LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

Board of Administration Agenda

REGULAR MEETING

TUESDAY, OCTOBER 10, 2023

TIME: 10:00 A.M.

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

An opportunity for the public to address the Board in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Board or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

Disclaimer to Participants

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www.LACERS.org

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at www.LACERS.org, at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a non-exempt record related to an item on the agenda, please call (213) 855-9348 or email at lacers.board@lacers.org.

President: Annie Chao
Vice President: Sung Won Sohn

Commissioners: Thuy Huynh
Elizabeth Lee
Gaylord "Rusty" Roten
Janna Sidley
Michael R. Wilkinson

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghoukassian

Legal Counsel: City Attorney's Office
Public Pensions General
Counsel Division

Notice to Paid Representatives

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq*. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

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CLICK HERE TO ACCESS BOARD REPORTS

I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA

II. GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS

B. UPCOMING AGENDA ITEMS

III. RECEIVE AND FILE ITEMS

A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER

B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD

C. GASB 68 AND 75 ACTUARIAL VALUATIONS BASED ON JUNE 30, 2022 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2023

IV. COMMITTEE REPORT(S)

A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 26, 2023

V. CONSENT ITEM(S)

A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 12, 2023 AND POSSIBLE BOARD ACTION

VI. CLOSED SESSION

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): GENERAL MANAGER 2022-23 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

VII. BOARD/DEPARTMENT ADMINISTRATION

A. CONSIDERATION OF 2023 GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION

B. ANTHEM BLUE CROSS MEDICARE PREFERRED (PPO) PLAN IN-HOME SUPPORT BENEFIT UPDATE AND POSSIBLE BOARD ACTION

C. HUMAN RESOURCE AND PAYROLL (HRP) PROJECT UPDATE

VIII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS

B. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN OAKTREE REAL ESTATE OPPORTUNITIES FUND IX, L.P.

IX. LEGAL/LITIGATION

A. APPROVAL OF THREE-YEAR CONTRACTS WITH BAKER & HOSTETLER LLP, CLARK HILL PLC, FOLEY & LARDNER LLP, GROOM LAW GROUP, CHARTERED, ICE MILLER LLP, MAYNARD NEXSEN PC, AND NOSSAMAN LLP, FOR OUTSIDE DATA PRIVACY, HEALTH LAW, AND CYBERSECURITY COUNSEL SERVICES AND POSSIBLE BOARD ACTION

X. OTHER BUSINESS

XI. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 24, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XII. ADJOURNMENT

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

SERVICE RETIREMENTS

Member Name	Service	Department	Classification
Portillo, Samuel A	40	Dept. of Bldg. & Safety	Sr Build Mech Inspectr
Smith, Michael Jude	39	Dept. of Bldg. & Safety	Pr Inspector
Works, Valerie A	38	Dept. of Airports	Sr Mgmt Analyst
Mohamed, Farhana	38	PW - Sanitation	W/Wtr Trmt Lab Mgr
Jones, Carla Renee	37	PW - Admin Div.	Sr Administrative Clerk
Melloff, Valerie Violet	37	GSD - Admin.	Asst Gm Gen Svcs Dept
Irvine, Douglas L	37	PW - Engineering	Sr Envrmntl Engineer
Aliasghar, Mary	36	Office of Finance	Tax Complnce Ofcr
Fortaleza, Joseph F	36	PW - Sanitation	Sr Env Compliance Insp
Achonu, Emmanuel O	36	PW - Contract Administration	Pr Constr Inspector
Varela, Reggie V	35	Fire Dept. - Civilian	Mech Helper
Razon, Abraham S	35	PW - Sanitation	Sr Envrmntl Engineer
Gagar- Richards, Mary Juliet	35	PW - Engineering	Exec Admin Asst
Aragon, Juan Carlos	35	Police Dept. - Civilian	Pr Detention Ofcr
Robison, Daphany	35	Dept. of Transportation	Sr Traffic Supv
Fu, William T	35	PW - Sanitation	Envrmntl Engrg Assc
Franklin, Derral	34	PW - Clean Water Div	W/Wtr Coll Worker
Smith, Edwin D	34	PW - Sanitation	Ref Coll Truck Oper
Velasco, Raul	34	Dept. of Airports	Info System Mgr
Dang, Vi A	34	LA Housing Dept.	Housing Investigator
Hugard, Jacques Joseph	33	PW - Sanitation	W/Wtr Trmt Oper
Cline, Steven D	33	Dept. of Rec. & Parks	Recreation Supervisor
Blazej Yee, Sybil Nevenka	33	Library Dept.	Librarian
Sanchez, Robert	33	PW - Engineering	Civil Engrg Assoc
De La Cruz, Abraham De	33	PW - Sanitation	W/Wtr Trmt Oper
Alvarez, Maria T	33	Office of Finance	Sr Administrative Clerk
Tran, Dung	33	PW - Engineering	Sr Civil Engineer
Fatherree, Tamura Rochelle	33	Harbor Dept.	Civil Engrg Assoc
Wheelwright, Rhonda	33	Harbor Dept.	Ch Clerk
Cutler, Leonard W	32	Harbor Dept.	Matl Tst Technician
Santos, Antonio	32	GSD - Standards	Matl Tst Engrg Assc
Salvaggio, Christine	31	Dept. of Airports	Sr Civil Engineer
Mcreynolds, Brett D	31	PW - Contract Administration	Ch Constr Inspector
Miles, Rick D	30	Harbor Dept.	Electrician
Melkonjan, Norbert	30	Dept. of Transportation	Signal System Supvr
Salvador, Lyndon Orig	30	CIFD	Asst General Manager

Hill, Gary Eric	29	Fire Dept. - Civilian	Personnel Analyst
Alba, Arthur J	29	Dept. of Rec. & Parks	Light Equip Operator
Lim, Michelle D	29	City Attorney's Office	Deputy City Atty
Guerrero, Edward	28	Dept. of Transportation	Sr Transp Engineer
Crewl, Wayne J	28	GSD - Fleet Services	Heavy Duty Equip Mech
Lujan, Alma	28	City Attorney's Office	City Atty Admin Crd
Munoz, Joe M	27	Dept. of Airports	Maintenance Laborer
Gesch, Jon David	27	Police Dept. - Civilian	Photographer
Muro, Suzana	27	Council	Council Aide
Benitez, Juan A	26	Harbor Dept.	Procurement Supervisor
Alonso, Arturo	26	Dept. of Airports	Equipmnt Operator
Gallegos, Patrick A	26	Dept. of Airports	Security Officer
Nettles, Valerie Kaye	26	EWDD	Sr Mgmt Analyst
Jackson, Andrea Denise	26	Police Dept. - Civilian	Police Service Rep
Bloom, Christine R	26	Library Dept.	Administrative Clerk
Lao, Wedmay J	25	LA Housing Dept.	Dept Chief Acct
Scott, Paul Frederick	25	GSD - Fleet Services	Equipmnt Mechanic
Brinson, Richard E	25	LA Housing Dept.	Sr Housing Inspector
Collado, Rosa E	25	PW - Sanitation	Secretary
Esmailian, Anahid S	25	City Attorney's Office	Legal Secretary
Loera, Rigoberto Vargas	25	PW - Contract Administration	Constr Inspector
Papaian, Shooshig A	24	Dept. of Rec. & Parks	Sr Gardener
Madrid, Anna Marie	23	Police Dept. - Civilian	Forensic Prnt Spec
Craw, Michael J	22	Police Dept. - Civilian	Police Psychologist
Atmur, Donna M	22	Library Dept.	Librarian
Prasad, Vijayalaks	21	Dept. of Airports	Dir Of Airprts Operatns
Reyes, Manuel D	20	PW - St. Maint.	Motor Sweeper Operator
Keir, Jennifer Ann	20	Police Dept. - Civilian	Sr Forensic Print Spec
Jablonski Kaye, Denise M	19	Police Dept. - Civilian	Police Psychologist
Fong, Ciaban C	19	Fire Dept. - Civilian	Sr Administrative Clerk
Lomenzo, Denton S	18	Dept. of Bldg. & Safety	Plumbing Inspector
Fernandini, Eduardo I	17	GSD - Fleet Services	Equipmnt Mechanic
Hobbs, Gary D	17	PW - Contract Administration	Constr Inspector
Greenstein, Jay David	16	Council	Council Aide
Cerna, Maria L	16	Dept. of Airports	Custodian Airport
Stanberry, Kenneth Lamar	16	GSD -Asset Management	Property Manager
Manbahal, Sarojini S	15	Dept. of Airports	Sr Administrative Clerk
Specchia, Angela	13	Dept. of Transportation	Crossing Guard
Guadalupe, Glenn D	13	PW - St. Lighting	Off Engr Tech
Freise, Thomas Gene	10	GSD - Public Bldgs.	Carpenter
Galperin, Ron	10	Council	Council Aide
Wyatt, Gloria Frances	8	Dept. of Transportation	Accounting Clerk
Kim, Matthew	8	Police Dept. - Civilian	Equip Mechanic
Stanley, Robert Eugene	7	Police Dept. - Civilian	Equip Mechanic
Eliades, Thomas D	7	PW - Special Proj Constr	Equipmnt Operator

Dominguez Morales, Gonzala	6	Dept. of Rec. & Parks	Special Prog Asst
Bonilla, Arturo	3	Dept. of Transportation	Crossing Guard
Suarez, Ricardo	2	Dept. of Rec. & Parks	Locker Room Attendant

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased	Beneficiary/Payee
TIER 1	
Bajinting, Francis	Gloria M Greco for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Burgess, Julianne F	Richard Burgess for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Burns, Michael J	Frances E Burns for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Burriston, Richard	Sally B. Pleins for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Butcher, John J	Yadira G. Butcher for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Cabrera, Domingo S	Sherry P Cabrera for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Carlos, Terry	Elisa J Carlos for the payment of the Accrued But Unpaid Service Retirement Allowance
Cendana, Victor Tambalgue	Jennifer Joya Cendana for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Piara Anjuli Swank for the payment of the Accrued But Unpaid Service Retirement Allowance
Chretien, Georgette	Michael Chretien for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Crockett, Edward A	Gwendolyn R Crockett for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Custodio, Ernesto	Jo Rosario Custodio for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Davis, Benjamin L	Jayson Mosley for the payment of the Burial Allowance Vivian Leeann Davis for the payment of the Burial Allowance

De Rose, Daryl P	Valarie R De Rose for the payment of the Burial Allowance
Epperson, Rojah L	Patricia L Epperson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Felix, Alice	Alice Andrea Caballero for the payment of the Accrued But Unpaid Continuance Allowance
Gartrell, Robert R	Danielle Gartrell for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Gawthrop, Howard Wayne	Marie Elaine Gawthrop for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hakim, Bilal H	Cherrie K Hakim for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Hardaway James, Dorothy Elaine	Ira B James for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Heine, David Joseph	Suchanee Kongsamoer for the payment of the Accrued But Unpaid Service Retirement Allowance

Hernandez, Juan	Cristina Hernandez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hudson, Danny	Caroline A Hudson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Humphrey, Timothy	Denita M Humphrey for the payment of the Accrued But Unpaid Disability Retirement Allowance
Jones, Paul R	Kerry Jo Strellner for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Korand, Rameswari V	Sridevi K Korand for the payment of the Burial Allowance
Landau, Shirley R	Elke Coblens Aftergut for the payment of the Accrued But Unpaid Continuance Allowance Linda Landau for the payment of the Accrued But Unpaid Continuance Allowance
Leake, Mary E	Karen Jean Mac Innis for the payment of the Accrued But Unpaid Disability Continuance Allowance

Lee, Shwe S	Judy S Lee for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Little, Rebecca	Felton Burton for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Maguire, Michael J	Margaret O. Maguire for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Malva, Dolly R	Aban H Kapadia for the payment of the Burial Allowance Daniella Jer Norwood for the payment of the Accrued But Unpaid Service Retirement Allowance Erica Helen Norwood for the payment of the Accrued But Unpaid Service Retirement Allowance
Martin, Johnny	Olivia C Martin for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Miranda, Matilda	Timothy Miranda for the payment of the Accrued But Unpaid Continuance Allowance
Nichols, Lonnie	Wanda Hicks for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance

O Byrne, Shirley M	Donna Lee Routledge for the payment of the Accrued But Unpaid Disability Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Owsley, Thomas B	Gail Christine Owsley for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Peavy, Cynthia	Angela Peavy for the payment of the Accrued But Unpaid Disability Continuance Allowance Karin Peavy for the payment of the Accrued But Unpaid Disability Continuance Allowance
Pena, Francisco J	Michelle B Garcia for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Perez, Lorraine	Erika Perez for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance Unused Contributions
Quinton, Wayne A	Vanita Jones for the payment of the Accrued But Unpaid Service Retirement Allowance

Reimer, Nelson V	Beverly Hayes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Douglas N Reimer for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Render, Eddie	Michelle Payne for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rivera, Felix Robert	Belen Castro for the payment of the Accrued But Unpaid Vested Retirement Allowance
Sedwick Griffin, Karen D	Kelci Kemnise Maston for the payment of the Burial Allowance Unused Contributions
	Kelii Iresha Maston for the payment of the Burial Allowance Unused Contributions
Snyder, Zellda E	Chana Rivka Rogin for the payment of the Accrued But Unpaid Service Retirement Allowance
Spiker, Dennis M	Ivy Michelle May for the payment of the Burial Allowance
	Lance Edward Spiker-Luna for the payment of the Burial Allowance

