

## ANALYSIS

This ordinance amends Title 5 – Personnel and Title 6 – Salaries of the Los Angeles County Code by:

- Amending Sections 5.19.100, 5.25.020, 5.25.040, 5.25.080, 5.25.125, 5.26.260, and 5.26.290 to make clarifying and technical changes to the County of Los Angeles Deferred Compensation and Thrift Plan (Horizons), Savings Plan, and Pension Savings Plan (PSP);
- Amending Section 5.20.080 to align the existing personnel provisions with the intentions of the Public Employees' Pension Reform Act;
- Amending Sections 5.36.080, 6.08.160, 6.12.040, and 6.20.060 to correct minor technical errors; and
- Amending Section 5.52.180 and 6.09.060 to comply with State legislation and federal regulations, respectively.

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By:



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RDB:bd

Requested: 07/26/18  
Revised: 08/07/18

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 5 – Personnel and Title 6 – Salaries of the Los Angeles County Code relating to administrative and technical corrections in the compensation of County positions.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 5.19.100 (Benefit Distributions) is hereby amended to read as follows:

**5.19.100 Benefit Distributions.**

...

C. Retirement.

...

2. Form of Benefit Payment. A Participant who Separates from Employment with the County due to Retirement, or Participant who Separates from Employment earlier but delays distribution of his benefits until at least age 50, may, if his or her Investment Account balance exceeds \$5,000, in lieu of receiving a single lump sum, irrevocably elect to receive his or her benefits in the form of (1) substantially equal monthly, quarterly, semi-annual or annual installment payments ~~over a period not to exceed twenty years~~, or (2) consecutive, nonincreasing monthly payments for the life of the Participant or for the lives of the Participant and his or her designated Beneficiary and the last survivor of them. The Participant or the Beneficiary, as the case may be, may only elect a form of benefit payment prior to the commencement of any distribution under the Plan. Notwithstanding any of the foregoing, in the event that the balance of a

Participant's Investment Account does not exceed \$5,000 at the time a distribution is elected, the Participant or the Beneficiary, as the case may be, may not elect a form of benefit payment other than a single cash payment.

...

E. Code section 401(a)(9) Minimum Distribution Requirements. The provisions of this subsection E of Section 5.19.100 will apply for the purposes of determining required minimum distributions for Distribution Calendar Years beginning with the 2003 calendar year. The requirements of this subsection E will take precedence over any inconsistent provisions of the Plan.

...

2. General Rules. Notwithstanding any provision of the Plan to the contrary, all distributions required under this Section 5.19.100 will be determined and made in accordance with the Treasury Regulations under Code section 401(a)(9). The only permissible distribution options under this Plan are a lump sum distribution, substantially equal monthly, quarterly, semi-annual or annual installments ~~not extending over more than twenty years~~, consecutive periodic payments for the life of the Participant or for the lives of the Participant and his or her designated Beneficiary and the last survivor of them, as permitted in subsection B or C, or minimum monthly distributions calculated in accordance with the rules provided in this subsection E.

...

**SECTION 2.** Section 5.20.080 (County Contributions for Health Insurance Premiums Pursuant to Government Code Section 31691) is hereby amended to read as follows:

**5.20.080 County Contributions for Health Insurance Premiums Pursuant to Government Code Section 31691.**

...

B. Crediting prior public service for purpose of retiree health benefits.

1. Any person designated in paragraph 5 below retiring after the effective date of this subsection may, in accordance with this section, receive credit for prior public service solely for the purposes of calculating the amount of retiree health insurance premiums paid by the County in accordance with California Government Code Section 31691, County Code Sections 5.20.80 and 5.20.85, and the Funding Agreement between the County and the Los Angeles County Employees Retirement Associations (LACERA), dated April 20, 1982, and any amendments thereto (the "Retiree Health Program"). For the purpose of this section, prior public service refers to a period of employment with the federal government or any ~~s~~State or local government, whether or not such employment is recognized as allowed public service time under California Government Code Section 31641.1 or as reciprocal service under California Government Code Section 31836.

