

June 4, 2002

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

Dear Supervisors:

**RETIREMENT CHANGES
(3 - VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the attached resolution modifying the retirement changes approved by your Board on March 12, 2002 and March 26, 2002 to make such changes effective immediately (Attachment A).
2. Approve the attached agreement with the Los Angeles County Employees Retirement Association (LACERA) amending the 1994 Retirement System Funding Agreement between the County and LACERA to effectuate the changes in LACERA funding policy set forth in the amending agreement, and instruct the Chairman to sign the amending agreement (Attachment B).
3. Approve Amendment No. 1 to the Fringe Benefit Memorandum of Understanding with SEIU, Local 660, AFL-CIO implementing changes in employee retirement contribution rates (Attachment C).
4. Approve Amendment No. 2 to the Fringe Benefit Memorandum of Understanding with the Coalition of County Unions, AFL-CIO implementing changes in employee retirement contribution rates (Attachment D).
5. Approve the attached resolution implementing changes in employee retirement contribution rates for represented and non-represented employees effective July 1, 2002 (Attachment E).

6. Instruct the Auditor-Controller to make the systems changes necessary to implement these recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these recommendations is twofold. First, the recommendations would implement negotiated changes in County retirement benefits that have been pending since agreement was reached at the fringe benefit tables in October, 2000. Although the fringe benefit memoranda of understanding (MOUs) provide for these changes to be contingent on certain changes in LACERA funding policy that have not occurred, LACERA recently approved alternative, but favorable changes in funding policy contingent on the County moving forward with the implementation of the negotiated fringe benefit changes as recommended herein. We believe the revised LACERA funding policy is beneficial for the County and more than adequate justification to move forward with the proposed benefit enhancements.

Second, these recommendations would amend the 1994 Retirement System Funding Agreement to provide for the aforementioned changes in LACERA funding policy and the implementation of the negotiated benefit improvements. The revised funding policy would reduce future volatility in County retirement costs and reduce actual County expenditures over the next eight years while keeping the funding of the retirement system actuarially sound. The LACERA Board of Investments and Board of Retirement unanimously concurred, on May 13, 2002, that the changes recommended herein are prudent and actuarially sound.

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.

FISCAL IMPACT/FINANCING

The costs of the proposed retirement changes are within the parameters established by your Board.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 12, 2000, your Board approved fringe benefit MOUs with the Coalition of County Unions, AFL-CIO and SEIU, Local 660, AFL-CIO providing for certain changes in County retirement benefits requiring statutory authorization, and reductions in employee contributions under the retirement plan known as Safety Plan B. The changes requiring statutory authorization are now permitted under legislation jointly supported by the County and the unions and signed into law last year (AB 399), and the reductions in Safety Plan B

employee contributions are permitted under pre-existing statutory authority. All of these changes were contingent, however, on LACERA agreement to fund the cost of these and other potential retirement liabilities from retirement system surplus funding. To date, there has been no such agreement on the part of LACERA and none is expected. This situation has been affected by LACERA concerns regarding the requested funding commitment and the fact LACERA investment losses over the past 18 months have eliminated all surplus.

On March 12, 2002, your Board amended its December 12, 2000 approval to provide for the implementation of most of the AB 399 changes and the reduction in Safety Plan B employee contributions contingent not on the use of LACERA surplus, but on LACERA action to approve a retirement funding arrangement known as "corridor funding." The corridor funding approach represents an alternative to the use of LACERA surplus that would provide certain relief from overly aggressive funding provisions set forth in the 1994 Retirement System Funding Agreement. The 1994 provisions provide, among other things, for County payment of any shortfall below a 100 percent funded status over a period of five years. This five year requirement is both unnecessary and overly burdensome for the County given the size of the retirement program and the effects that short-term fluctuations in investment return can have on the system's funding status.

Subsequent to March 12, 2002, based on further review by LACERA counsel, LACERA determined that corridor funding would require additional legislation. In reaction to this circumstance and the County's desire to move forward with the implementation of the AB 399 changes if suitable funding arrangements could be developed, the LACERA Board of Investments instructed LACERA staff to meet with County staff to determine if alternative arrangements could be fashioned. The recommendations contained herein are the result of that collaborative effort.

On May 13, 2002, the LACERA Board of Investments and Board of Retirement unanimously approved the following based on the recommendations of LACERA's Chief Executive Officer and the County Chief Administrative Officer:

- A resolution authorizing 1) a 30 year rolling amortization period for any actuarial unfunded liability that may develop between now and the expiration of the 1994 Retirement System Funding Agreement (July 1, 2010), and 2) the inclusion in LACERA valuation assets funds in the STAR COLA Reserve not otherwise needed to pay for STAR benefits.
- An amendment to the 1994 Retirement System Funding Agreement providing for the aforementioned 30 year amortization period and the treatment of STAR COLA funds. The amendment also provides for the County to implement the AB 399 changes and the reductions in Safety Plan B employee retirement contributions, as otherwise approved by your Board on March 12, 2002, as a condition of the agreement.

The recommended adjustments in employee retirement contribution rates reflect the impact of the AB 399 changes and reductions in Safety Plan B employee retirement contributions as well as the impact of the latest LACERA triennial actuarial valuation dated June 30, 2001. The LACERA actuarial valuation has been approved by the Board of Investments and is currently before your Board for adoption as a separate item.