Sumi, Elsie K	Irene T Lee for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Vayner, Leonid	Lyudmila Maslova for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Watanabe, Linda Miceli	Nadine N. Miceli for the payment of the Accrued But Unpaid Continuance Allowance
Wilson, Bernard J	Diane L Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Woerz, Edward C	Shari Ann Tanaka Woerz for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Woods, Janet M	Yolande M Lara for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Yasuda, Ethel H	Gail T Yasuda-Mashita for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Yu, Conservatee, Jenny C	Shirley C Kip for the payment of the Burial Allowance

<u>TIER 3</u>
NONE

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased	Beneficiary/Payee
TIER 1	
Active	
Chan, Siv Meng (Deceased Active)	Jimmy Chan for the payment of the Accumulated Contributions
Himan, Gary Lao (Deceased Active)	Laura Fierro Himan for the payment of the Vested Retirement Survivorship Allowance
Marasigan, Noemi Martinez (Deceased Active)	Cesar Marasigan for the payment of the Service Retirement Survivorship Allowance
Mendoza, Stella (Deceased Active)	John Phillip Mendoza for the payment of the Disability Retirement Survivorship Allowance
Ortega, Miguel (Deceased Active)	Rosaly Gonzalez, Guardian for the minor child, for the payment of the Limited Pension Rosaly Gonzalez, Guardian for the minor child, for the payment of the Limited Pension

Perez, Juvenal Cervando (Deceased Active)	Patricia Perez for the payment of the Accumulated Contributions
Tatum, Rowland (Deceased Active)	Reanne Tatum for the payment of the Limited Pension Ross Tatum for the payment of the Limited Pension
Trujillo, Nichole Christina (Deceased Active)	Gracie Beeman for the payment of the Accumulated Contributions
Ward, Lt (Deceased Active)	Lydia Lino for the payment of the Limited Pension

TIER 3

Active

Edwards, Darryl Lee (Deceased Active)	Edin Dunbar for the payment of the Accumulated Contributions Limited Pension
Heidary, Navid (Deceased Active)	Ali Reza Haidary for the payment of the Accumulated Contributions Tahereh Heidary for the payment of the Accumulated Contributions
Thies, David Saxby (Deceased Active)	Joseph Thies for the payment of the Accumulated Contributions

Disclaimer: The names of members who are deceased may appear more than once due to multiple beneficiaries being paid at different times.

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD

RESTRICTED SOURCES

The Board's Ethical Contract Compliance Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment-related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Name	Description	Inception	Expiration	Division
Ernst & Young LLP	Board Governance Consulting Services	N/A	N/A	Administration
Interpreters Unlimited, Inc.	Interpretation & Translation Services	N/A	N/A	Communication & Stakeholder Relations
Anthem	Medical HMO & PPO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Kaiser	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
SCAN	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
United Healthcare	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Delta Dental	Dental PPO and HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Anthem Blue View Vision	Vision Services Contract	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Mom's Computer, Inc.	Technology, Virtual Meeting, and Video Support Services	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD

Name	Description	Inception	Expiration	Division
Personal Wellness Corporation	Fitness Webinar Coaching & Training Services	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
The Foundation for Senior Services (FSS)	Senior Educational Seminar & Activity Services	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
Wellington Management Company LLP	Active Emerging Market Debt	December 1, 2020	November 30, 2023	Investments
PGIM, Inc.	Active Emerging Market Debt	January 1, 2021	December 31, 2023	Investments

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD

ACTIVE RFPs

Description	Respondents	Inception	Expiration	Division
Medical Plans	Alignment Health Plan, Anthem Blue Cross, Blue Shield of California, Humana, Kaiser Foundation Health Plan, Inc., SCAN Health Plan, UnitedHealthcare Insurance Company	March 10, 2023	April 21, 2023	Health, Wellness, & Buyback
Master Trust / Custodial Services and Securities Lending		September 11, 2023	November 28, 2023	Investments

REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager
for NMG

MEETING: OCTOBER 10, 2023
ITEM: III-C

SUBJECT: **GASB 68 AND 75 ACTUARIAL VALUATIONS BASED ON JUNE 30, 2022 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2023**

ACTION: ☐ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☒

Recommendation

That the Board receive and file the attached Governmental Accounting Standards Board (GASB) Statement 68 and GASB Statement 75 Actuarial Valuations for Employer Reporting as of June 30, 2023 (Attachments 1 and 2).

Executive Summary

The Governmental Accounting Standards Board (GASB) requires pension plan sponsors to report certain pension information in their financial statements for fiscal periods beginning on or after June 2014. The attached valuation reports prepared by LACERS' independent actuary, Segal, based on June 30, 2022 LACERS actuarial valuations, provide proportionate share of necessary pension information needed by the City, Department of Airports, and Harbor Department for their financial statements as of June 30, 2023. LACERS' external auditor, Moss Adams, has conducted audit procedures and issued unmodified opinions on the allocation schedules presented in the GASB 68 and GASB 75 valuation reports (Attachment 3).

Discussion

Accounting standards in financial reporting on pension liabilities of governmental pension plans and their sponsors were issued in 2012 and 2015 by GASB, an accounting standard setting body. GASB Statement No. 67 (GASB 67) and GASB Statement No. 74 (GASB 74) are financial reporting requirements of the plan (LACERS) for its pension benefits and other post-employment benefits (OPEB), while GASB Statement No. 68 (GASB 68) and GASB Statement No. 75 (GASB 75) are financial reporting requirements of the plan sponsor (the City) for the LACERS pension benefits and OPEB. Segal presented the GASB 67 and GASB 74 valuations to the Board on November 8, 2022 together with the annual retirement and health actuarial valuations as of June 30, 2022.

The attached GASB 68 and GASB 75 valuations were prepared by Segal to provide the proportional share of net pension liability and net OPEB liability along with other information required to be disclosed in the

June 30, 2023 financial statements for the City, Department of Airports, and Harbor Department. Key findings from the Segal valuation reports based on the June 30, 2022 measurement date include:

- The Net Pension Liability (NPL[i]), which is the difference between the Total Pension Liability (TPL) and the Retirement Plan Fiduciary Net Position, increased from $4.36 billion to $7.07 billion, mainly due to the market return lower than the 7.0% assumed rate of return used in previous valuation. The $7.07 billion NPL is allocated based on retirement contributions to LACERS, and will be reflected in the plan sponsors' Statement of Net Position/Balance Sheet as of June 30, 2023, as follows:

City	Airports	Harbor	Total
$ 5,911,405,738	$ 884,002,284	$ 270,252,218	$ 7,065,660,240

- Similarly, the Net OPEB Liability (NOL[ii]) which is the difference between the Total OPEB Liability (TOL) and the OPEB Plan Fiduciary Net Position, increased from ($261.57) million (a surplus of asset over liability) to $232.92 million liability primarily due to lower market return compared to the assumed rate of return of 7.0% used in previous valuation. The $232.92 million Net OPEB Asset also is allocated based on OPEB contributions to LACERS, and will be reflected in the plan sponsors' Statement of Net Position/Balance Sheet as of June 30, 2023, as follows:

City	Airports	Harbor	Total
$ 196,648,975	$ 27,497,635	$ 8,778,328	$ 232,924,938

Prepared By: Jo Ann Peralta, Departmental Chief Accountant IV

NMG/TB:jp

Attachments:

1) GASB 68 Actuarial Valuation for June 30, 2023 Employer Reporting Issued by Segal
2) GASB 75 Actuarial Valuation for June 30, 2023 Employer Reporting Issued by Segal
3) Moss Adams Independent Auditor's Report

[i], [ii] NPL/NOL - The Plan Fiduciary Net Position is equal to the market value of plan assets and therefore, the NPL/NOL measure is very similar to the Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis. The NPL/NOL reflects all investment gains and losses as of the measurement date. This is different from the UAAL calculated on an actuarial value of assets basis in the funding valuation that reflects investment gains and losses over a seven-year period. NPL/NOL amounts were reported in LACERS June 30, 2022 financial statements as a note disclosure, pursuant to GASB 67 and GASB 74.

BOARD Meeting: 10/10/23
Item: III-C
Attachment: 1

Los Angeles City Employees' Retirement System (LACERS)

Governmental Accounting Standards Board Statement 68 (GAS 68)

Actuarial Valuation Based on June 30, 2022
Measurement Date for Employer Reporting
as of June 30, 2023

Segal

180 Howard Street, Suite 1100
San Francisco, CA 94105-6147
segalco.com
T 415.263.8200

May 1, 2023

Board of Administration
Los Angeles City Employees' Retirement System
977 N. Broadway
Los Angeles, CA 90012-1728

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards (GAS) 68 Actuarial Valuation based on a June 30, 2022 measurement date for employer reporting as of June 30, 2023. It contains various information that will need to be disclosed in order for the three employer categories in LACERS (i.e., the City, Airports, and Harbor) to comply with GAS 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the LACERS pension plan. The census and financial information on which our calculations were based was provided by LACERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for LACERS.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards (GAS) 68 for employer reporting as of June 30, 2023. The results used in preparing this GAS 68 report are comparable to those used in preparing the Governmental Accounting Standards (GAS) 67 report for the Plan based on a reporting date and a measurement date as of June 30, 2022. This valuation is based on:

- The benefit provisions of the Pension Plan, as administered by the Board of Administration;
- The characteristics of covered active members, inactive vested members, and retired members and beneficiaries as of June 30, 2022, provided by LACERS;
- The assets of the Plan as of June 30, 2022, provided by LACERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2022 valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. that the Board has adopted for the June 30, 2022 valuation.

General observations on GAS 68 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans still develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age) and the same type of discount rate (expected return on assets) as LACERS uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on the same basis as LACERS' Actuarial Accrued Liability (AAL) measure for funding. We note that the same is true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to the Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis. The NPL reflects all investment gains and losses as of the measurement date. This is different from the UAAL calculated on an actuarial value of assets basis in the funding valuation that reflects investment gains and losses over a seven-year period.

Highlights of the valuation

1. For this report, the reporting dates for the employer are June 30, 2023 and 2022. The NPL was measured as of June 30, 2022 and 2021 and determined based upon the results of the actuarial valuations as of June 30, 2022 and 2021, respectively. The Plan Fiduciary Net Position (plan assets) and the TPL were valued as of the measurement dates. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2022 and 2021 were not adjusted or rolled forward to the June 30, 2023 and 2022 reporting dates, respectively.
2. The NPL increased from $4.36 billion as of June 30, 2021 to $7.07 billion as of June 30, 2022 mainly due to the return on the market value of retirement plan assets of -8.11%[1] during 2021/2022 that was less than the assumption of 7.00% used in the June 30, 2021 valuation (that loss was about $2.87 billion). Changes in these values during the last two fiscal years ending June 30, 2021 and June 30, 2022 can be found in *Section 2, Schedule of changes in Net Pension Liability* on page 18.
3. There was an increase in the total employer pension expense from $386.4 million calculated last year to $796.4 million calculated this year. The primary cause of the increase was the -8.11% return on the market value of assets (net of investment expenses only) for the year ended June 30, 2022 that was less than the assumption of 7.00% used in the June 30, 2021 valuation. (The expensed portion of current-period differences between actual and projected earnings on plan investments resulted in a $574.6 million increase in this year's pension expense.)
4. The discount rate used to determine the TPLs and NPLs as of June 30, 2022 and 2021 was 7.00% following the same assumption used by the System in the pension funding valuations as of the same dates. The detailed calculations used in the derivation of the discount rate of 7.00% used in the calculation of the TPL and NPL as of June 30, 2022 can be found in *Section 3, Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
5. The NPLs for the three employer categories in LACERS (i.e., the City, Airports, and Harbor) as of June 30, 2021 and June 30, 2022 are allocated based on the actual employer contributions made during 2020/2021 and 2021/2022, respectively. The steps we used for the allocation are as follows:
   a. First calculate the ratio of the employer category's contributions to the total contributions.
   b. Then multiply this ratio by the NPL to determine the employer category's proportionate share of the NPL. The NPL allocation can be found in *Section 2, Determination of proportionate share* on pages 22 and 23.

[1] The investment return calculated for the Retirement Plan was -8.11% (net of investment expenses only). This is higher than the -9.52% investment return calculated for the OPEB Plan. Both of these returns have been calculated by Segal on a dollar-weighted basis taking into account the beginning of year assets, contributions, and benefit cash flows made during the year. In backing into a rate of return using actual investment income and investment expense as provided by LACERS, we sometimes could come up with a different return for the two Plans if: (a) the timing of the actual cash flow (especially the benefit payments) are different from what we assumed and/or (b) the actual income and expense allocated are different when compared to the proportion of the assets in the two Plans.

Section 1: Actuarial Valuation Summary

6. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2022. The employer should consult with their auditor to determine the deferred outflow that should be created for these contributions.
7. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2022. Due to the COVID-19 pandemic, market conditions have changed significantly since the onset of the Public Health Emergency. The plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Moreover, this actuarial valuation does not include any possible short-term or long-term impacts on mortality of the covered population that may emerge after June 30, 2022. While it is impossible to determine how the pandemic will affect market conditions and other demographic experience of the plan in future valuations, Segal is available to prepare projections of potential outcomes upon request.

