68%
29	7.84%
30	8.01%
31	8.17%
32	8.35%
33	8.52%
34	8.70%
35	8.89%
36	9.08%
37	9.27%
38	9.46%
39	9.66%
40	9.85%
41	10.05%
42	10.25%
43	10.43%
44	10.61%
45	10.78%
46	10.95%
47	11.11%
48	11.27%
49	11.41%
50	11.50%
51 & above	11.55%

3. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977, (hereinafter referred to as Plan A for Safety Members):

SAFETY MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
18	7.62%
19	7.65%
20	7.65%
21	7.70%
22	7.83%
23	7.95%
24	8.06%
25	8.23%
26	8.36%
27	8.50%
28	8.69%
29	8.88%
30	9.08%
31	9.27%
32	9.48%
33	9.69%
34	9.92%
35	10.15%
36	10.37%
37	10.60%
38	10.79%
39	10.96%
40	11.15%
41	11.35%
42	11.49%
43	11.65%
44	11.79%
45	11.89%
46 & above	11.95%

4. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or after September 1, 1977, (hereinafter referred to as Plan B for Safety Members):

SAFETY MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
18	6.55%
19	6.73%
20	6.91%
21	7.09%
22	7.29%
23	7.48%
24	7.68%
25	7.87%
26	8.08%
27	8.29%
28	8.51%
29	8.73%
30	8.95%
31	9.18%
32	9.42%
33	9.66%
34	9.92%
35	10.18%
36	10.44%
37	10.70%
38	10.95%
39	11.18%
40	11.42%
41	11.65%
42	11.87%
43	12.06%
44	12.25%
45	12.38%
46 & above	12.45%

5. The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employee who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978, and May 31, 1979, and, to the retirement plan for employees who became General Members of said Retirement Association on or after June 1, 1979 (hereinafter referred to as Plans C and D, for General Members, respectively); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

GENERAL MEMBERS – RETIREMENT PLAN C
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.15%
17	5.26%
18	5.38%
19	5.49%
20	5.60%
21	5.71%
22	5.83%
23	5.96%
24	6.08%
25	6.20%
26	6.33%
27	6.46%
28	6.60%
29	6.74%
30	6.87%
31	7.01%
32	7.16%
33	7.31%
34	7.46%
35	7.62%
36	7.78%
37	7.94%
38	8.10%
39	8.27%
40	8.46%
41	8.63%
42	8.82%
43	9.00%
44	9.19%
45	9.38%
46	9.56%
47	9.75%
48	9.92%
49	10.09%

50	10.25%
51	10.42%
52	10.58%
53	10.73%
54	10.85%
55	10.94%
56 & above	10.99%

GENERAL MEMBERS – RETIREMENT PLAN D
Negotiated Employee Contribution Rates
Effective July 1, 2013

NEAREST YEAR OF AGE AT MEMBERSHIP	EMPLOYEE CONTRIBUTION RATE
16	5.06%
17	5.17%
18	5.28%
19	5.39%
20	5.50%
21	5.61%
22	5.73%
23	5.85%
24	5.97%
25	6.09%
26	6.21%
27	6.35%
28	6.48%
29	6.62%
30	6.75%
31	6.88%
32	7.03%
33	7.17%
34	7.32%
35	7.48%
36	7.64%
37	7.79%
38	7.95%
39	8.12%
40	8.31%
41	8.48%
42	8.66%
43	8.84%
44	9.02%
45	9.21%
46	9.39%
47	9.57%
48	9.74%
49	9.91%

50	10.07%
51	10.23%
52	10.38%
53	10.53%
54	10.65%
55	10.74%
56 & above	10.79%