The impact of the adjustments in employee retirement contribution rates has been negotiated with the Coalition of County Unions and SEIU, Local 660. The specific rates by employee age at entry into County service are detailed in the accompanying amendments to the fringe benefit MOUs and the related resolution.

The accompanying resolutions and MOU amendments 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,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SRH
WL:lg

Attachments (5)

c: County Counsel
Auditor-Controller
Director of Personnel
LACERA
Coalition of County Unions, AFL-CIO
SEIU, Local 660, AFL-CIO

ATTACHMENT A

RESOLUTION MODIFYING RETIREMENT CHANGES

APPROVED ON MARCH 12, 2002 AND MARCH 26, 2002

**JUNE 4, 2002 RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA REGARDING
COUNTY EMPLOYEE RETIREMENT BENEFITS**

WHEREAS, on May 15, 2001, the Board of Supervisors approved a resolution (hereinafter referred to as the "May 15, 2001 Resolution") providing for the payment of a designated portion of employee retirement contributions for members of the retirement plan commonly known as Safety Plan B contingent on action by the Los Angeles County Employees Retirement Association (LACERA) to fund the cost of this change from LACERA surplus funding; and

WHEREAS, LACERA rejected the County's request to authorize the use of LACERA surplus in connection with the May 15, 2001 Resolution; and

WHEREAS, on March 26, 2002, the Board of Supervisors approved a resolution (hereinafter referred to as the March 26, 2002 Resolution) which 1) amended the May 15, 2001 Resolution by making implementation of the reductions in Safety Plan B employee contributions contingent on LACERA action to implement a corridor funding policy rather than use LACERA surplus, and 2) authorized the implementation of certain additional County retirement benefit improvements set forth in the March 26, 2002 Resolution contingent, as well, on LACERA action to implement a corridor funding policy; and

WHEREAS, there has been no action by LACERA to implement a corridor funding policy due to concerns such policy would require authorizing legislation; and

WHEREAS, the Board of Supervisors desires to implement the benefits set forth in the May 15, 2001 Resolution and the March 26, 2002 Resolution contingent on LACERA action to make alternative changes in funding policy that would mitigate future volatility in County retirement costs attributable to LACERA investment experience and improve the County's ability to meet its future retirement obligations. Specifically, the County, through its Chief Administrative Officer, has proposed to LACERA that such alternative changes include an amendment to the 1994 Retirement System Funding Agreement ("1994 Funding Agreement") between the County and LACERA that would 1) change from 5 years to 30 years the length of the amortization period for the payment of unfunded actuarial liabilities, and 2) include in valuation assets STAR COLA Reserve funds not otherwise required to pay for STAR COLA benefits during the remaining term of the 1994 Funding Agreement; and

WHEREAS, on May 13, 2002, LACERA, in a joint meeting of the Board of Investments and the Board of Retirement, approved the alternative funding changes proposed by the County and approved an amendment to the 1994 Funding Agreement providing for such changes through July 1, 2010 when the Agreement terminates.

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

1. The March 26, 2002 Resolution is hereby amended by deleting paragraph 3 of that resolution; and

2. The retirement benefit improvements set forth in the May 15, 2001 Resolution and the March 26, 2002 Resolution shall become operative.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles at its regular meeting on the _____ day of June, 2002.

VIOLET VARONA-LUKENS, Executive
Officer of the Board of Supervisors
Of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
Deputy

ATTACHMENT B

AMENDMENT TO FUNDING AGREEMENT

RETIREMENT BENEFITS ENHANCEMENT AGREEMENT

This Retirement Benefits Enhancement Agreement ("Agreement") is entered into as of June ____, 2002 by and between the Los Angeles County Employees Retirement Association (LACERA) and the County of Los Angeles ("the County").

WHEREAS, the County desires to implement enhanced retirement benefits for the active and retired members of LACERA; and

WHEREAS, the County has requested that the Retirement System Funding Agreement, entered into between LACERA and the County on August 9, 1994, ("1994 Funding Agreement") be amended in certain respects to provide for the orderly funding of the aforementioned retirement enhancements and to dampen unexpected volatility in the County's pension payments to LACERA resulting from the requirement under the 1994 Funding Agreement to amortize any Unfunded Actuarial Accrued Liability (UAAL) over a rolling 5-year period; and

WHEREAS, LACERA's Board of Investments has, after consulting with LACERA's actuary, determined that the requested amendments to the 1994 Funding Agreement (1) will not impair the soundness of the Retirement Fund and are in keeping with acceptable actuarial practices, (2) are reasonable accommodations to account for changed conditions, (3) would advance the ability of the County to meet its pension obligations, and (4) would not reduce the ability of LACERA to pay member benefits. The Board of Investments has documented its findings in a Resolution dated May 13, 2002, which resolution is incorporated herein by this reference;

NOW, THEREFORE, in consideration of the foregoing and the terms, covenants and conditions herein contained, LACERA and the County agree as follows:

1. **Definitions**

Capitalized terms that are not defined in the recitals to the Agreement are used as defined as follows:

"Actuarial Accrued Liability" means the portion of the present value of projected retirement benefits which is not provided for by future Normal Costs, as determined by LACERA's actuary