Summary of key valuation results[1]

Reporting Date for Employer under GAS 68		June 30, 2023[2]	June 30, 2022[3]
Measurement Date for Employer under GAS 68		**June 30, 2022**	**June 30, 2021**
Disclosure elements for fiscal year ending June 30:	• Service cost[4]	$413,862,737	$451,426,209
	• Total Pension Liability	24,078,751,303	23,281,892,854
	• Plan Fiduciary Net Position	17,013,091,063	18,918,136,000
	• Net Pension Liability	7,065,660,240	4,363,756,854
	• Pension expense	796,387,770	386,438,863
Schedule of contributions for fiscal year ending June 30:	• Actuarially determined contributions	$591,234,354	$554,855,906
	• Actual contributions	591,234,354	554,855,906
	• Contribution deficiency/(excess)	0	0
Demographic data for plan year ending June 30:	• Number of retired members and beneficiaries	22,399	22,012
	• Number of inactive vested members[5]	10,379	9,647
	• Number of active members	24,917	25,176
Key assumptions as of June 30:	• Investment rate of return	7.00%	7.00%
	• Inflation rate	2.75%	2.75%
	• Real across-the-board salary increase	0.50%	0.50%
	• Projected salary increases[6]	Ranges from 9.95% to 4.25%, based on years of service	Ranges from 9.95% to 4.25%, based on years of service

1 The assets and liabilities throughout this report are for the Retirement Plan only, and exclude amounts for the Health, Family Death Benefit and Larger Annuity Plans.

2 The reporting date and measurement date for the Plan are June 30, 2022.

3 The reporting date and measurement date for the Plan are June 30, 2021.

4 The service cost is based on the previous year's valuation, meaning the June 30, 2022 and June 30, 2021 measurement date values are based on the valuations as of June 30, 2021 and June 30, 2020, respectively. Both measurement date service costs have been calculated using the actuarial assumptions shown in the June 30, 2021 measurement date column, as there had been no changes in the actuarial assumptions between the June 30, 2020 and June 30, 2021 valuations.

5 Includes terminated members due a refund of employee contributions.

6 Includes inflation at 2.75% plus real across-the-board salary increase of 0.50%, plus merit and promotion increases.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Participant information	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	This valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan’s benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan’s assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The actuarial valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement at a specific date – it is not a prediction of the plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measures, except where otherwise noted.
If the System is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
Segal's report shall be deemed to be final and accepted by the Fund upon delivery and review. The System should notifiy Segal immediately of any questions or concers about the final content.

As Segal has no discretionary authority with respect to the management or assets of LACERS, it is not a fiduciary in its capacity as actuaries and consultants with respect to LACERS.

Section 2: GAS 68 Information

General information about the pension plan

Plan Description

Plan administration. The Los Angeles City Employees' Retirement System (LACERS) was established by City Charter in 1937. LACERS is a single employer public employee retirement system whose main function is to provide retirement benefits to the civilian employees of the City of Los Angeles.

Under the provisions of the City Charter, the Board of Administration (the "Board") has the responsibility and authority to administer the Plan and to invest its assets. The Board members serve as trustees and must act in the exclusive interest of the Plan's members and beneficiaries. The Board has seven members: four members, one of whom shall be a retired member of the system, shall be appointed by the Mayor subject to the approval of the Council; two members shall be active employee members of the system elected by the active employee members; one shall be a retired member of the system elected by the retired members of the system.

Plan membership. At June 30, 2022, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	22,399
Inactive vested members entitled to but not yet receiving benefits[1]	10,379
Active members	24,917
Total	**57,695**

[1] Includes terminated members due a refund of employee contributions.

Benefits provided. LACERS provides service retirement, disability, death and survivor benefits to eligible retirees and beneficiaries. Employees of the City become members of LACERS on the first day of employment in a position with the City in which the employee is not excluded from membership. Members employed prior to July 1, 2013 are designated as Tier 1. All Tier 2 employees who became members between July 1, 2013 and February 21, 2016 were transferred to Tier 1 effective February 21, 2016. All Tier 1 Airport Peace Officers (including certain fire fighters) appointed to their positions before January 7, 2018 who elected to remain at LACERS after January 6, 2018, and who paid their mandatory additional contribution of $5,700 to LACERS before January 8, 2019, or prior to their retirement date, whichever was earlier, are designated as Tier 1 Enhanced. Those employed on or after February 21, 2016 are designated as Tier 3 (unless a specific exception applies to the employee, providing a right to Tier 1 status).

Tier 1 and Tier 1 Enhanced members are eligible to retire for service with a normal retirement benefit once they attain the age of 70, or the age of 60 with 10 or more years of continuous City service, or the age of 55 with 30 or more years of City service. Tier 3 members are eligible to retire for service with a normal retirement benefit at 1.50% of final average monthly compensation per year of service credit once they attain the age of 60 with 10 years of service (but with less than 30 years of service), including 5 years of continuous City service, or at 2.00% of final average monthly compensation per year of service credit once they attain the age of 60 with 30 years of service, including 5 years of continuous City service.

Tier 1 and 3 members are eligible to retire for disability once they have 5 or more years of continuous service. Tier 1 Enhanced members are eligible to retire for service-connected disability without a service requirement, and once they have 5 or more years of continuous service for a nonservice-connected disability.

Under the Tier 1 formula, the monthly service retirement allowance at normal retirement age is 2.16% of final average monthly compensation per year of service credit. Under the Tier 1 Enhanced formula, the monthly service retirement allowance at normal retirement age is 2.30% of final average monthly compensation per year of service credit. Reduced retirement allowances are available for early retirement for Tier 1 and Tier 1 Enhanced members reaching age 55 with 10 or more years of continuous City service, or with 30 or more years of City service at any age. The Tier 1 and Tier 1 Enhanced early retirement reduction factors, for retirement below age 60, are as follows:

Age	Factor
45	0.6250
46	0.6550
47	0.6850
48	0.7150
49	0.7450
50	0.7750
51	0.8050
52	0.8350
53	0.8650
54	0.8950
55	0.9250
56	0.9400
57	0.9550
58	0.9700
59	0.9850
60	1.0000

Under the Tier 3 formula, the monthly service retirement allowance at normal retirement age is 2.00% of final average monthly compensation per year of service credit. Reduced retirement allowances are available for early retirement for Tier 3 members prior to reaching age 60 with 30 years of service, including 5 years of continuous City service. The Tier 3 early retirement reduction factors, for retirement below age 60, are as follows:

Age	Factor
45	0.6250
46	0.6550
47	0.6850
48	0.7150
49	0.7450
50	0.7750
51	0.8050
52	0.8350
53	0.8650
54	0.8950
55 - 60	1.0000

Tier 3 members are eligible to retire with an enhanced retirement benefit at 2.00% of final average monthly compensation per year of service credit once they attain the age of 63 with 10 years of service (but with less than 30 years of service), including 5 years of continuous City service, or at 2.10% of final average monthly compensation per year of service credit once they attain the age of 63 with 30 years of service, including 5 years of continuous City service.

Under Tier 1 and Tier 1 Enhanced, pension benefits are calculated based on the highest average salary earned during a 12-month period (including base salary plus regularly assigned pensionable bonuses or premium pay). Under Tier 3, pension benefits are calculated based on the highest average salary earned during a 36-month period (limited to base salary and any items of compensation that are designated as pension based). The IRC Section 401(a)(17) compensation limit applies to all employees who began membership in LACERS after June 30, 1996.

For Tier 1 and Tier 1 Enhanced members, the maximum monthly retirement allowance is 100% of the final average monthly compensation. For Tier 3 members, the maximum monthly retirement allowance is 80% of the final average monthly compensation, except when the benefit is based solely on the annuity component funded by the member’s contributions.

In lieu of the service retirement allowance under the Tier 1, Tier 1 Enhanced, and Tier 3 formulas (“unmodified option”), the member may choose an optional retirement allowance. The unmodified option provides the highest monthly benefit and a 50% continuance to an eligible surviving spouse or domestic partner for Tier 1, Tier 1 Enhanced, and Tier 3 members. The optional retirement allowances require a reduction in the unmodified option amount in order to allow the member the ability to provide various benefits to a surviving spouse, domestic partner, or named beneficiary.

Section 2: GAS 68 Information

LACERS provides annual cost-of-living adjustments (COLAs) to all retirees. The cost-of-living adjustments are made each July 1 based on the percentage change in the average of the Consumer Price Index for the Los Angeles-Long Beach-Anaheim Area -- All Items For All Urban Consumers. It is capped at 3.0% for Tier 1 and Tier 1 Enhanced, and at 2.0% for Tier 3.

The City of Los Angeles contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Administration. Employer contribution rates are adopted annually based upon recommendations received from LACERS' actuary after the completion of the annual actuarial valuation. The combined employer contribution rate as of June 30, 2022 was 27.44% of compensation.[1]

All members are required to make contributions to LACERS regardless of the tier in which they are included. Currently, all Tier 1 members contribute at 11.0% or 11.5% of compensation, and all Tier 1 Enhanced and Tier 3 members contribute at 11.0% of compensation.

[1] Based on the June 30, 2020 funding valuation which established funding requirements for fiscal year 2021/2022. The schedule of contributions in Section 2 of this report provides details on how this rate was calculated.

Net Pension Liability

The components of the Net Pension Liability were as follows:

Reporting Date for Employer under GAS 68	**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Total Pension Liability	$24,078,751,303	$23,281,892,854
Plan Fiduciary Net Position	(17,013,091,063)	(18,918,136,000)
Net Pension Liability	**$7,065,660,240**	**$4,363,756,854**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	70.66%	81.26%

The NPL was measured as of June 30, 2022 and 2021. The Plan Fiduciary Net Position was valued as of the measurement date, while the TPL was determined based upon the results of the actuarial valuations as of June 30, 2022 and 2021, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL as of June 30, 2022 and 2021 are the same as those used in the LACERS funding valuations as of June 30, 2022 and 2021, respectively.

Actuarial assumptions. The TPLs as of June 30, 2022 and June 30, 2021 were determined by actuarial valuations as of June 30, 2022 and June 30, 2021, respectively. The actuarial assumptions used in both the June 30, 2022 and June 30, 2021 valuations were based on the results of an experience study for the period from July 1, 2016 through June 30, 2019. They are the same as the assumptions used in the June 30, 2022 funding actuarial valuation for LACERS. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Investment rate of return:	7.00%, net of pension plan investment expense and including inflation
Inflation rate:	2.75%
Real across-the-board salary increase:	0.50%
Projected salary increases:	Ranges from 9.95% to 4.25% based on years of service, including inflation and across-the-board salary increase
Cost of living adjustments:	2.75% for Tier 1; 2.00% for Tier 3. (Actual increases are contingent upon Consumer Price Index (CPI) increases with a 3.00% maximum for Tier 1 and a 2.00% maximum for Tier 3. For Tier 1 members with a sufficient COLA bank, withdrawals from the bank can be made to increase the retiree COLA up to 3.00% per year.)
Other assumptions:	Same as those used in the June 30, 2022 funding actuarial valuation

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption that was used in the actuarial valuation as of June 30, 2022. This information is subject to change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap U.S. Equity	15.01%	5.54%
Small/Mid Cap U.S. Equity	3.99%	6.25%
Developed International Large Cap Equity	17.01%	6.61%
Developed International Small Cap Equity	2.97%	6.90%
Emerging International Large Cap Equity	5.67%	8.74%
Emerging International Small Cap Equity	1.35%	10.63%
Core Bonds	13.75%	1.19%
High Yield Bonds	2.00%	3.14%
Bank Loans	2.00%	3.70%
TIPS	4.00%	0.86%
Emerging Market Debt (External)	2.25%	3.55%
Emerging Market Debt (Local)	2.25%	4.75%
Core Real Estate	4.20%	4.60%
Non-Core Real Estate	2.80%	5.76%
Cash	1.00%	0.03%
Commodities	1.00%	3.33%
Private Equity	14.00%	8.97%
Private Credit/Debt	3.75%	6.00%
REITS	1.00%	5.98%
Total	**100.00%**	**5.50%**

Discount rate. The discount rate used to measure the TPL was 7.00% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2022 and June 30, 2021.

Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability of LACERS as of June 30, 2022, which is allocated to all employer categories, calculated using the discount rate of 7.00%, as well as what LACERS' Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City	$8,569,449,907	$5,911,405,738	$3,711,607,291
Airports	1,281,491,007	884,002,284	555,040,454
Harbor	391,770,240	270,252,218	169,683,853
Total for all Employer Categories	**$10,242,711,154**	**$7,065,660,240**	**$4,436,331,598**

Schedule of changes in Net Pension Liability – Last two fiscal years

Reporting Date for Employer under GAS 68 Measurement Date for Employer under GAS 68	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021
Total Pension Liability		
• Service cost[1]	$413,862,737	$451,426,209
• Interest	1,617,800,746	1,570,784,315
• Change of benefit terms	0	0
• Differences between expected and actual experience	(66,172,296)	(189,821,814)
• Changes of assumptions	0	0
• Benefit payments, including refunds of member contributions	(1,168,632,738)	(1,077,691,151)
Net change in Total Pension Liability	**$796,858,449**	**$754,697,559**
Total Pension Liability – beginning	**23,281,892,854**	**22,527,195,295**
Total Pension Liability – ending	**$24,078,751,303**	**$23,281,892,854**
Plan Fiduciary Net Position		
• Contributions – employer	$591,234,354	$554,855,906
• Contributions – employee	241,875,691	252,122,737
• Net investment income[2]	(1,542,473,179)	4,283,202,296
• Benefit payments, including refunds of member contributions	(1,168,632,738)	(1,077,691,151)
• Administrative expense	(27,032,894)	(26,758,088)
• Other[3]	(16,171)	0
Net change in Plan Fiduciary Net Position	**$(1,905,044,937)**	**$3,985,731,700**
Plan Fiduciary Net Position – beginning	**18,918,136,000**	**14,932,404,300**
Plan Fiduciary Net Position – ending	**$17,013,091,063**	**$18,918,136,000**
Net Pension Liability – ending	**$7,065,660,240**	**$4,363,756,854**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	**70.66%**	**81.26%**
Covered payroll[4]	**$2,155,005,471**	**$2,276,768,292**
Net Pension Liability as percentage of covered payroll	**327.87%**	**191.66%**

[1] The service cost is based on the previous year's valuation, meaning the June 30, 2022 and 2021 measurement date values are based on the valuations as of June 30, 2021 and June 30, 2020, respectively. Both measurement date service costs have been calculated using the actuarial assumptions shown in the June 30, 2021 measurement date column on page 7, as there had been no changes in the actuarial assumptions between the June 30, 2020 and June 30, 2021 valuations:

[2] Includes building lease and other income.