...

6. The provisions of this subsection B. shall apply only to persons who were either elected or appointed by the Board of Supervisors to an item designated as

"L" under Section 6.28.20(B) of the Los Angeles County Code before September 11, 2018.

**SECTION 3.** Section 5.25.020 (Definitions) is hereby amended to read as follows:

**5.25.020 Definitions.**

The following terms when used herein with initial capital letters, unless the context clearly indicates otherwise, shall have the following respective meanings:

...

P. "Deferred Compensation Contribution" means any amount of Eligible Earnings deferred by a Participant pursuant to a Participation Agreement. Effective on or after September 1, 2003, such term shall also include any Catch-Up Contributions made to the Plan on behalf of a Participant as specified in Section 5.25.040 C to the extent such Catch-Up Contributions are made pursuant to a Participation Agreement.

...

DD. "Matching Contribution" means a portion of the Matching Fund determined pursuant to Section 5.25.050, and includes Catch-Up Contributions made to the Plan on behalf of a Participant as specified in Section 5.25.040 C to the extent such Catch-Up Contributions are made as Matching Contributions.

...

**SECTION 4.** Section 5.25.040 (Limits on Amounts Deferred) is hereby amended to read as follows:

**5.25.040 Limits on Amounts Deferred.**

...

C. Beginning on or after September 1, 2003, the following provisions shall apply:

1. A Participant who has attained the age of 50 or older before the close of any Plan Year and is eligible to make Deferred Compensation Contributions under the Plan shall be eligible to have ~~the County make Catch-Up Contributions to the Plan from his or her Eligible Earnings amounts deferred under a Participation Agreement and the Plan~~ during such Plan Year in excess of the Code limitations set forth in Section 5.25.040B.1 ~~or comparable limitations or restrictions contained in the terms of this Plan~~ as Catch-Up Contributions. For purposes of this subsection C., both Deferred Compensation Contributions and Matching Contributions made during such Plan Year are treated as amounts deferred under the Plan.

2. The amount of ~~Deferred Compensation Contributions treated as~~ Catch-Up Contributions for any calendar year shall not exceed the lesser of (a) the applicable dollar limits provided for in Code section 414(v)(2)(B); or (b) the excess, if any, of the Participant's Includible Compensation for the year over any other elective deferrals, as defined in Code section 414(u)(2)(C), made by the Participant for such year other than Catch-Up Contributions made pursuant to Code section 414(v). For Plan Years beginning on or after January 1, 2007, the applicable dollar limit shall be

adjusted for the calendar year to reflect the increases in cost-of-living in accordance with Code sections 414(v) and 415(d).

...

**SECTION 5.** Section 5.25.080 (Benefit Distributions, Withdrawals and Loans) is hereby amended to read as follows:

**5.25.080 Benefit Distributions, Withdrawals and Loans.**

...

**B. Distributions Upon Separation from Employment Generally.**

1. If the vested balance of a Participant's Investment Account (determined without regard to the Participant's Rollover Account) is at least \$5,000 (or the dollar limit under Code section 411(a)(11), if greater), it may be distributed to a Participant or his or her Beneficiary following Separation from Employment in cash, or in kind to the extent permitted under Section 5.25.080J.2., in accordance with one of the following methods:

- a. A lump sum payment; or
- b. Substantially equal monthly, quarterly, semi-annual or annual

installments ~~not extending over more than twenty years~~; or

...

2. Participants and Beneficiaries whose distributions under this Plan have already begun or who have elected to defer the commencement of distributions, may thereafter elect to change their previously ~~irrevocable~~ payment elections; ~~no more frequently than once in any Plan Year, which~~ any such election shall be deemed to be made at the time that the benefit election becomes effective. The election shall be

made on a form approved by the Administrative Committee and shall be subject to the minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder. This subsection B2 shall not apply to Participants and Beneficiaries whose benefits under the Plan are provided through an annuity purchased from an insurance carrier.

...