"Funded Ratio" means the ratio of the Valuation Reserves to the Actuarial Accrued Liability

"Normal Cost" means the portion of the present value of projected retirement benefits allocated to a valuation year by the actuarial funding method adopted by LACERA

"Plan A" means the plan available to employees who became general members of the System prior to September 1, 1977

"Plan B" means the plan available to employees who became general members of the System between September 1, 1977 and September 30, 1978

"Plan C" means the plan available to employees who became general members of the System between October 1, 1978 and May 31, 1979

"Plan D" means the plan available to employees who became general members of the System on or after June 1, 1979 and who are not members of Plan E

"Plan E" means the plan available to 1) employees hired on or after January 4, 1982 who became general members of the System subsequent to that date and who have not elected membership in Plan D, and 2) other general members of the System who elected to transfer to Plan E during an approved transfer period

"Safety Plan A" means the plan available to employees who became safety members of the System prior to September 1, 1977

"Safety Plan B" means the plan available to employees who became safety members of the system on or after September 1, 1977

2. Enhanced Retirement Benefits

(a) The County shall implement enhanced retirement benefits as follows:

- (1) Pursuant to Government Code Section 31462.3 and the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A, one year "final compensation" shall be implemented for Plans B, C, and D and Safety Plan B for persons employed by the County on or after October 1, 2000 who retire on or after July 1, 2001; and

- (2) Pursuant to Government Code Sections 31491.3 and 31495.5 and the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A, Plan E shall be amended by adding a cost-of-living provision, changing the way Plan E benefits are coordinated with Social Security benefits, and making other technical changes to Plan E as provided in said sections, effective on the operative date of the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A; and
- (3) Pursuant to Government Code Sections 31492.1, 31760.12, 31765.2, 31781.12, and 31785.4 and the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A, the "unmodified" survivor benefits provided under Plans A, B, C, D, and E and Safety Plan A and Safety Plan B shall be increased by five percentage points on behalf of employees who are in active County service on or after the operative date of the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A; and
- (4) Pursuant to Government Code Section 31494.2, and 31494.5 and the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A, employees in Plan D shall be permitted to transfer to Plan E on a prospective basis, and employees in Plan E shall be permitted to transfer to Plan D on either a prospective basis or, at the employee's election, a partially or fully retrospective basis subject to the terms and conditions set forth in said sections. Such transfer arrangements shall become operational within such time period as determined by LACERA, but not prior to the operative date of the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A; and
- (5) The current \$750 post-retirement lump sum death benefit payable on behalf of retirees in Plans A, B, C, and D and Safety Plan A and Safety Plan B shall be increased to \$5,000 and a \$5,000 post-retirement lump sum death benefit shall be established on behalf of retirees in Plan E; provided, however, that the increased benefit in the case of Plans A, B, C, and D and Safety Plan A and Safety Plan B and the new benefit in the case of Plan

E, shall be payable only where the death of the retiree occurs on or after the operative date of the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A; and

(6) Pursuant to Government Code Section 31581.1 and the RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA REGARDING RETIREMENT SYSTEM CONTRIBUTIONS approved by the Board of Supervisors on May 15, 2001, as amended by the March 26, 2002 Resolution of the Board of Supervisors, as amended by a further resolution in the form set forth in Attachment A, the County shall pay a designated portion of the employee contributions for employees in Safety Plan B in accordance with the provisions set forth in said resolutions; and

(b) The County shall begin paying LACERA the additional County Normal Costs necessitated by paragraphs (1), (2), (3), and (4) of subsection (a) of this Section 2 beginning with the contributions attributable to the first month the benefits provided for in those subsections take effect, or the first month following the date LACERA identifies the costs and gives notice to the County, whichever occurs later. Such costs shall include any increase or decrease in County contributions due to changes in covered Plan D and Plan E payroll that may result from employee transfers between Plan D and Plan E as provided for in subsection (a)(4). However, with regard to any actuarial adjustment in Normal Cost contribution rates or Actuarial Accrued Liability for Plan D or Plan E that may ultimately be necessary due to demographic changes caused by employee transfers between these plans, LACERA shall make no such adjustment and the County shall not be obligated to pay any additional costs based on any such adjustment until such time as LACERA has had an opportunity to base the adjustment on an actuarial evaluation of actual transfer experience between the two plans. It is the intent of the parties that, to the extent feasible, any change in Normal Cost contribution rates or Actuarial Accrued Liability attributable to transfers between Plans D and E shall be based on actual transfer experience rather than assumed transfer experience.

The County shall pay LACERA the amounts required under subsection (a)(6) as the reduced employee contributions take effect pursuant to the Resolution of the Board of Supervisors.

3. Development and Implementation of a Replacement Benefits Program

The County shall take such action as is reasonably necessary to implement a program developed by LACERA and approved by the County to replace retirement benefits that are limited by Section 415 of the Internal Revenue Code for members whose retirement benefits are limited by Section 415. The replacement benefits program shall be administered by LACERA and shall provide benefits that are similar to the benefits that would be paid by the retirement system but for the application of the limits of Section 415. The County shall cause the replacement benefits program to be implemented as early as is reasonably practical.