[3] Prior period adjustment (adjustment made to beginning of year assets in order to match the June 30, 2021 Plan Fiduciary Net Position restated by LACERS after the completion of the June 30, 2021 (measurement date) GAS 68 valuation report).

[4] Covered payroll is defined as the payroll on which contributions to a pension plan are based.

Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
2013	$346,180,852	$346,180,852	$0	$1,736,112,598	19.94%
2014	357,649,232	357,649,232	0	1,802,931,195	19.84%
2015	381,140,923	381,140,923	0	1,835,637,409	20.76%
2016	440,546,011	440,546,011	0	1,876,946,179	23.47%
2017	453,356,059	453,356,059	0	1,973,048,633	22.98%
2018	450,195,254	450,195,254	0	2,057,565,478	21.88%
2019	478,716,953	478,716,953	0	2,108,171,088	22.71%
2020	553,118,173	553,118,173	0	2,271,038,575	24.36%
2021	554,855,906	554,855,906	0	2,276,768,292	24.37%
2022	591,234,354	591,234,354	0	2,155,005,471	27.44%

1 Covered payroll is defined as the payroll on which contributions to a pension plan are based.

See accompanying notes to this schedule on the next page.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date:	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method:	Entry Age Cost Method (individual basis)
Amortization method:	Level percent of payroll
Amortization period:	Multiple layers, closed amortization periods. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 20 years. Plan changes, including the 2009 ERIP, are amortized over 15 years. Future ERIPs will be amortized over 5 years. Actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two (at that time) GASB 25/27 layers, were combined and amortized over 30 years.
Asset valuation method:	Market value of assets less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a seven-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the market value of assets.

Section 2: GAS 68 Information

Actuarial assumptions:

Valuation Date:	**June 30, 2022**
Investment rate of return:	7.00%
Inflation rate:	2.75%
Real across-the-board salary increase:	0.50%
Projected salary increases:[1]	Ranges from 9.95% to 4.25%, based on years of service
Cost of living adjustments:	2.75% for Tier 1; 2.00% for Tier 3. (Actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1 and a 2.00% maximum for Tier 3. For Tier 1 members with a sufficient COLA bank, withdrawals from the bank can be made to increase the retiree COLA up to 3% per year.)
Mortality:	Healthy: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.
Other assumptions:	Same as those used in the June 30, 2022 funding actuarial valuation

[1] Includes inflation at 2.75% plus across-the-board salary increases of 0.50% plus merit and promotion increases.

Determination of proportionate share

Actual Employer Contributions by Employer Category

July 1, 2020 to June 30, 2021

Employer Category	Contributions	Percentage[1]
City	$464,083,734	83.640%
Airports	69,399,393	12.508%
Harbor	21,372,779	3.852%
Total for all Employer Categories	**$554,855,906**	**100.000%**

[1] The unrounded percentages are used in the allocation of the NPL amongst employer categories.

Allocation of June 30, 2021 Net Pension Liability (NPL)

Employer Category	NPL	Percentage
City	$3,649,863,961	83.640%
Airports	545,803,106	12.508%
Harbor	168,089,787	3.852%
Total for all Employer Categories	**$4,363,756,854**	**100.000%**

Notes:

1. Based on the July 1, 2020 through June 30, 2021 employer contributions as provided by LACERS.
2. The Net Pension Liability is the Total Pension Liability minus the Plan Fiduciary Net Position (plan assets).
3. The NPL is allocated based on the actual contributions from each employer category. The steps used for the allocation are as follows:
   - First calculate the ratio of the contributions from the employer category to the total contributions.
   - Then multiply this ratio by the NPL to determine the employer category’s proportionate share of the NPL.

Determination of proportionate share (continued)

Actual Employer Contributions by Employer Category
July 1, 2021 to June 30, 2022

Employer Category	Contributions	Percentage[1]
City	$494,649,620	83.664%
Airports	73,970,797	12.511%
Harbor	22,613,937	3.825%
Total for all Employer Categories	**$591,234,354**	**100.000%**

[1] The unrounded percentages are used in the allocation of the NPL amongst employer categories.

Allocation of June 30, 2022 Net Pension Liability (NPL)

Employer Category	NPL	Percentage
City	$5,911,405,738	83.664%
Airports	884,002,284	12.511%
Harbor	270,252,218	3.825%
Total for all Employer Categories	**$7,065,660,240**	**100.000%**

Notes:

1. Based on the July 1, 2021 through June 30, 2022 employer contributions as provided by LACERS.
2. The Net Pension Liability is the Total Pension Liability minus the Plan Fiduciary Net Position (plan assets).
3. The NPL is allocated based on the actual contributions from each employer category. The steps used for the allocation are as follows:
   - First calculate the ratio of the contributions from the employer category to the total contributions.
   - Then multiply this ratio by the NPL to determine the employer category's proportionate share of the NPL.

Determination of proportionate share (continued)

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2023. The reporting date and measurement date for the Plan under GAS 67 are June 30, 2022. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2022 are not adjusted or rolled forward to the June 30, 2023 reporting date. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

The following items are allocated based on the corresponding proportionate share:

1. Net Pension Liability
2. Service cost
3. Interest on the Total Pension Liability
4. Expensed portion of current-period benefit changes
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
6. Expensed portion of current-period changes of assumptions or other inputs
7. Member contributions
8. Projected earnings on plan investments
9. Expensed portion of current-period differences between actual and projected earnings on plan investments
10. Administrative expense
11. Recognition of beginning of year deferred outflows of resources as pension expense
12. Recognition of beginning of year deferred inflows of resources as pension expense

Pension expense

Total for All Employer Categories

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Components of Pension Expense		
• Service cost	$413,862,737	$451,426,209
• Interest on the Total Pension Liability	1,617,800,746	1,570,784,315
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(13,700,268)	(37,663,058)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(241,875,691)	(252,122,737)
• Projected earnings on plan investments	(1,330,547,711)	(1,052,658,457)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	574,604,178	(646,108,768)
• Administrative expense	27,032,894	26,758,088
• Other expense	16,171	0
• Recognition of beginning of year deferred outflows of resources as pension expense	503,073,966	557,773,352
• Recognition of beginning of year deferred inflows of resources as pension expense	(753,879,252)	(231,750,081)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension Expense	**$796,387,770**	**$386,438,863**

Pension expense (continued)

City

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Components of Pension Expense		
• Service cost	$346,253,637	$377,574,716
• Interest on the Total Pension Liability	1,353,514,929	1,313,810,383
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	289,373	9,289,152
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(11,462,176)	(31,501,534)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(202,362,596)	(210,876,481)
• Projected earnings on plan investments	(1,113,187,885)	(880,447,810)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	480,736,169	(540,407,998)
• Administrative expense	22,616,769	22,380,573
• Other expense	13,529	0
• Recognition of beginning of year deferred outflows of resources as pension expense	420,891,216	466,523,897
• Recognition of beginning of year deferred inflows of resources as pension expense	(630,724,657)	(193,836,709)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	14,531,093	7,357,622
Pension Expense	**$681,109,401**	**$339,865,811**

Pension expense (continued)

Airports

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Components of Pension Expense		
• Service cost	$51,779,397	$56,462,776
• Interest on the Total Pension Liability	202,407,065	196,468,086
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	44,442	(11,450,036)
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(1,714,075)	(4,710,761)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(30,261,668)	(31,534,611)
• Projected earnings on plan investments	(166,468,125)	(131,662,756)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	71,890,154	(80,812,975)
• Administrative expense	3,382,152	3,346,806
• Other expense	2,023	0
• Recognition of beginning of year deferred outflows of resources as pension expense	62,940,832	69,764,297
• Recognition of beginning of year deferred inflows of resources as pension expense	(94,319,704)	(28,986,472)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(14,500,479)	(4,186,346)
Pension Expense	**$85,182,014**	**$32,698,008**

Pension expense (continued)

Harbor

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Components of Pension Expense		
• Service cost	$15,829,703	$17,388,717
• Interest on the Total Pension Liability	61,878,752	60,505,846
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(333,815)	2,160,884
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(524,017)	(1,450,763)
• Expensed portion of current-period changes of assumptions or other inputs	0	0
• Member contributions	(9,251,427)	(9,711,645)
• Projected earnings on plan investments	(50,891,701)	(40,547,891)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	21,977,855	(24,887,795)
• Administrative expense	1,033,973	1,030,709
• Other expense	619	0
• Recognition of beginning of year deferred outflows of resources as pension expense	19,241,918	21,485,158
• Recognition of beginning of year deferred inflows of resources as pension expense	(28,834,891)	(8,926,900)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(30,614)	(3,171,276)
Pension Expense	**$30,096,355**	**$13,875,044**

Deferred outflows of resources and deferred inflows of resources

Total for All Employer Categories

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$44,008,901	$59,948,644
• Changes of assumptions or other inputs	233,804,932	443,677,613
• Net excess of projected over actual earnings on Pension Plan investments (if any)	719,790,431	N/A
• Difference between actual and expected experience in the Total Pension Liability	129,508,654	218,792,675
• **Total Deferred Outflows of Resources**	**$1,127,112,918**	**$722,418,932**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$44,008,901	$59,948,644
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	N/A	2,076,846,227
• Difference between expected and actual experience in the Total Pension Liability	175,952,473	175,222,487
• **Total Deferred Inflows of Resources**	**$219,961,374**	**$2,312,017,358**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68, Year Ended June 30:		
2023	N/A	$(250,805,286)
2024	$268,942,323	(291,961,587)
2025	199,350,706	(361,553,204)
2026	(122,867,915)	(683,771,825)
2027	561,726,430	(1,506,524)
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Deferred outflows of resources and deferred inflows of resources (continued)

City

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$37,143,294	$50,566,089
• Changes of assumptions or other inputs	195,610,286	371,093,758
• Net excess of projected over actual earnings on Pension Plan investments (if any)	602,204,626	N/A
• Difference between actual and expected experience in the Total Pension Liability	108,351,969	182,999,082
• **Total Deferred Outflows of Resources**	**$943,310,175**	**$604,658,929**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$0	$0
• Changes of assumptions or other inputs	0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)	N/A	1,737,082,622
• Difference between expected and actual experience in the Total Pension Liability	147,208,672	146,556,800
• **Total Deferred Inflows of Resources**	**$147,208,672**	**$1,883,639,422**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting Date for Employer under GAS 68, Year Ended June 30:		
2023	N/A	$(195,243,468)
2024	$239,169,190	(230,325,633)
2025	179,575,969	(289,902,515)
2026	(93,217,544)	(562,620,381)
2027	470,573,888	(888,496)
2028	0	0
Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Deferred outflows of resources and deferred inflows of resources (continued)

Airports

Reporting Date for Employer under GAS 68		June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68		**June 30, 2022**	**June 30, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$296,519	$652,583
• Changes of assumptions or other inputs		29,251,915	55,493,610
• Net excess of projected over actual earnings on Pension Plan investments (if any)		90,054,767	N/A
• Difference between actual and expected experience in the Total Pension Liability		16,203,149	27,365,806
• **Total Deferred Outflows of Resources**		**$135,806,350**	**$83,511,999**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$41,233,041	$56,259,798
• Changes of assumptions or other inputs		0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)		N/A	259,764,501
• Difference between expected and actual experience in the Total Pension Liability		22,013,850	21,916,202
• **Total Deferred Inflows of Resources**		**$63,246,891**	**$337,940,501**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
	Reporting Date for Employer under GAS 68, Year Ended June 30:		
	2023	N/A	$(45,870,307)
	2024	$18,950,193	(51,259,801)
	2025	10,529,294	(59,678,191)
	2026	(26,777,904)	(96,973,771)
	2027	69,857,876	(646,432)
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Deferred outflows of resources and deferred inflows of resources (continued)

Harbor

Reporting Date for Employer under GAS 68		June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68		**June 30, 2022**	**June 30, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$6,569,088	$8,729,972
• Changes of assumptions or other inputs		8,942,731	17,090,245
• Net excess of projected over actual earnings on Pension Plan investments (if any)		27,531,038	N/A
• Difference between actual and expected experience in the Total Pension Liability		4,953,536	8,427,787
• **Total Deferred Outflows of Resources**		**$47,996,393**	**$34,248,004**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$2,775,860	$3,688,846
• Changes of assumptions or other inputs		0	0
• Net excess of actual over projected earnings on Pension Plan investments (if any)		N/A	79,999,104
• Difference between expected and actual experience in the Total Pension Liability		6,729,951	6,749,485
• **Total Deferred Inflows of Resources**		**$9,505,811**	**$90,437,435**
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:			
Reporting Date for Employer under GAS 68, Year Ended June 30:			
	2023	N/A	$(9,691,511)
	2024	$10,822,940	(10,376,153)
	2025	9,245,443	(11,972,498)
	2026	(2,872,467)	(24,177,673)
	2027	21,294,666	28,404
	2028	0	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

Deferred outflows of resources and deferred inflows of resources (continued)

There are changes in each employer category's proportionate share of the total Net Pension Liability during the measurement period ended June 30, 2022. The net effect of the change on the employer category's proportionate share of the collective Net Pension Liability and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through LACERS which is 4.83 years determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022).