C. Code section 401(a)(9) Minimum Distribution Requirements. The provisions of this subsection C will apply for the purposes of determining required minimum distributions for Distribution Calendar Years beginning with the 2003 calendar year and for required minimum distributions for the 2002 Distribution Calendar Year that are made on or after the action taken by the Board to pass the ordinance adopting this restated Plan. The requirements of this subsection C will take precedence over any inconsistent provisions of the Plan.

...

2. General Rules. Notwithstanding any provision of the Plan to the contrary, all distributions required under this Section 5.25.080 will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code. The only permissible distribution options under this Plan are a lump sum distribution, substantially equal monthly, quarterly, semi-annual or annual installments ~~not extending over more than twenty years~~, consecutive periodic payments for the life of the Participant or for the lives of the Participant and his or her designated Beneficiary, a combination of such methods of payment to the extent permitted in subsection B, or



minimum monthly distributions calculated in accordance with the rules provided in this subsection C.

...

**SECTION 6.** Section 5.25.125 (Rights of an Alternate Payee under a QDRO) is hereby amended to read as follows:

**5.25.125 Rights of an Alternate Payee Under a QDRO.**

...

C. Distributions to the Alternate Payee shall be made in accordance with the QDRO provided that the QDRO does not provide for distributions earlier than permitted by Code section 457(d) or otherwise conflict with the Plan's distribution provisions or the provisions of this Section. On or after September 1, 2003, regardless of whether the Participant is eligible to take a distribution under the Plan, the QDRO may provide (or may be amended to provide) for an immediate distribution of the Alternate Payee's interest thereunder to the Alternate Payee. If a QDRO does not provide the form of distribution of benefits payable to an Alternate Payee, the Alternate Payee shall have the right to elect distribution in any form provided under this Section. Pursuant to the QDRO or the Alternate Payee's election, ~~the Alternate Payee's interest may be distributed in cash in a lump sum payment or in equal monthly, quarterly or annual installments not extending over more than fifteen years.~~ the Alternate Payee's interest may be distributed in any form of payment available to the Participant; provided, however, that such payment shall be made in accordance with Code Section 401(a)(9) and applicable Treasury Regulations promulgated thereunder.

...

**SECTION 7.** Section 5.26.260 (Distributions on Retirement or Disability) is

hereby amended to read as follows:

**5.26.260 Distributions on Retirement or Disability.**

...

C. Participants whose distributions under this Plan have already begun or who submitted an application to begin distributions may thereafter elect to change their previously irrevocable payment elections; ~~no more frequently than once in any Plan Year, which~~ any such election shall be deemed to be made at the time that the benefit election becomes effective. The election shall be made on a form approved by the Administrative Committee and shall be subject to minimum distribution requirements of Code Section 401(a)(9) and the regulations thereunder. This subsection C shall apply to Beneficiaries who are receiving distributions under the Plan pursuant to Section 5.26.270. This subsection C shall not apply to Participants and Beneficiaries whose benefits under the Plan are provided through an annuity purchased from an insurance carrier.

...

**SECTION 8.** Section 5.26.290 (Code Section 401(a)(9) Minimum Distribution Requirements) is hereby amended to read as follows:

**5.26.290 Code Section 401(a)(9) Minimum Distribution Requirements.**

A. Prior Plan Provision. With respect to distributions under the Plan made for calendar years beginning prior to January 1, 2003, the following provisions will apply. These prior Plan provisions are preserved in accordance with Revenue Procedure 2002-29.

...

3. Upon the death of a Participant, the following distribution provisions will apply to limit the Beneficiary's ability to delay distributions.

a. If the Participant dies after distribution of his benefit has begun, the remaining portion of his benefit will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

b. If the Participant dies before distribution of his benefit has begun, his entire benefit will be distributed no later than five years after his death, unless an individual who is a designated Beneficiary elects to receive distributions in substantially equal installments over the Beneficiary's life or over a period not extending beyond the life expectancy of the Beneficiary (and, if the Beneficiary is not the Participant's spouse, ~~not extending beyond 15 years~~ in accordance with the distribution options available under Sections 5.26.260 and 5.26.270) beginning no later than December 31 of the calendar year following the calendar year in which the Participant died. If the designated Beneficiary is the Participant's surviving spouse, the date distributions are

required to begin is the later of December 31 of the calendar year following the calendar year in which the Participant died or December 31 of the calendar year in which such Participant would have attained age 70-1/2. If the spouse dies before such payments begin, subsequent distributions will be made as if the spouse had been the Participant.