4. Amendments to the 1994 Retirement System Funding Agreement

The Retirement System Funding Agreement entered into as of August 9, 1994 by and between LACERA and the County is amended as follows:

- (a) Section 1, entitled "Definitions," is amended by adding the following:
- (b) Section 9, entitled "Treatment of UAAL Following Completion of the June 30, 1999 Actuarial Valuation and Subsequent Actuarial Valuations through June 30, 2008," is amended as follows:

- (1) Subsection (b) is amended to read:

"(b) Commencing with the Interim Actuarial Valuation as of June 30, 1999, and in each annual Actuarial Valuation conducted thereafter to and including the valuation as of June 30, 2001, LACERA's actuary shall determine the UAAL remaining after accounting for the UAAL contributions required by subsection 8(b) and 9(a). The County shall, commencing July 1 of the immediately succeeding Fiscal Year, make annual contributions to LACERA as determined by LACERA's actuary to discharge said UAAL over a rolling five year amortization schedule."

- (2) Subsection (c) is added to read:

"(c) Commencing with the Interim Actuarial Valuation as of June 30, 2002, and in each annual Actuarial Valuation conducted thereafter to and including the valuation as of June 30, 2008,

LACERA's actuary shall determine if there is any UAAL remaining after accounting for the UAAL contributions required by subsections 8(b), 9(a), and 9(b), or if there is a Funding Surplus. In making this determination, funds in the reserve for contingencies in excess of 1% of the total actuarial value of assets of the retirement system shall be included in valuation assets; provided, however, the Board of Investments may apply such funds for any purpose permitted by law. If there is any such UAAL, the County shall, commencing July 1 of the immediately succeeding Fiscal Year, make annual contributions to LACERA as determined by LACERA's actuary to discharge said UAAL over a rolling thirty (30) year amortization schedule. If there is a Funding Surplus, LACERA shall reduce future County Normal Costs during the term of this Funding Agreement by crediting such Funding Surplus over a rolling thirty (30) year amortization schedule."

(c) Section 9.5 is added as follows:

"9. Including a Portion of STAR Cola Reserves in Valuation Assets

(a) Commencing with the annual actuarial valuation as of June 30, 2002, and in subsequent annual valuations through and including the valuation as of June 30, 2008, LACERA's actuary shall include in valuation assets funds in the STAR Cola Reserve in excess of the amount expected to be used between the valuation date and July 1, 2009, but only if the Funding Ratio is less than 100% without the inclusion of such funds, and then only for the amount needed to reach a 100% Funding Ratio. Commencing with the valuation as of June 30, 2009, funds in the STAR Cola Reserve will no longer be treated as a valuation asset.

(b) STAR Cola Reserve funds included in valuation reserves pursuant to subsection (a) of this Section 9.5 shall remain under LACERA's control and may be used by LACERA to pay STAR Cola benefits in the future."

5. Indemnification of LACERA

The County agrees to indemnify, save, and hold harmless LACERA, its Board Members, officers, and employees from and against any and all liabilities, losses, suits, costs, charges, judgments, expenses, and attorneys' fees (at both the trial and appellate levels), and claims for damages of any nature whatsoever, that

arise from, are connected with, or relate to this Retirement Benefits Enhancement Agreement.

6. Amendments

No amendment or waiver of any provision of this Agreement nor consent to any departure herefrom shall in any event be effective unless the same shall be in writing and signed by the County and LACERA, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Assignment

This Agreement shall be binding on and inure to the benefit of the County and LACERA and their respective successors; provided that none of the rights and obligations of either party under this Agreement may be assigned.

9. Headings

Section headings in this Agreement are included only for convenience of reference and shall not constitute a part of this Agreement for any other purpose.

10. Term

This Agreement shall expire on July 1, 2010. Commencing with the valuation as of June 30, 2009, the funding policy shall be determined by the Board of Investments as it shall deem appropriate.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month and year first above written.

COUNTY OF LOS ANGELES

By: _____
Zev Yaroslavsky, Chair
Board of Supervisors

ATTEST:

Violet Varona-Lukens
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:
LLOYD W. PELLMAN

By _____
Raymond G. Fortner
Chief Deputy County Counsel

LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

By _____
Les Robbins
Chair, Board of Retirement

By _____
Sandra Jones Anderson
Chair, Board of Investments

APPROVED AS TO FORM:

By _____
David L. Muir
Chief Counsel

ATTACHMENT A

JUNE 4, 2002 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA REGARDING COUNTY EMPLOYEE RETIREMENT BENEFITS

WHEREAS, on May 15, 2001, the Board of Supervisors approved a resolution (hereinafter referred to as the "May 15, 2001 Resolution") providing for the payment of a designated portion of employee retirement contributions for members of the retirement plan commonly known as Safety Plan B contingent on action by the Los Angeles County Employees Retirement Association (LACERA) to fund the cost of this change from LACERA surplus funding; and

WHEREAS, LACERA rejected the County's request to authorize the use of LACERA surplus in connection with the May 15, 2001 Resolution; and

WHEREAS, on March 26, 2002, the Board of Supervisors approved a resolution (hereinafter referred to as the March 26, 2002 Resolution) which 1) amended the May 15, 2001 Resolution by making implementation of the reductions in Safety Plan B employee contributions contingent on LACERA action to implement a corridor funding policy rather than use LACERA surplus, and 2) authorized the implementation of certain additional County retirement benefit improvements set forth in the March 26, 2002 Resolution contingent, as well, on LACERA action to implement a corridor funding policy; and