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2022 is recognized over the same period.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Schedule of proportionate share of the Net Pension Liability

Total for All Employer Categories

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll[1]	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	100.000%	$4,727,177,064	$1,736,112,598	272.29%	68.23%
2015	100.000%	4,457,773,626	1,802,931,195	247.25%	72.57%
2016	100.000%	4,989,426,361	1,835,637,409	271.81%	70.49%
2017	100.000%	5,615,666,914	1,876,946,179	299.19%	67.77%
2018	100.000%	5,277,672,228	1,973,048,633	267.49%	71.41%
2019	100.000%	5,709,348,530	2,057,565,478	277.48%	71.37%
2020	100.000%	5,977,828,302	2,108,171,088	283.56%	71.25%
2021	100.000%	7,594,790,995	2,271,038,575	334.42%	66.29%
2022	100.000%	4,363,756,854	2,276,768,292	191.66%	81.26%
2023	100.000%	7,065,660,240	2,155,005,471	327.87%	70.66%

[1] Covered payroll is defined as the payroll on which contributions to a pension plan are based.

Schedule of proportionate share of the Net Pension Liability (continued)

City

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll[1]	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	81.453%	$3,850,425,590	$1,414,115,080	272.29%	68.23%
2015	81.972%	3,654,125,793	1,477,663,755	247.29%	72.57%
2016	81.869%	4,084,786,762	1,504,659,940	271.48%	70.49%
2017	82.271%	4,620,035,451	1,540,925,299	299.82%	67.77%
2018	82.423%	4,350,001,537	1,625,808,930	267.56%	71.41%
2019	82.473%	4,708,641,301	1,701,304,099	276.77%	71.37%
2020	82.591%	4,937,107,456	1,749,621,444	282.18%	71.25%
2021	82.876%	6,294,231,550	1,895,552,279	332.05%	66.29%
2022	83.640%	3,649,863,961	1,918,677,086	190.23%	81.26%
2023	83.664%	5,911,405,738	1,818,039,081	325.15%	70.66%

[1] Covered payroll is defined as the payroll on which contributions to a pension plan are based.

Schedule of proportionate share of the Net Pension Liability (continued)

Airports

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll[1]	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	14.299%	$675,950,764	$248,251,046	272.29%	68.23%
2015	13.804%	615,348,678	249,227,877	246.90%	72.57%
2016	13.979%	697,482,231	255,014,220	273.51%	70.49%
2017	13.789%	774,356,211	260,929,145	296.77%	67.77%
2018	13.700%	723,062,142	271,035,342	266.78%	71.41%
2019	13.754%	785,272,253	278,681,843	281.78%	71.37%
2020	13.717%	819,996,210	280,595,646	292.23%	71.25%
2021	13.450%	1,021,523,208	292,405,953	349.35%	66.29%
2022	12.508%	545,803,106	270,630,444	201.68%	81.26%
2023	12.511%	884,002,284	255,761,313	345.64%	70.66%

[1] Covered payroll is defined as the payroll on which contributions to a pension plan are based.

Schedule of proportionate share of the Net Pension Liability (continued)

Harbor

Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll[1]	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	4.248%	$200,800,710	$73,746,472	272.29%	68.23%
2015	4.224%	188,299,155	76,039,563	247.63%	72.57%
2016	4.152%	207,157,368	75,963,249	272.71%	70.49%
2017	3.940%	221,275,252	75,091,735	294.67%	67.77%
2018	3.877%	204,608,549	76,204,361	268.50%	71.41%
2019	3.773%	215,434,976	77,579,536	277.70%	71.37%
2020	3.692%	220,724,636	77,953,998	283.15%	71.25%
2021	3.674%	279,036,237	83,080,343	335.86%	66.29%
2022	3.852%	168,089,787	87,460,762	192.19%	81.26%
2023	3.825%	270,252,218	81,205,077	332.80%	70.66%

[1] Covered payroll is defined as the payroll on which contributions to a pension plan are based.

Schedule of reconciliation of Net Pension Liability

Total for All Employer Categories

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Beginning Net Pension Liability	**$4,363,756,854**	**$7,594,790,995**
• Pension Expense	796,387,770	386,438,863
• Employer Contributions	(591,234,354)	(554,855,906)
• New Net Deferred Inflows/Outflows	2,245,944,684	(2,736,593,827)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion	0	0
• Recognition of Prior Deferred Inflows/Outflows	250,805,286	(326,023,271)
• Recognition of Prior Deferred Flows Due to Change in Proportion	0	0
Ending Net Pension Liability	**$7,065,660,240**	**$4,363,756,854**

Schedule of reconciliation of Net Pension Liability (continued)

City

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Beginning Net Pension Liability	**$3,649,863,961**	**$6,294,231,550**
• Pension Expense	681,109,401	339,865,811
• Employer Contributions	(494,649,620)	(464,083,734)
• New Net Deferred Inflows/Outflows	1,879,044,540	(2,288,898,197)
• Change in Allocation of Prior Deferred Inflows/Outflows	(373,190)	11,265,168
• New Net Deferred Flows Due to Change in Proportion	1,108,298	37,528,173
• Recognition of Prior Deferred Inflows/Outflows	209,833,441	(272,687,188)
• Recognition of Prior Deferred Flows Due to Change in Proportion	(14,531,093)	(7,357,622)
Ending Net Pension Liability	**$5,911,405,738**	**$3,649,863,961**

Schedule of reconciliation of Net Pension Liability (continued)

Airports

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Beginning Net Pension Liability	**$545,803,106**	**$1,021,523,208**
• Pension Expense	85,182,014	32,698,008
• Employer Contributions	(73,970,797)	(69,399,393)
• New Net Deferred Inflows/Outflows	280,995,711	(342,283,371)
• Change in Allocation of Prior Deferred Inflows/Outflows	(57,315)	(13,885,722)
• New Net Deferred Flows Due to Change in Proportion	170,214	(46,258,145)
• Recognition of Prior Deferred Inflows/Outflows	31,378,872	(40,777,825)
• Recognition of Prior Deferred Flows Due to Change in Proportion	14,500,479	4,186,346
Ending Net Pension Liability	**$884,002,284**	**$545,803,106**

Schedule of reconciliation of Net Pension Liability (continued)

Harbor

Reporting Date for Employer under GAS 68	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 68	**June 30, 2022**	**June 30, 2021**
Beginning Net Pension Liability	**$168,089,787**	**$279,036,237**
• Pension Expense	30,096,355	13,875,044
• Employer Contributions	(22,613,937)	(21,372,779)
• New Net Deferred Inflows/Outflows	85,904,433	(105,412,259)
• Change in Allocation of Prior Deferred Inflows/Outflows	430,505	2,620,554
• New Net Deferred Flows Due to Change in Proportion	(1,278,512)	8,729,972
• Recognition of Prior Deferred Inflows/Outflows	9,592,973	(12,558,258)
• Recognition of Prior Deferred Flows Due to Change in Proportion	30,614	3,171,276
Ending Net Pension Liability	**$270,252,218**	**$168,089,787**

Schedule of recognition of changes in Total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Actual and Expected Experience on Total Pension Liability

Reporting Date for Employer under GAS 68, Year Ended June 30	Differences Between Actual and Expected Experience	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30:							
			2022	2023	2024	2025	2026	2027	2028	Thereafter
2017	$(300,812,751)	5.24	$(13,777,681)	$0	$0	$0	$0	$0	$0	$0
2018	(146,474,065)	5.17	(28,331,541)	(4,816,360)	0	0	0	0	0	0
2019	144,224,403	5.24	27,523,741	27,523,741	6,605,698	0	0	0	0	0
2020	(46,035,243)	4.97	(9,262,624)	(9,262,624)	(8,984,747)	0	0	0	0	0
2021	308,183,796	4.99	61,760,280	61,760,280	61,760,280	61,142,676	0	0	0	0
2022	(189,821,814)	5.04	(37,663,058)	(37,663,058)	(37,663,058)	(37,663,058)	(37,663,058)	(1,506,524)	0	0
2023	(66,172,296)	4.83	N/A	(13,700,268)	(13,700,268)	(13,700,268)	(13,700,268)	(11,371,224)	0	0
Net increase (decrease) in pension expense			**$249,117**	**$23,841,711**	**$8,017,905**	**$9,779,350**	**$(51,363,326)**	**$(12,877,748)**	**$0**	**$0**

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GAS 68, Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30:							
			2022	2023	2024	2025	2026	2027	2028	Thereafter
2017	$0	5.24	$0	$0	$0	$0	$0	$0	$0	$0
2018	340,717,846	5.17	65,902,872	11,203,486	0	0	0	0	0	0
2019	483,717,164	5.24	92,312,436	92,312,436	22,154,984	0	0	0	0	0
2020	0	4.97	0	0	0	0	0	0	0	0
2021	530,720,225	4.99	106,356,759	106,356,759	106,356,759	105,293,189	0	0	0	0
2022	0	5.04	0	0	0	0	0	0	0	0
2023	0	4.83	N/A	0	0	0	0	0	0	0
Net increase (decrease) in pension expense			**$264,572,067**	**$209,872,681**	**$128,511,743**	**$105,293,189**	**$0**	**$0**	**$0**	**$0**

As described on page 33, the average of the expected remaining service lives of all employees that are provided with pensions through LACERS (active and inactive employees) determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022) is 4.83 years.

Amortization amounts prior to June 30, 2022 have been omitted from this exhibit. These amounts can be found in prior year's GAS 68 reports.

Schedule of recognition of changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments

Reporting Date for Employer under GAS 68, Year Ended June 30	Differences Between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2022	2023	2024	2025	2026	2027	2028	Thereafter
2017	$874,539,255	5.00	$0	$0	$0	$0	$0	$0	$0	$0
2018	(621,748,969)	5.00	(124,349,793)	0	0	0	0	0	0	0
2019	(280,142,210)	5.00	(56,028,442)	(56,028,442)	0	0	0	0	0	0
2020	240,672,541	5.00	48,134,508	48,134,508	48,134,509	0	0	0	0	0
2021	778,913,781	5.00	155,782,756	155,782,756	155,782,756	155,782,757	0	0	0	0
2022	(3,230,543,839)	5.00	(646,108,768)	(646,108,768)	(646,108,768)	(646,108,768)	(646,108,767)	0	0	0
2023	2,873,020,890	5.00	N/A	574,604,178	574,604,178	574,604,178	574,604,178	574,604,178	0	0
Net increase (decrease) in pension expense			**$(622,569,739)**	**$76,384,232**	**$132,412,675**	**$84,278,167**	**$(71,504,589)**	**$574,604,178**	**$0**	**$0**

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b. of GAS 68

Total Increase (Decrease) in Pension Expense

Reporting Date for Employer under GAS 68, Year Ended June 30	Total Differences	Reporting Date for Employer under GAS 68, Year Ended June 30: 2022	2023	2024	2025	2026	2027	2028	Thereafter
2017	$573,726,504	$(13,777,681)	$0	$0	$0	$0	$0	$0	$0
2018	(427,505,188)	(86,778,462)	6,387,126	0	0	0	0	0	0
2019	347,799,357	63,807,735	63,807,735	28,760,682	0	0	0	0	0
2020	194,637,298	38,871,884	38,871,884	39,149,762	0	0	0	0	0
2021	1,617,817,802	323,899,795	323,899,795	323,899,795	322,218,622	0	0	0	0
2022	(3,420,365,653)	(683,771,826)	(683,771,826)	(683,771,826)	(683,771,826)	(683,771,825)	(1,506,524)	0	0
2023	2,806,848,594	N/A	560,903,910	560,903,910	560,903,910	560,903,910	563,232,954	0	0
Net increase (decrease) in pension expense		**$(357,748,555)**	**$310,098,624**	**$268,942,323**	**$199,350,706**	**$(122,867,915)**	**$561,726,430**	**$0**	**$0**

Allocation of changes in Total Net Pension Liability

In addition to the amounts shown in the *Schedule of Recognition of Changes in Total Net Pension Liability*, there are changes in each employer's proportionate share of the total Net Pension Liability during the measurement period ending on June 30, 2022. The net effect of the change on the employer's proportionate share of the collective Net Pension Liability and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown above. The difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2022 is recognized over the same periods. These amounts are shown below. While these amounts are different for each employer, they sum to zero over the entire LACERS.