...

B. Generally. The provisions of Section 5.26.290B-G will apply for the purposes of determining required minimum distributions for Distribution Calendar Years beginning January 1, 2003. The requirements of Section 5.26.290B-G will take precedence over any inconsistent provisions of the Plan. Notwithstanding any provision of the Plan to the contrary, all distributions required under Sections 5.26.260 and 5.26.270 of this Plan will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code. The only permissible distribution options under this Plan are a lump sum distribution; equal monthly, quarterly or annual installments ~~not extending over more than 15 years~~; consecutive periodic payments for the life of the Participant or for the lives of the Participant and his or her spouse to the extent permitted in Section 5.26.260; or minimum monthly distributions calculated in accordance with the rules provided in Section 5.26.290B-G.

...

**SECTION 9.** Section 5.36.080 (Contributions to Indemnity Dental Insurance

Coverage) is hereby amended to read as follows:

**5.36.080 Contributions to Indemnity Dental Insurance Coverage.**

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**Table C**

**Monthly Employer Contribution Rates Applicable to Participants in the Pensionable or Nonpensionable Flexible Benefit Plans Established Under Chapters 5.27 and 5.28, Respectively.**

<b>Coverage</b>	<b>Effective 1-1-12</b>	<b>Effective 1-1-13</b>
Employee only	\$21.11	\$21.11
Employee plus child(ren)	\$47.84	\$47.84
Employee plus adult dependent	\$40.53	\$40.53
<u>Employee plus family</u>	<u>\$61.32</u>	<u>\$61.32</u>

...

**SECTION 10.** Section 5.52.180 (Reimbursement Conditions and Procedures) is hereby amended to read as follows:

**5.52.180 Reimbursement Conditions and Procedure.**

...

C. Except as provided for above, ~~refund~~reimbursement will not be made for books, supplies or other incidental costs. ~~Refund~~Reimbursement will not be made for student activity fees and other special student assessments except at state schools where such charges are mandatory and no other tuition is charged. As a condition of

reimbursement and as part of his reimbursement application, an employee must enter into a written agreement with the county that, if the employee terminates his employment with the county or public entity within one year of the date of the completion of the course for which he has been reimbursed, he shall return the amount a pro rata portion of such reimbursement to the County or public entity by which he was employed; This amount may be collected by deduction from the employee's last salary warrant. such portion shall be returned to the County or other public entity through a deduction from the employee's last salary warrant and/or may be collected in accordance with County collection procedures, in either case as and to the extent permitted by applicable state and federal laws. For example, if the employee has been reimbursed for a course in the amount of \$600, and the employee terminates his employment at the end of the ninth month following the date of completion of the course, then, under this subsection C., the employee must return \$150, which amount represents the remaining three-month pro rata portion. In accordance with this subsection C., the \$150 may be deducted from his final salary warrant and/or in accordance with county collection procedures (as and to the extent permitted by applicable law).

**SECTION 11.** Section 6.08.160 (Step Placement – Recurrent Employees) is hereby amended to read as follows:

**6.08.160 Step Placement – Recurrent Employees.**

...

F. Any eligible person holding a recurrent position compensated at or below the minimum salary schedules indicated in Section ~~6.10.04~~6.08.010, subsection C shall be advanced to the second step of the salary range after six months of continuous service and upon completion of 800 hours of active service. Step advances thereafter shall be as otherwise provided.

...