WHEREAS, there has been no action by LACERA to implement a corridor funding policy due to concerns such policy would require authorizing legislation; and

WHEREAS, the Board of Supervisors desires to implement the benefits set forth in the May 15, 2001 Resolution and the March 26, 2002 Resolution contingent on LACERA action to make alternative changes in funding policy that would mitigate future volatility in County retirement costs attributable to LACERA investment experience and improve the County's ability to meet its future retirement obligations. Specifically, the County, through its Chief Administrative Officer, has proposed to LACERA that such alternative changes include an amendment to the 1994 Retirement System Funding Agreement ("1994 Funding Agreement") between the County and LACERA that would 1) change from 5 years to 30 years the length of the amortization period for the payment of unfunded actuarial liabilities, and 2) include in valuation assets STAR COLA Reserve funds not otherwise required to pay for STAR COLA benefits during the remaining term of the 1994 Funding Agreement; and

WHEREAS, on May 13, 2002, LACERA, in a joint meeting of the Board of Investments and the Board of Retirement, approved the alternative funding changes proposed by the County and approved an amendment to the 1994 Funding Agreement providing for such changes through July 1, 2010 when the Agreement terminates.

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

1. The March 26, 2002 Resolution is hereby amended by deleting paragraph 3 of that resolution; and

2. The retirement benefit improvements set forth in the May 15, 2001 Resolution and the March 26, 2002 Resolution shall become operative.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles at its regular meeting on the _____ day of June, 2002.

VIOLET VARONA-LUKENS, Executive
Officer of the Board of Supervisors
Of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
Deputy

ATTACHMENT C

AMENDMENT NO. 1 TO FRINGE BENEFIT

MEMORANDUM OF UNDERSTANDING WITH LOCAL 660

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

THIS AMENDMENT NO. 1 TO MEMORANDUM OF UNDERSTANDING, made and entered into this 22nd day of May, 2002,

BY AND BETWEEN

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

AND

LOCAL 660, LOS ANGELES COUNTY EMPLOYEES ASSOCIATION, SEIU, AFL-CIO (hereinafter referred to as "LACEA, LOCAL 660, SEIU")

WHEREAS, on the 1st day of December, 2000, 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. 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 was 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 representatives to execute this Amendment No. 1 to the Memorandum of Understanding the day, month and year first above written.

LOS ANGELES COUNTY
EMPLOYEES ASSOCIATION,
LOCAL 660, SEIU, AFL-CIO

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

BY _____
General Manager, LACEA
Local 660, SEIU, AFL-CIO

Chief Administrative Officer

TO BE JOINTLY SUBMITTED TO COUNTY'S BOARD OF SUPERVISORS

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, 2002, 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 June 30, 2001, Actuarial Valuation dated March 19, 2002, by Milliman USA, were implemented, and

- b. 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 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, 2001, 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 noncontributory plan (hereinafter 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 Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

PLAN A FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	3.74%
17	3.80%
18	3.85%
19	3.91%
20	3.94%
21	4.00%
22	4.05%
23	4.10%
24	4.18%
25	4.22%
26	4.31%
27	4.39%
28	4.50%
29	4.57%
30	4.66%
31	4.78%
32	4.86%
33	4.99%
34	5.10%
35	5.25%
36	5.41%
37	5.55%
38	5.72%
39	5.88%
40	6.04%
41	6.22%
42	6.42%
43	6.61%
44	6.79%
45	6.99%
46	7.18%
47	7.35%
48	7.55%
49	7.67%
50	7.74%
51	7.80%
52	7.80%
53	7.80%
54	7.80%
55 and above	7.80%

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 Retirement Association between September 1, 1977 and September 30, 1978 (hereinafter referred to as Plan B for General Members):

PLAN B FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.89%
17	6.00%
18	6.11%
19	6.22%
20	6.33%
21	6.45%
22	6.57%
23	6.69%
24	6.82%
25	6.94%
26	7.07%
27	7.19%
28	7.33%
29	7.46%
30	7.60%
31	7.74%
32	7.89%
33	8.02%
34	8.18%
35	8.33%
36	8.48%
37	8.64%
38	8.81%
39	8.98%
40	9.15%
41	9.34%
42	9.51%
43	9.69%
44	9.87%
45	10.05%
46	10.22%
47	10.38%
48	10.54%
49	10.67%
50	10.78%
51	10.85%
52	10.86%
53	10.86%
54	10.86%
55 and above	10.86%

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 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.