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2023

			Reporting Date for Employer under GAS 68, Year Ended June 30:					
	Total Change to be Recognized	**Recognition Period (Years)**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
City	$1,397,671	4.83	$289,373	$289,373	$289,373	$289,373	$240,179	$0
Airports	214,656	4.83	44,442	44,442	44,442	44,442	36,888	0
Harbor	(1,612,327)	4.83	(333,815)	(333,815)	(333,815)	(333,815)	(277,067)	0
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Allocation of changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2022

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2022	2023	2024	2025	2026	2027
City	$46,817,325	5.04	$9,289,152	$9,289,152	$9,289,152	$9,289,152	$9,289,152	$371,565
Airports	(57,708,181)	5.04	(11,450,036)	(11,450,036)	(11,450,036)	(11,450,036)	(11,450,036)	(458,001)
Harbor	10,890,856	5.04	2,160,884	2,160,884	2,160,884	2,160,884	2,160,884	86,436
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2021

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2021	2022	2023	2024	2025	2026
City	$16,194,330	4.99	$3,245,357	$3,245,357	$3,245,357	$3,245,357	$3,212,902	$0
Airports	(15,153,337)	4.99	(3,036,741)	(3,036,741)	(3,036,741)	(3,036,741)	(3,006,373)	0
Harbor	(1,040,993)	4.99	(208,616)	(208,616)	(208,616)	(208,616)	(206,529)	0
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Allocation of changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2020

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2020	2021	2022	2023	2024	2025
City	$6,255,065	4.97	$1,258,565	$1,258,565	$1,258,565	$1,258,565	$1,220,805	$0
Airports	(1,956,330)	4.97	(393,628)	(393,628)	(393,628)	(393,628)	(381,818)	0
Harbor	(4,298,735)	4.97	(864,937)	(864,937)	(864,937)	(864,937)	(838,987)	0
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2019

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2019	2020	2021	2022	2023	2024
City	$2,552,476	5.24	$487,113	$487,113	$487,113	$487,113	$487,113	$116,911
Airports	2,757,695	5.24	526,278	526,278	526,278	526,278	526,278	126,305
Harbor	(5,310,171)	5.24	(1,013,391)	(1,013,391)	(1,013,391)	(1,013,391)	(1,013,391)	(243,216)
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Allocation of changes in Total Net Pension Liability (continued)

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2018

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2018	2019	2020	2021	2022	2023
City	$7,630,406	5.17	$1,475,900	$1,475,900	$1,475,900	$1,475,900	$1,475,900	$250,906
Airports	(4,450,747)	5.17	(860,879)	(860,879)	(860,879)	(860,879)	(860,879)	(146,352)
Harbor	(3,179,659)	5.17	(615,021)	(615,021)	(615,021)	(615,021)	(615,021)	(104,554)
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2017

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68, Year Ended June 30: 2017	2018	2019	2020	2021	2022
City	$19,446,722	5.24	$3,711,207	$3,711,207	$3,711,207	$3,711,207	$3,711,207	$890,687
Airports	(9,200,091)	5.24	(1,755,743)	(1,755,743)	(1,755,743)	(1,755,743)	(1,755,743)	(421,376)
Harbor	(10,246,631)	5.24	(1,955,464)	(1,955,464)	(1,955,464)	(1,955,464)	(1,955,464)	(469,311)
Total for all Employer Categories	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 3: Actuarial Assumptions and Methods and Appendices

Actuarial assumptions and methods

For June 30, 2022 Measurement Date and Employer Reporting as of June 30, 2023

Rationale for Assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2019 Actuarial Experience Study dated June 17, 2020. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both Tier 1 and Tier 3 members. These assumptions have been adopted by the Board.

Economic Assumptions

Net Investment Return:	7.00%; net of investment expenses.
Employee Contribution Crediting Rate:	Based on average of 5-year Treasury note rate. An assumption of 2.75% is used to approximate that crediting rate in this valuation.
Cost of Living Adjustments:	2.75% for Tier 1; 2.00% for Tier 3. (Actual increases are contingent upon CPI increases with a 3.00% maximum for Tier 1 and a 2.00% maximum for Tier 3. For Tier 1 members with a sufficient COLA bank, withdrawals from the bank can be made to increase the retiree COLA up to 3% per year.)
Payroll Growth:	Inflation of 2.75% per year plus real “across-the-board” salary increases of 0.50% per year, used to amortize the UAAL as a level percentage of payroll.
Increase in Internal Revenue Code Section 401(a)(17) Compensation Limit:	Increase of 2.75% per year from the valuation date.

Salary Increases:

The annual rate of compensation increase includes: inflation at 2.75%, plus “across-the-board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Merit and Promotion Increases

Years of Service	Rate (%)
Less than 1	6.70
1 – 2	6.50
2 – 3	5.80
3 – 4	4.00
4 – 5	3.00
5 – 6	2.20
6 – 7	2.00
7 – 8	1.80
8 – 9	1.60
9 – 10	1.40
10 & Over	1.00

Demographic Assumptions

Post-Retirement Mortality Rates:

Healthy Members

- Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.

Disabled Members

- Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

Beneficiaries

- Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement Mortality Rates:

- Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019.

	Rate (%)	
Age	Male	Female
20	0.04	0.01
25	0.03	0.01
30	0.03	0.01
35	0.05	0.02
40	0.06	0.04
45	0.09	0.06
50	0.14	0.08
55	0.21	0.12
60	0.30	0.19
65	0.45	0.30

Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

For Tier 1 Enhanced, 100% of pre-retirement death benefits are assumed to be service-connected.

Disability Incidence:

Disability Incidence

Age	Rate (%)
25	0.01
30	0.02
35	0.04
40	0.06
45	0.12
50	0.16
55	0.18
60	0.18
65	0.22

For Tier 1 Enhanced, 90% of disability retirements are assumed to be service-connected with service-connected disability benefits based on years of service, as follows:

Years of Service	Benefit
Less than 20	55% of Final Average Monthly Compensation
20 – 30	65% of Final Average Monthly Compensation
More than 30	75% of Final Average Monthly Compensation

For Tier 1 Enhanced, 10% of disability retirements are assumed to be nonservice-connected with nonservice-connected disability benefits equal to 40% of Final Average Monthly Compensation.

Termination:

Less Than Five Years of Service

Years of Service	Rate (%)
Less than 1	11.50
1 – 2	10.00
2 – 3	8.50
3 – 4	7.75
4 – 5	7.00

Five or More Years of Service

Age	Rate (%)
25	7.00
30	6.70
35	5.30
40	3.75
45	3.10
50	3.00
55	3.00
60	3.00

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Retirement Rates:

	Rate (%)					
	Tier 1		Tier 1 Enhanced		Tier 3	
Age	Non-55/30	55/30	Non-55/30	55/30	Non-55/30	55/30
50	5.0	0.0	7.0	0.0	5.0	0.0
51	3.0	0.0	5.0	0.0	3.0	0.0
52	3.0	0.0	5.0	0.0	3.0	0.0
53	3.0	0.0	5.0	0.0	3.0	0.0
54	18.0	0.0	20.0	0.0	17.0	0.0
55	6.0	27.0	8.0	30.0	0.0[1]	26.0
56	6.0	18.0	8.0	22.0	0.0[1]	17.0
57	6.0	18.0	8.0	22.0	0.0[1]	17.0
58	6.0	18.0	8.0	22.0	0.0[1]	17.0
59	6.0	18.0	8.0	22.0	0.0[1]	17.0
60	7.0	18.0	9.0	22.0	6.0	17.0
61	7.0	18.0	9.0	22.0	6.0	17.0
62	7.0	18.0	9.0	22.0	6.0	17.0
63	7.0	18.0	9.0	22.0	6.0	17.0
64	7.0	18.0	9.0	22.0	6.0	17.0
65	14.0	21.0	16.0	26.0	13.0	20.0
66	14.0	21.0	16.0	26.0	13.0	20.0
67	14.0	21.0	16.0	26.0	13.0	20.0
68	14.0	21.0	16.0	26.0	13.0	20.0
69	14.0	21.0	16.0	26.0	13.0	20.0
70 & Over	100.0	100.0	100.0	100.0	100.0	100.0

[1] Not eligible to retire under the provisions of the Tier 3 plan at these ages with less than 30 years of service. If a member has at least 30 years of service at these ages, they would be subject to the “55/30” rates.

Retirement Age and Benefit for Inactive Vested Members: Pension benefit paid at the later of age 59 or the current attained age. For reciprocals, 4.25% compensation increases per annum.

Other Reciprocal Service: 5% of future inactive vested members will work at a reciprocal system.

Service:	Employment service is used for eligibility determination purposes. Benefit service is used for benefit calculation purposes.
Future Benefit Accruals:	1.0 year of service credit per year.
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Form of Payment:	All active and inactive Tier 1 and Tier 3 members who are assumed to be married or with domestic partners at retirement are assumed to elect the 50% Joint and Survivor Cash Refund Annuity. For Tier 1 Enhanced, the continuance percentage is 70% for service retirement and nonservice-connected disability, and 80% for service-connected disability. Those members who are assumed to be un-married or without domestic partners are assumed to elect the Single Cash Refund Annuity.
Percent Married/Domestic Partner:	For all active and inactive members, 76% of male participants and 52% of female participants are assumed to be married or with domestic partner at pre-retirement death or retirement.
Age and Gender of Spouse:	For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.

Actuarial Methods

Actuarial Cost Method:	Entry Age Cost Method, level percent of salary. Entry age is calculated as age on the valuation date minus years of employment service. Both the normal cost and the actuarial accrued liability are calculated on an individual basis.
Actuarial Value of Assets:	Market value of assets (MVA) less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a seven-year period. The actuarial value of assets (AVA) is limited by a 40% corridor; the AVA cannot be less than 60% of MVA, nor greater than 140% of MVA.
Expected Remaining Service Lives:	The average of the expected service lives of all employees is determined by: • Calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest. • Setting the remaining service life to zero for each nonactive or retired member. • Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Appendix A: Projection of Plan Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2022 ($ in millions)

Year Beginning July 1,	Projected Beginning Plan's Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan's Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2021	$18,918	$833	$1,169	$27	-$1,542	$17,013
2022	17,013	894	1,348	24	1,169	17,704
2023	17,704	913	1,336	25	1,219	18,474
2024	18,474	886	1,392	26	1,269	19,211
2025	19,211	907	1,447	27	1,319	19,963
2026	19,963	925	1,504	29	1,370	20,726
2027	20,726	933	1,563	30	1,422	21,488
2028	21,488	966	1,623	31	1,474	22,273
2029	22,273	1,007	1,687	32	1,528	23,090
2048	30,363	152	2,604	43	2,028	29,895
2049	29,895	142 *	2,627	43	1,994	29,362
2050	29,362	132 *	2,646	42	1,956	28,761
2051	28,761	122 *	2,658	41	1,913	28,098
2052	28,098	113 *	2,663	40	1,866	27,374
2085	2,583	18 *	535	4	161	2,224
2086	2,224	17 *	476	3	138	1,898
2087	1,898	15 *	421	3	117	1,607
2088	1,607	14 *	369	2	99	1,347
2089	1,347	12 *	321	2	82	1,119
2105	17	1 *	7	0	1	12
2106	12	1 *	5	0	1	9
2107	9	1 *	3	0	1	7
2108	7	0 *,**	3	0	0	5
2109	5	0 *,**	2	0	0	4
2110	4	0 *,**	1	0	0	3
2111	3	0 *,**	1	0	0	2
2112	2	0 *,**	1	0	0	1
2113	1	0 *,**	1	0	0	1
2114	1	0 *,**	0 **	0	0	1
2115	1	0 *,**	0 **	0	0	0
2116	0	0 *,**	0 **	0	0	0
2117	0	0 *,**	0 **	0	0	0
2118	0	0 *,**	0 **	0	0	0
2119	0	0 *,**	0 **	0	0	0
2120	0	0 *,**	0 **	0	0	0

* Mainly attributable to employer contributions to fund each year's annual administrative expenses.

** Less than $1 million, when rounded.

Note that in preparing the above projections, we have not taken into consideration the one-year delay between the date of the contribution rate calculation and the implementation.

Notes:

(1) Amounts may not total exactly due to rounding.

(2) Amounts shown for the year beginning July 1, 2021 row are actual amounts, based on the unaudited financial statements provided by LACERS.

(3) Years 2030-2047, 2053-2084, and 2090-2104 have been omitted from this table.

(4) Column (a): None of the projected beginning Plan's Fiduciary Net Position amounts shown have been adjusted for the time value of money.

(5) Column (b): Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2022); plus employer contributions to the unfunded actuarial accrued liability; plus contributions to fund each year's annual administrative expenses reflecting a 15-year amortization schedule. Contributions are assumed to occur halfway through the year, on average.

(6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2022. The projected benefit payments reflect the cost of living increase assumptions used in the June 30, 2022 funding valuation report. Benefit payments are assumed to occur halfway through the year, on average. In accordance with paragraph 31.b.(1)(e) of GASB Statement No. 67, the long-term expected rate of return on Plan investments of 7.00% was applied to all periods of projected benefit payments to determine the discount rate.

(7) Column (d): Projected administrative expenses are calculated as approximately 0.14% of the projected beginning Plan's Fiduciary Net Position amount. The 0.14% portion was based on the actual fiscal year 2021 - 2022 administrative expenses as a percentage of the beginning Plan's Fiduciary Net Position amount as of July 1, 2021. Administrative expenses are assumed to occur halfway through the year, on average.

(8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.00% per annum.