**SECTION 12.** Section 6.09.060 (Paid Leaves of Absence) is hereby amended to read as follows:

**6.09.060 Paid Leaves of Absence.**

A. Accumulation of Paid Leave Benefits. All accrued benefits provided in Chapters 5.27, 5.28, 6.18, and 6.20 of Titles 5 and 6 of the Los Angeles County Code shall be ~~accumulated and~~ made available for use by the employee in Full-Day increments except to the extent provided in Chapters 5.27 and 5.28. The number of Full-Day vacation, annual leave, or full-pay sick leave increments used by an employee shall be determined by applying the number of vacation, full-pay sick leave or annual leave hours accrued pursuant to Chapters 5.27, 5.28, 6.18 or 6.20 to the employee's regular Work Schedule during the period of vacation, sick leave or annual leave.

B. Use of Paid Leave Benefits. An employee may use paid leave as follows:

1. Vacation. The accrued vacation benefit provided in Chapter 6.18 of Title 6 of the Los Angeles County Code shall be reduced by one Full Day for each Full Day of vacation taken by a Salaried Employee eligible for such benefit.

...

7. Notwithstanding the general rule that an employee must use Nonelective Leave and Elective Annual Leave only in Full Day increments (as provided in Sections 6.09.060.B.4. and 5., respectively (the "Full Day Utilization Requirement"), if a Salaried employee: (a) has less than a Full Day of Nonelective Leave available for use; (b) has otherwise exhausted all other previously banked and available time off (including, but not limited to, banked Nonelective Annual Leave, compensatory time off, vacation, holiday time, and sick leave (if sick), as required under the order of use rules set forth in Sections 5.27.350.B. and 5.28.350.B.; and (c) wishes to take a day off, that employee may use up the partial day of available Nonelective Leave and use Elective Annual Leave hours to complete the Full Day Utilization Requirement. In accordance with the order of use rules in Sections 5.27.350.B. and 5.28.350.B., as applicable, an employee may use Elective Annual Leave to fulfill the Full Day Utilization Requirement only if he or she has first exhausted all accessible, current Nonelective Annual Leave hours and all previously banked and available Nonelective Annual Leave, compensatory time off, vacation, holiday time, and sick leave, if sick (pursuant to Sections 6.09.030, 6.09.040, and 6.09.050 for salaried employees).

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**SECTION 13.** Section 6.12.040 (Holidays Defined) is hereby amended to read

as follows:

**6.12.040 Holidays Defined.**

A. Holidays are defined as follows:

New Year's Day	January 1
Martin Luther King Jr.'s Birthday	The third Monday in January
Presidents' Day	The third Monday in February
<u>Cesar Chavez Day</u>	<u>The last Monday in March</u>
Memorial Day	The last Monday in May
Independence Day	July 4
Labor Day	The first Monday in September
Indigenous Peoples Day	The second Monday in October
Veterans Day	November 11
Thanksgiving Day	The fourth Thursday in November
Friday after Thanksgiving	The fourth Friday in November
Christmas	December 25

B. If January 1st, July 4th, November 11th, or December 25th falls upon a Saturday, the preceding Friday is a holiday. If January 1st, July 4th, November 11th, or December 25th falls upon a Sunday, the following Monday is a holiday.

~~C. Beginning January 1, 2017, the last Monday in March is designated as a holiday for Cesar Chavez Day.~~

**SECTION 14.** Section 6.20.060 (Continuous Absence Due to Illness or Injury) is hereby amended to read as follows:

**6.20.060 Continuous Absence Due to Illness or Injury.**

A. Effective October 26, 1979, a person on a continuous absence because of sickness or injury which leave begins in one calendar year and extends into the next calendar year, and who is receiving compensation for part-pay sick leave to which he is entitled for the prior calendar year, shall continue to receive compensation for any remaining such part-pay sick leave in the next calendar year until such part-pay sick leave has been exhausted. Such person shall not be allowed additional part-pay sick leave until after returning to work.

...

**SECTION 15.** Pursuant to Government Code section 25123(f), this ordinance shall take effect immediately upon final passage, except for Section 2, which shall be construed and applied as if it was effective and operative on and after September 11, 2018.

[519100MRCEO]