PLAN C FOR GENERAL MEMBERS
Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.09%
17	5.19%
18	5.29%
19	5.39%
20	5.48%
21	5.60%
22	5.69%
23	5.80%
24	5.92%
25	6.01%
26	6.13%
27	6.25%
28	6.36%
29	6.47%
30	6.59%
31	6.72%
32	6.84%
33	6.96%
34	7.09%
35	7.22%
36	7.36%
37	7.49%
38	7.63%
39	7.76%
40	7.91%
41	8.06%
42	8.21%
43	8.37%
44	8.53%
45	8.70%
46	8.86%
47	9.03%
48	9.21%
49	9.38%
50	9.55%
51	9.71%
52	9.87%
53	10.02%
54	10.14%
55	10.24%
56	10.30%
57	10.32%
58	10.32%
59	10.32%
60 and above	10.32%

PLAN D FOR GENERAL MEMBERS

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.01%
17	5.11%
18	5.20%
19	5.30%
20	5.40%
21	5.51%
22	5.60%
23	5.71%
24	5.82%
25	5.92%
26	6.03%
27	6.15%
28	6.26%
29	6.37%
30	6.49%
31	6.61%
32	6.73%
33	6.85%
34	6.97%
35	7.11%
36	7.24%
37	7.37%
38	7.51%
39	7.64%
40	7.79%
41	7.93%
42	8.08%
43	8.23%
44	8.39%
45	8.56%
46	8.72%
47	8.89%
48	9.06%
49	9.23%
50	9.40%
51	9.56%
52	9.71%
53	9.86%
54	9.98%
55	10.08%
56	10.14%
57	10.15%
58	10.15%
59	10.15%
60 and above	10.15%

ATTACHMENT D

**AMENDMENT NO. 2 TO FRINGE BENEFIT MEMORANDUM
OF UNDERSTANDING WITH COALITION OF COUNTY UNIONS**

AMENDMENT NO. 2
MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION
TO THE BOARD OF SUPERVISORS
REGARDING
FRINGE BENEFITS

THIS AMENDMENT NO. 2 TO MEMORANDUM OF UNDERSTANDING, made and entered into this 22nd day of May, 2002,

BY AND BETWEEN
County of Los Angeles (hereinafter

Authorized Management Representatives
(hereafter referred to as "Management") of b
referred to as "County")

AND

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

WHEREAS, on the 29th day of November, 2000, 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. 2 to said Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the County's Board of Supervisors and this Amendment No. 2 will be effective when and if approved and implemented by said Board of Supervisors, in the same manner as provided in Article 2, which was 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 representatives to execute this Amendment No. 2 to the Memorandum of Understanding the day, month and year first above written.

COALITION OF COUNTY UNIONS,
AFL-CIO

By _____

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

By _____
Chief Administrative Officer

TO BE JOINTLY SUBMITTED TO COUNTY'S BOARD OF SUPERVISORS

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, 2002, 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 June 30, 2001, Actuarial Valuation dated March 19, 2002, by Milliman USA, were implemented, and
- b. 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 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, 2001, 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 noncontributory plan (hereinafter 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 Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBER CONTRIBUTION RATES
Retirement Plan A

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	3.74%
17	3.80%
18	3.85%
19	3.91%
20	3.94%
21	4.00%
22	4.05%
23	4.10%
24	4.18%
25	4.22%
26	4.31%
27	4.39%
28	4.50%
29	4.57%
30	4.66%
31	4.78%
32	4.86%
33	4.99%
34	5.10%
35	5.25%
36	5.41%
37	5.55%
38	5.72%
39	5.88%
40	6.04%
41	6.22%
42	6.42%
43	6.61%
44	6.79%
45	6.99%
46	7.18%
47	7.35%
48	7.55%
49	7.67%

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
50	7.74%
51	7.80%
52	7.80%
53	7.80%
54	7.80%
55 and above	7.80%

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 Retirement Association between September 1, 1977 and September 30, 1978 (hereinafter referred to as Plan B for General Members):

GENERAL MEMBER CONTRIBUTION RATES
Retirement Plan B

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.89%
17	6.00%
18	6.11%
19	6.22%
20	6.33%
21	6.45%
22	6.57%
23	6.69%
24	6.82%
25	6.94%
26	7.07%
27	7.19%
28	7.33%
29	7.46%
30	7.60%
31	7.74%
32	7.89%
33	8.02%
34	8.18%
38	8.33%
36	8.48%
37	8.64%
38	8.81%
39	8.98%
40	9.15%
41	9.34%
42	9.51%
43	9.69%
44	9.87%
45	10.05%
46	10.22%
47	10.38%
48	10.54%
49	10.67%

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
50	10.78%
51	10.85%
52	10.86%
53	10.86%
54	10.86%
55 and above	10.86%

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 Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for Safety Members):

SAFETY MEMBER CONTRIBUTION RATES
Retirement Plan A

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.90%
19	6.94%
20	6.97%
21	7.01%
22	7.16%
23	7.30%
24	7.43%
25	7.61%
26	7.75%
27	7.89%
28	8.08%
29	8.25%
30	8.43%
31	8.60%
32	8.79%
33	8.99%
34	9.19%
35	9.41%
36	9.63%
37	9.81%
38	10.00%
39	10.20%
40	10.38%
41	10.55%
42	10.73%
43	10.87%
44	11.01%
45	11.14%
46	11.20%
47	11.22%
48	11.22%
49 and above	11.22%

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 Retirement Association on or after September 1, 1977 (hereinafter referred to as Plan B for Safety Members):