(9) As illustrated in this Exhibit, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected 'cross-over date' when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.00% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2022 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

(10) This projection is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Appendix B: Definition of Terms

Definitions of certain terms as they are used in Statement 68. The terms may have different meanings in other contexts.

Actuarial Present Value of Projected Benefit Payments:	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial Valuation:	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial Valuation Date:	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution:	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad Hoc Cost-of-Living Adjustments (Ad Hoc COLAs):	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad Hoc Postemployment Benefit Changes:	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Automatic Cost-of-Living Adjustments (Automatic COLAs):	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic Postemployment Benefit Changes:	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Cost-of-Living Adjustments:	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Cost-Sharing Pension Plan):	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered Payroll:	Payroll on which contributions to the pension plan are based.
Defined Benefit Pension Plans:	Pension plans that are used to provide defined benefit pensions.

Defined Benefit Pensions:	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 67.)
Defined Contribution Pension Plans:	Pension plans that are used to provide defined contribution pensions.
Defined Contribution Pensions:	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount Rate:	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: 1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan Fiduciary Net Position is projected (under the requirements of Statement 67) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.
Entry Age Actuarial Cost Method:	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.
Inactive Employees:	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Multiple-Employer Defined Benefit Pension Plan:	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL):	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.

Other Postemployment Benefits:	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension Plans:	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions:	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan Members:	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment:	The period after employment.
Postemployment Benefit Changes:	Adjustments to the pension of an inactive employee.
Postemployment Healthcare Benefits:	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected Benefit Payments:	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public Employee Retirement System:	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real Rate of Return:	The rate of return on an investment after adjustment to eliminate inflation.
Service Costs:	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single-Employer Defined Benefit Pension Plan (Single-Employer Pension Plan):	A defined benefit pension plan that is used to provide pensions to employees of only one employer.
Termination Benefits:	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL):	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68.

BOARD Meeting: 10/10/23
Item: III-C
Attachment: 2

Los Angeles City Employees' Retirement System (LACERS)

Governmental Accounting Standards Board Statement 75 (GAS 75) Actuarial Valuation of Other Postemployment Benefits (OPEB)

Actuarial Valuation Based on June 30, 2022
Measurement Date for Employer Reporting
as of June 30, 2023

Segal

Segal

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June 22, 2023

Board of Administration
Los Angeles City Employees' Retirement System
977 N. Broadway
Los Angeles, CA 90012-1728

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards (GAS) 75 Actuarial Valuation based on a June 30, 2022 measurement date for employer reporting as of June 30, 2023. It contains various information that will need to be disclosed in order for the three employer categories in LACERS (i.e., the City, Airports, and Harbor) to comply with GAS 75.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for their liabilities associated with the LACERS Other Postemployment Benefits (OPEB) plan. The census and financial information on which our calculations were based was prepared by LACERS. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung ASA, MAAA, FCA. The health care trend and other related medical assumptions have been reviewed by Mary Kirby, FSA, MAAA, FCA. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the System.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

Table of Contents

Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards (GAS) 75 for employer reporting as of June 30, 2023. The results used in preparing this GAS 75 report are comparable to those used in preparing the Governmental Accounting Standards (GAS) 74 report for the Plan based on a measurement date and a reporting date as of June 30, 2022. This valuation is based on:

- The benefit provisions of the OPEB Plan, as administered by the Board of Administration;
- The characteristics of covered active members, inactive vested members, and retired members and surviving spouses as of June 30, 2022, provided by LACERS;
- The assets of the Plan as of June 30, 2022, provided by LACERS;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other (health and non-health) actuarial assumptions, regarding employee terminations, retirement, death, health care trend and enrollment, etc. that the Board has adopted for the June 30, 2022 valuation.

General observations on GAS 75 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for OPEB funding purposes. Employers and plans still develop and adopt funding policies under current practices.
2. When measuring OPEB liability, GASB uses the same actuarial cost method (Entry Age) and, for benefits that are being fully funded on an actuarial basis, the same expected return on Plan assets as used for funding. This means that the Total OPEB Liability (TOL) measure for financial reporting shown in this report is determined on the same basis as the Actuarial Accrued Liability (AAL) measure for funding. We note that the same is true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net OPEB Liability (NOL) is equal to the difference between the TOL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NOL measure is the same as the Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis. The NOL reflects all investment gains and losses as of the measurement date. This is different from the UAAL calculated on an actuarial value of assets basis in the funding valuation that reflects investment gains and losses over a seven-year period.

Highlights of the valuation

1. For this report, the reporting dates for the employer are June 30, 2023 and 2022. The NOL was measured as of June 30, 2022 and 2021, and determined based upon the results of the actuarial valuations as of June 30, 2022 and 2021, respectively. The Plan's Fiduciary Net Position (plan assets) and the TOL were valued as of the measurement dates. Consistent with the provisions of GAS 75, the assets and liabilities measured as of June 30, 2022 and 2021 were not adjusted or rolled forward to the June 30, 2023 and 2022 reporting dates, respectively.
2. The NOL has increased from a surplus of ($261.6) million as of June 30, 2021 to a liability of $232.9 million as of June 30, 2022 mainly due to an investment loss[1] from actual returns of about -9.52%. The investment loss was partially offset by favorable 2022/2023 premium renewal experience and lower 2022/2023 subsidy levels than expected.
3. There was an increase in the total employer OPEB expense from ($61.3) million, an OPEB income, calculated last year to $14.3 million calculated this year. The primary causes of the increase were the unfavorable return on the market value of assets for the year ended June 30, 2022. The increase was offset to some extent by recognition of prior years' inflows. A breakdown of the OPEB expenses for this year and last year can be found in *Section 2, OPEB Expense* on page 25.
4. The discount rates used in the valuations for financial disclosure purposes as of June 30, 2022 and 2021 are the assumed investment returns on Plan assets (i.e. 7.00% for the funding valuations as of the same dates). As contributions that are required to be made by the City to amortize the Unfunded Actuarial Accrued Liability in the funding valuation are determined on an actuarial basis, the future Actuarially Determined Contributions and current Plan assets, when projected in accordance with the method prescribed by GAS 75, are expected to be sufficient to make all benefit payments to current members.
5. The NOLs for the three employer categories in LACERS (i.e., the City, Airports, and Harbor) as of June 30, 2021 and June 30, 2022 are allocated based on the actual employer contributions made during 2020/2021 and 2021/2022, respectively. The steps we used for the allocation are as follows
   a. First calculate the ratio of the employer category's contributions to the total contributions.
   b. Then multiply this ratio by the NOL to determine the employer category's proportionate share of the NOL. The NOL allocation can be found in *Section 2, Determination of proportionate share* on pages 22 and 23.

[1] The investment return calculated for the OPEB Plan was -9.52% (net of investment expenses only). This is lower than the -8.11% investment return calculated for the Retirement Plan. Both of these returns have been calculated by Segal on a dollar-weighted basis taking into account the beginning of year assets, contributions, and benefit cash flows made during the year. In backing into a rate of return using actual investment income and investment expense as provided by LACERS, we sometimes could come up with a different return for the two Plans if: (a) the timing of the actual cash flows (especially the benefit payments) are different from what we assumed and/or (b) the actual income and expense allocated are different when compared to the proportion of the assets in the two Plans.

6. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2022. Employers should consult with their auditors to determine any deferred outflow that should be created for these contributions.

Summary of key valuation results

Reporting Date for Employer under GAS 75 Measurement Date for Employer under GAS 75		June 30, 2023[1] June 30, 2022	June 30, 2022[2] June 30, 2021
Disclosure elements for fiscal year ending June 30:	• Service cost[3]	$81,415,128	$84,817,265
	• Total OPEB Liability	3,580,696,288	3,520,078,454
	• Plan Fiduciary Net Position	3,347,771,350	3,781,652,063
	• Net OPEB Liability	232,924,938	(261,573,609)
	• OPEB Expense	14,311,483	(61,311,167)
Schedule of contributions for fiscal year ending June 30:	• Actuarially determined contributions	$91,622,720	$103,454,114
	• Actual contributions	91,622,720	103,454,114
	• Contribution deficiency / (excess)	0	0
Demographic data for plan year ending June 30:	• Number of retired members and surviving spouses[4]	17,753	17,500
	• Number of vested terminated members	1,537	1,554
	• Retired members and surviving spouses entitled but not yet eligible for health benefits.	139	141
	• Number of active members	24,917	25,176
Key assumptions as of June 30:	• Discount rate	7.00%	7.00%
	• Health care premium trend rates		
	Non-Medicare medical plans	Actual premium increase in first year, then graded from 7.12% to ultimate 4.50% over 11 years	Actual premium increase in first year, then graded from 7.37% to ultimate 4.50% over 12 years
	Medicare medical plans	Actual premium increase in first year, then graded from 6.37% to ultimate 4.50% over 8 years	Actual premium increase in first year, then graded from 6.37% to ultimate 4.50% over 8 years
	Dental	3.00%	4.00%
	Medicare Part B	Actual premium increase in the first year, then an ultimate of 4.50%%	4.50%

[1] The reporting date and measurement date for the Plan are June 30, 2022.
[2] The reporting date and measurement date for the Plan are June 30, 2021.
[3] The service cost is based on the previous year's valuation, meaning the June 30, 2022 and 2021 measurement date values are based on the valuations as of June 30, 2021 and June 30, 2020, respectively. The key assumptions used in the June 30, 2020 valuation are as follows:

Discount rate	7.00%
Health care premium trend rates	
Non-Medicare medical plan	Actual premium increase in first year, then graded from 6.62% to ultimate 4.50% over 9 years
Medicare medical plan	Actual premium increase in first year, then graded from 6.12% to ultimate 4.50% over 7 years
Dental	4.00%
Medicare Part B	4.50%

[4] The total number of participants, including married dependents, receiving benefits is 23,798 as of June 30, 2022 and 23,579 as of June 30, 2021.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of an OPEB plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan provisions.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by LACERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	This valuation is based on the market value of assets as of the measurement date, as provided by LACERS.
Actuarial assumptions	In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, termination, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to health care trends and member enrollment in retiree health benefits. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.

Section 1: Actuarial Valuation Summary

Models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. Our per capita cost assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate demographic factors that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the demographic data, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

The valuation is prepared at the request of LACERS. Segal is not responsible for the use or misuse of its report, particularly by any other party.
An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
If the System is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. LACERS should look to their other advisors for expertise in these areas.
Sections of this report include actuarial results that are not rounded, but that does not imply precision.
Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results
While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

As Segal has no discretionary authority with respect to the management or assets of LACERS, it is not a fiduciary in its capacity as actuaries and consultants with respect to LACERS.

Section 2: GAS 75 Information

General information about the OPEB plan

Plan Description

Plan administration. The Los Angeles City Employees' Retirement System (LACERS) was established by City Charter in 1937. LACERS is a single employer public employee retirement system whose main function is to provide retirement benefits to the civilian employees of the City of Los Angeles.

Under the provisions of the City Charter, the Board of Administration (the "Board") has the responsibility and authority to administer the Plan and to invest its assets. The Board members serve as trustees and must act in the exclusive interest of the Plan's members and surviving spouses. The Board has seven members: four members, one of whom shall be a retired member of the System, shall be appointed by the Mayor subject to the approval of the Council; two members shall be active employee members of the System elected by the active employee members; one shall be a retired member of the System elected by the retired members of the System.

Plan membership. At June 30, 2022, OPEB plan membership consisted of the following:

Retired members or surviving spouses currently receiving benefits[1]	17,753
Vested terminated members entitled to, but not yet receiving benefits	1,537
Retired members and surviving spouses entitled but not yet eligible for health benefits	139
Active members	24,917
Total	**44,346**

[1] The total number of participants, including married dependents, receiving benefits is 23,798.

Benefits provided. LACERS provides benefits to eligible retirees and beneficiaries:

Membership Eligibility:	
Tier 1 (§4.1002(a))	All employees who became members of the System before July 1, 2013, and certain employees who became members of the System on or after July 1, 2013. In addition, pursuant to Ordinance No. 184134, all Tier 2 employees who became members of the System between July 1, 2013 and February 21, 2016 were transferred to Tier 1 effective February 21, 2016.
Tier 3 (§4.1080.2(a))	All employees who became members of the System on or after February 21, 2016, except as provided otherwise in Section 4.1080.2(b) of the Los Angeles Administrative Code.
Benefit Eligibility:	
Tier 1 (§4.1111(a)) *and Tier 3 (§4.1126(a))*	Retired age 55 or older with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from LACERS), or if retirement date is between October 2, 1996, and September 30, 1999 at age 50 or older with at least 30 years of service. Benefits are also payable to spouses, domestic partners, or other qualified dependents while the retiree is alive. Please note that the health subsidy is not payable to a service or disabled retiree before the member reaches age 55.
Medical Subsidy for Members Not Subject to Cap:	
Under Age 65 or Over Age 65 Without Medicare Part A	
Tier 1 (§4.1111(d)) *and Tier 3 (§4.1126(c))*	The System will pay 4% of the maximum health subsidy (limited to actual premium) for each year of Service Credit, up to 100% of the maximum health subsidy. As of July 1, 2022, the maximum health subsidy is $1,884.50 per month. As of January 1, 2023, the maximum health subsidy is $1,962.20. This amount includes coverage of dependent premium costs.