SAFETY MEMBER CONTRIBUTION RATES
Retirement Plan B

.Negotiated Employee Contribution Rates
Effective July 1, 2001

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	7.02%
19	7.18%
20	7.36%
21	7.53%
22	7.70%
23	7.87%
24	8.06%
25	8.25%
26	8.43%
27	8.62%
28	8.82%
29	9.02%
30	9.22%
31	9.43%
32	9.66%
33	9.87%
34	10.11%
35	10.33%
36	10.57%
37	10.81%
38	11.06%
39	11.30%
40	11.54%
41	11.78%
42	11.99%
43	12.21%
44	12.39%
45	12.53%
46	12.62%
47	12.63%
48	12.63%
49 and above	12.63%

SAFETY MEMBER CONTRIBUTION RATES
Retirement Plan B

Negotiated Employee Contribution Rates
Effective July 1, 2002

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.02%
19	6.18%
20	6.36%
21	6.53%
22	6.70%
23	6.87%
24	7.06%
25	7.25%
26	7.43%
27	7.62%
28	7.82%
29	8.02%
30	8.22%
31	8.43%
32	8.66%
33	8.87%
34	9.11%
35	9.33%
36	9.57%
37	9.81%
38	10.06%
39	10.30%
40	10.54%
41	10.78%
42	10.99%
43	11.21%
44	11.39%
45	11.53%
46	11.62%
47	11.63%
48	11.63%
49 and above	11.63%

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 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 MEMBER CONTRIBUTION RATES
Retirement Plan C

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.09%
17	5.19%
18	5.29%
19	5.39%
20	5.48%
21	5.60%
22	5.69%
23	5.80%
24	5.92%
25	6.01%
26	6.13%
27	6.25%
28	6.36%
29	6.47%
30	6.59%
31	6.72%
32	6.84%
33	6.96%
34	7.09%
35	7.22%
36	7.36%
37	7.49%
38	7.63%
39	7.76%
40	7.91%
41	8.06%
42	8.21%
43	8.37%
44	8.53%
45	8.70%
46	8.86%

NEAREST YEAR
OF AGE AT
MEMBERSHIP

EMPLOYEE
CONTRIBUTION
RATE

47	9.03%
48	9.21%
49	9.38%
50	9.55%
51	9.71%
52	9.87%
53	10.02%
54	10.14%
55	10.24%
56	10.30%
57	10.32%
58	10.32%
59	10.32%
60 and above	10.32%

GENERAL MEMBER CONTRIBUTION RATES
Retirement Plan D

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.01%
17	5.11%
18	5.20%
19	5.30%
20	5.40%
21	5.51%
22	5.60%
23	5.71%
24	5.82%
25	5.92%
26	6.03%
27	6.15%
28	6.26%
29	6.37%
30	6.49%
31	6.61%
32	6.73%
33	6.85%
34	6.97%
35	7.11%
36	7.24%
37	7.37%
38	7.51%
39	7.64%
40	7.79%
41	7.93%
42	8.08%
43	8.23%
44	8.39%
45	8.56%
46	8.72%

NEAREST YEAR
OF AGE AT
MEMBERSHIP

EMPLOYEE
CONTRIBUTION
RATE

47	8.89%
48	9.06%
49	9.23%
50	9.40%
51	9.56%
52	9.71%
53	9.86%
54	9.98%
55	10.08%
56	10.14%
57	10.15%
58	10.15%
59	10.15%
60 and above	10.15%

ATTACHMENT E

**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 payment: and

WHEREAS, the Board of Supervisors desires that the County shall pay a designated portion of members' contributions to 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 Associations the amounts specified in Section 2 of the Attachment entitled "2002 Implementation of Negotiated Employee Contributions 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, 2002 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 its regular meeting on the _____ day of June, 2002.

Violet Varona-Lukens, Executive
Officer of the Board of
Supervisors of the County of
Los Angeles

BY _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
Deputy

2002 IMPLEMENTATION OF NEGOTIATED EMPLOYEE
CONTRIBUTION RATES

Section 1.

The employee contribution rates adopted by resolution of the Board of Supervisors on September 14, 1999 shall remain in effect through June 30, 2002.

Section 2.

Pursuant to Section 31581.1 of the California Government Code, for the period July 1, 2002 through such date as the Board of Supervisors, by resolution, adopts alternative employee contribution rates, the County shall pay to the Retirement Fund the amount necessary, 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 June 30, 2001 Actuarial Valuation dated March 19, 2002 by Milliman USA were implemented, and
- b. The employee contributions that would be paid to said Retirement Fund if the employee contribution rates set forth in Section 2 were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU Costs based on June 30, 2001 Actuarial Valuation

Section 3.

The negotiated employee contribution rates 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 noncontributory plan (hereinafter 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 Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBER CONTRIBUTION RATES
Retirement Plan A

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	3.74%
17	3.80%
18	3.85%
19	3.91%
20	3.94%
21	4.00%
22	4.05%
23	4.10%
24	4.18%
25	4.22%
26	4.31%
27	4.39%
28	4.50%
29	4.57%
30	4.66%
31	4.78%
32	4.86%
33	4.99%
34	5.10%
35	5.25%
36	5.41%
37	5.55%
38	5.72%
39	5.88%
40	6.04%
41	6.22%
42	6.42%
43	6.61%
44	6.79%
45	6.99%
46	7.18%
47	7.35%
48	7.55%
49	7.67%

NEAREST YEAR
OF AGE AT
MEMBERSHIP

EMPLOYEE
CONTRIBUTION
RATE

50	7.74%
51	7.80%
52	7.80%
53	7.80%
54	7.80%
55 and above	7.80%

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

GENERAL MEMBER CONTRIBUTION RATES
Retirement Plan B

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.89%
17	6.00%
18	6.11%
19	6.22%
20	6.33%
21	6.45%
22	6.57%
23	6.69%
24	6.82%
25	6.94%
26	7.07%
27	7.19%
28	7.33%
29	7.46%
30	7.60%
31	7.74%
32	7.89%
33	8.02%
34	8.18%
35	8.33%
36	8.48%
37	8.64%
38	8.81%
39	8.98%
40	9.15%
41	9.34%
42	9.51%
43	9.69%
44	9.87%
45	10.05%
46	10.22%
47	10.38%
48	10.54%
49	10.67%

NEAREST YEAR OF AGE AT <u>MEMBERSHIP</u>	EMPLOYEE CONTRIBUTION <u>RATE</u>
50	10.78%
51	10.85%
52	10.86%
53	10.86%
54	10.86%
55 and above	10.86%

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 Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for Safety Members):

SAFETY MEMBER CONTRIBUTION RATES
Retirement Plan A

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.90%
19	6.94%
20	6.97%
21	7.01%
22	7.16%
23	7.30%
24	7.43%
25	7.61%
26	7.75%
27	7.89%
28	8.08%
29	8.25%
30	8.43%
31	8.60%
32	8.79%
33	8.99%
34	9.19%
35	9.41%
36	9.63%
37	9.81%
38	10.00%
39	10.20%
40	10.38%
41	10.55%
42	10.73%
43	10.87%
44	11.01%
45	11.14%
46	11.20%
47	11.22%
48	11.22%
49 and above	11.22%

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 Retirement Association on or after September 1, 1977 (hereinafter referred to as Plan B for Safety Members):

SAFETY MEMBER CONTRIBUTION RATES
Retirement Plan B

Negotiated Employee Contribution Rates
Effective July 1, 2001

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	7.02%
19	7.18%
20	7.36%
21	7.53%
22	7.70%
23	7.87%
24	8.06%
25	8.25%
26	8.43%
27	8.62%
28	8.82%
29	9.02%
30	9.22%
31	9.43%
32	9.66%
33	9.87%
34	10.11%
35	10.33%
36	10.57%
37	10.81%
38	11.06%
39	11.30%
40	11.54%
41	11.78%
42	11.99%
43	12.21%
44	12.39%
45	12.53%
46	12.62%
47	12.63%
48	12.63%
49 and above	12.63%

SAFETY MEMBER CONTRIBUTION RATES
Retirement Plan B

Negotiated Employee Contribution Rates
Effective July 1, 2002

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.02%
19	6.18%
20	6.36%
21	6.53%
22	6.70%
23	6.87%
24	7.06%
25	7.25%
26	7.43%
27	7.62%
28	7.82%
29	8.02%
30	8.22%
31	8.43%
32	8.66%
33	8.87%
34	9.11%
35	9.33%
36	9.57%
37	9.81%
38	10.06%
39	10.30%
40	10.54%
41	10.78%
42	10.99%
43	11.21%
44	11.39%
45	11.53%
46	11.62%
47	11.63%
48	11.63%
49 and above	11.63%

5. The employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County 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 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 MEMBER CONTRIBUTION RATES
Retirement Plan C

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.09%
17	5.19%
18	5.29%
19	5.39%
20	5.48%
21	5.60%
22	5.69%
23	5.80%
24	5.92%
25	6.01%
26	6.13%
27	6.25%
28	6.36%
29	6.47%
30	6.59%
31	6.72%
32	6.84%
33	6.96%
34	7.09%
35	7.22%
36	7.36%
37	7.49%
38	7.63%
39	7.76%
40	7.91%
41	8.06%
42	8.21%
43	8.37%
44	8.53%
45	8.70%
46	8.86%

NEAREST YEAR
OF AGE AT
MEMBERSHIP

EMPLOYEE
CONTRIBUTION
RATE

47	9.03%
48	9.21%
49	9.38%
50	9.55%
51	9.71%
52	9.87%
53	10.02%
54	10.14%
55	10.24%
56	10.30%
57	10.32%
58	10.32%
59	10.32%
60 and above	10.32%

GENERAL MEMBER CONTRIBUTION RATES
Retirement Plan D

Negotiated Employee Contribution Rates

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.01%
17	5.11%
18	5.20%
19	5.30%
20	5.40%
21	5.51%
22	5.60%
23	5.71%
24	5.82%
25	5.92%
26	6.03%
27	6.15%
28	6.26%
29	6.37%
30	6.49%
31	6.61%
32	6.73%
33	6.85%
34	6.97%
35	7.11%
36	7.24%
37	7.37%
38	7.51%
39	7.64%
40	7.79%
41	7.93%
42	8.08%
43	8.23%
44	8.39%
45	8.56%
46	8.72%

NEAREST YEAR
OF AGE AT
MEMBERSHIP

EMPLOYEE
CONTRIBUTION
RATE

47	8.89%
48	9.06%
49	9.23%
50	9.40%
51	9.56%
52	9.71%
53	9.86%
54	9.98%
55	10.08%
56	10.14%
57	10.15%
58	10.15%
59	10.15%
60 and above	10.15%