Over Age 65 and Enrolled in Both Medicare Parts A and B	
Tier 1 (§4.1111(e)) and Tier 3 (§4.1126(d))	For retirees, a maximum health subsidy shall be paid in the amount of the single-party monthly premium of the approved Medicare supplemental or coordinated plan in which the retiree is enrolled, subject to the following vesting schedule:

Completed Years of Service	Vested Percentage
1-14	75%
15-19	90%
20+	100%

Subsidy Cap for Tier 1:	
(§4.1111(b))	As of the June 30, 2011 valuation, the retiree health benefits program was changed to cap the medical subsidy for non-retired members who do not contribute an additional 4% or 4.5% of employee contributions to the Pension Plan. The capped subsidy is different for Medicare and non-Medicare retirees. The cap applies to the medical subsidy limits at the 2011 calendar year level. The cap does not apply to the dental subsidy or the Medicare Part B premium reimbursement.
Dependents:	
Tier 1 (§4.1111(e)(4)) and Tier 3 (§4.1126(d)(4))	An additional amount is added for coverage of dependents which shall not exceed the amount provided to a retiree not enrolled in Medicare Parts A and B and covered by the same medical plan with the same years of service. The combined member and dependent subsidy shall not exceed the actual premium. This refers to dependents of retired members with Medicare Parts A and B. It does not apply to those without Medicare or Part B only.
Dental Subsidy for Members:	
Tier 1 (§4.1114(b)) and Tier 3 (§4.1129(b))	The System will pay 4% of the maximum dental subsidy (limited to actual premium) for each year of Service Credit, up to 100% of the maximum dental subsidy. As of July 1, 2022, the maximum dental subsidy is $44.60 per month; decreasing to $43.81 per month in calendar year 2023. There is no subsidy available to spouses or domestic partners or for dependent coverage. There is also no reimbursement for dental plans not sponsored by the System.

Section 2: GAS 75 Information

Medicare Part B Reimbursement for Members:	
Tier 1 (§4.1113) and *Tier 3 (§4.1128)*	If a retiree is eligible for a health subsidy, covered by both Medicare Parts A and B, and enrolled in a LACERS medical plan or participates in the LACERS Retiree Medical Premium Reimbursement Program, LACERS will reimburse the retiree the basic Medicare Part B premium.
Surviving Spouse Medical Subsidy:	
Tier 1 (§4.1115) and *Tier 3 (§4.1129.1)*	The surviving spouse or domestic partner will be entitled to a health subsidy based on the member's years of service and the surviving dependent's eligibility for Medicare.
Under Age 65 or Over Age 65 Without Medicare Part A	The maximum health subsidy available for survivors is the lowest cost plan available (currently Kaiser) single-party premium ($900.24 per month as of July 1, 2022 and $939.09 per month as of January 1, 2023).
Over Age 65 and Enrolled in Both Medicare Parts A and B	For survivors, a maximum health subsidy limited to the single-party monthly premium of the plan in which the survivor is enrolled, is provided subject to the following vesting schedule:

Completed Years of Service	Vested Percentage
1-14	75%
15-19	90%
20+	100%

Note that a new Tier 1 Enhanced Plan providing a higher retirement benefit was adopted pursuant to Ordinance No. 184853. However, other than Segal applying higher retirement rate assumptions to anticipate somewhat earlier retirement, there are no differences between the retiree health benefits paid by LACERS to those members.

Net OPEB Liability

The components of the Net OPEB Liability were as follows:

Reporting Date for Employer under GAS 75	**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Components of the Net OPEB Liability		
Total OPEB Liability	$3,580,696,288	$3,520,078,454
Plan's Fiduciary Net Position	(3,347,771,350)	(3,781,652,063)
Net OPEB Liability	**$232,924,938**	**($261,573,609)**
Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability	93.49%	107.43%

The NOL was measured as of June 30, 2022 and 2021. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date, while the TOL was determined based upon the results of the actuarial valuations as of June 30, 2022 and 2021, respectively.

Plan provisions. The plan provisions used in the measurement of the NOL as of June 30, 2022 and 2021 are the same as those used in the LACERS funding valuations as of June 30, 2022 and 2021, respectively.

Actuarial assumptions. The TOL as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2022. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an experience study for the period from July 1, 2016 through June 30, 2019 dated June 17, 2020 and retiree health assumptions letter dated September 20, 2022. They are the same as the assumptions used in the June 30, 2022 funding actuarial valuation for LACERS. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Ranges from 9.95% to 4.25% based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and including inflation
Health care trend	Non-Medicare: Actual premium increase in first year, then graded from 7.12% to ultimate 4.50% over 11 years Medicare: Actual premium increase in first year, then graded from 6.37% to ultimate 4.50% over 8 years
Other assumptions	Same as those used in the June 30, 2022 funding valuation

The TOL as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2021. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experience study for the period from July 1, 2016 through June 30, 2019, dated June 17, 2020, and the retiree health assumptions letter dated September 21, 2021. They are the same as the assumptions used in the June 30, 2021 funding actuarial valuation for LACERS. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Ranges from 9.95% to 4.25% based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and including inflation
Health care trend	Non-Medicare: Actual premium increases in the first year and then 7.37% graded to ultimate 4.50% over 12 years Medicare: Actual premium increases in the first year and then 6.37% graded to ultimate 4.50% over 8 years
Other assumptions	Same as those used in the June 30, 2021 funding valuation

Determination of discount rate and investment rates of return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption that was used in the actuarial valuation as of June 30, 2022. This information is subject to change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap U.S. Equity	15.01%	5.54%
Small/Mid Cap U.S. Equity	3.99%	6.25%
Developed International Large Cap Equity	17.01%	6.61%
Developed International Small Cap Equity	2.97%	6.90%
Emerging International Large Cap Equity	5.67%	8.74%
Emerging International Small Cap Equity	1.35%	10.63%
Core Bonds	13.75%	1.19%
High Yield Bonds	2.00%	3.14%
Bank Loans	2.00%	3.70%
TIPS	4.00%	0.86%
Emerging Market Debt (External)	2.25%	3.55%
Emerging Market Debt (Local)	2.25%	4.75%
Core Real Estate	4.20%	4.60%
Non-Core Real Estate	2.80%	5.76%
Cash	1.00%	0.03%
Commodities	1.00%	3.33%
Private Equity	14.00%	8.97%
Private Credit/Debt	3.75%	6.00%
REITS	1.00%	5.98%
Total	**100.00%**	**5.50%**

Discount rate. The discount rates used to measure the TOL were 7.00% as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of both June 30, 2022 and June 30, 2021.

Discount rate and trend sensitivity

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability of LACERS as of June 30, 2022, calculated using the discount rate of 7.00%, as well as what LACERS' Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City	$619,515,975	$196,648,975	($150,049,811)
Airports	86,627,577	27,497,635	(20,981,625)
Harbor	27,654,932	8,778,328	(6,698,160)
Total for all Employer Categories	**$733,798,484**	**$232,924,938**	**($177,729,596)**

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates. The following presents the Net OPEB Liability of LACERS as of June 30, 2022, calculated using the current trend rates as well as what LACERS' Net OPEB Liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Trend Rates[1]	1% Increase
City	($182,332,852)	$196,648,975	$668,864,051
Airports	(25,495,797)	27,497,635	93,527,971
Harbor	(8,139,262)	8,778,328	29,857,809
Total for all Employer Categories	**($215,967,911)**	**$232,924,938**	**$792,249,831**

1 Current trend rates: Actual premium increases in the first year and then 7.12% graded to ultimate 4.50% over 11 years for Non-Medicare medical plan costs and 6.37% graded down to 4.50% over 8 years for Medicare medical plan costs. 3.00% for all years for Dental, and actual premium increase in the first year, then 4.50% for all years for Medicare Part B subsidy cost.

Schedule of changes in Net OPEB Liability – Last two fiscal years

Reporting Date for Employer under GAS 75	**June 30, 2023**	**June 30, 2022**
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Total OPEB Liability		
• Service cost[1]	$81,415,128	$84,817,265
• Interest	246,694,076	244,775,724
• Change of benefit terms	0	0
• Differences between expected and actual experience	(369,459)	10,671,896
• Changes of assumptions	(109,877,440)	(157,613,496)
• Benefit payments	(157,244,471)	(149,103,445)
Net change in Total OPEB Liability	**$60,617,834**	**$33,547,944**
Total OPEB Liability – beginning	**3,520,078,454**	**3,486,530,510**
Total OPEB Liability – ending (a)	**$3,580,696,288**	**$3,520,078,454**
Plan's Fiduciary Net Position		
• Contributions – employer	$91,622,720	$103,454,114
• Contributions – employee	0	0
• Net investment income[2]	(360,636,412)	983,522,238
• Benefit payments	(157,244,471)	(149,103,445)
• Administrative expense	(7,618,828)	(7,425,496)
• Other[3]	(3,722)	0
Net change in Plan's Fiduciary Net Position	**($433,880,713)**	**$930,447,411**
Plan's Fiduciary Net Position – beginning	**3,781,652,063**	**2,851,204,652**
Plan's Fiduciary Net Position – ending (b)	**$3,347,711,350**	**$3,781,652,063**
Net OPEB Liability – ending (a) – (b)	**$232,924,938**	**($261,573,609)**
Plan's Fiduciary Net Position as a percentage of the Total OPEB Liability	**93.49%**	**107.43%**
Covered payroll[4]	**$2,155,005,471**	**$2,276,768,292**
Net OPEB Liability as percentage of covered payroll	**10.81%**	**(11.49)%**

1 The service cost is based on the previous year's valuation, meaning the June 30, 2022 and 2021 measurement date values are based on the valuations as of June 30, 2021 and June 30, 2020, respectively.

2 Includes building lease and other income.

3 Adjustment made to beginning of year assets in order to match the June 30, 2021 Plan Fiduciary Net Position restated by LACERS after the completion of the June 30, 2021 GAS 74 valuation report.

4 Covered payroll is defined as the payroll on which contributions to an OPEB plan are based.

Schedule of contributions – Last ten fiscal years

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
2013	$72,916,729	$72,916,729	$0	$1,736,112,598	4.20%
2014	97,840,554	97,840,554	0	1,802,931,195	5.43%
2015	100,466,945	100,466,945	0	1,835,637,409	5.47%
2016	105,983,112	105,983,112	0	1,876,946,179	5.65%
2017	97,457,455	97,457,455	0	1,973,048,633	4.94%
2018	100,909,010	100,909,010	0	2,057,565,478	4.90%
2019	107,926,949	107,926,949	0	2,108,171,088	5.12%
2020	112,136,429	112,136,429	0	2,271,038,575	4.94%
2021	103,454,114	103,454,114	0	2,276,768,292	4.54%
2022	91,622,720	91,622,720	0	2,155,005,471	4.25%

See accompanying notes to this schedule on the next page.

[1] Covered payroll is defined as the payroll on which contributions to an OPEB plan are based.

Notes to Schedule:

Methods and assumptions used to establish "actuarially determined contribution" (ADC) rates:

Valuation date:	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method:	Entry Age Cost Method (individual basis)
Amortization method:	Level percent of payroll
Remaining amortization period:	Multiple layers, closed amortization periods. The unfunded actuarial accrued liability as of June 30, 2020 is amortized over a fixed period of 21 years beginning June 30, 2021. Assumption changes resulting from the triennial experience study will be amortized over 20 years. Health trend and premium assumption changes, plan changes, and gains and losses will be amortized over 15 years.
Asset valuation method:	Market value of assets less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a seven-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the market value of assets.

Actuarial assumptions:

Valuation date:	June 30, 2022
Investment rate of return	7.00%
Inflation rate	2.75%
Real across-the-board salary increase	0.50%
Projected salary increases[1]	Ranges from 9.95% to 4.25%, based on years of service
Medical cost trend rates	
Non-Medicare medical plans	Actual premium increase in first year, then graded from 7.12% to ultimate 4.50% over 11 years
Medicare medical plans	Actual premium increase in first year, then graded from 6.37% to ultimate 4.50% over 8 years
Dental	3.00%
Medicare Part B	4.50%
Other assumptions:	Same as those used in the June 30, 2022 funding actuarial valuation.

[1] Includes inflation at 2.75% plus across the board salary increases of 0.50% plus merit and promotional increases

Determination of proportionate share

Actual Employer Contributions by Employer Category
July 1, 2020 to June 30, 2021

Employer Category	Contributions	Percentage[1]
City	$87,442,126	84.523%
Airports	12,100,191	11.696%
Harbor	3,911,797	3.781%
Total for all Employer Categories	**$103,454,114**	**100.000%**

[1] The unrounded percentages are used in the allocation of the NOL amongst employer categories.

Allocation of June 30, 2021 Net OPEB Liability (NOL)

Employer Category	Total NOL	Percentage
City	($221,088,863)	84.523%
Airports	(30,594,149)	11.696%
Harbor	(9,890,597)	3.781%
Total for all Employer Categories	**($261,573,609)**	**100.000%**

Notes:

1. Based on the July 1, 2020 through June 30, 2021 employer contributions as provided by LACERS.
2. The Net OPEB Liability is the Total OPEB Liability minus the Plan's Fiduciary Net Position (plan assets).
3. The NOL is allocated based on the actual contributions from each employer category. The steps used for the allocation are as follows:
   - First calculate the ratio of the contributions from the employer category to the total contributions.
   - Then multiply this ratio by the NOL to determine the employer category's proportionate share of the NOL.

Determination of proportionate share (continued)

Actual Employer Contributions by Employer Category
July 1, 2021 to June 30, 2022

Employer Category	Contributions	Percentage[1]
City	$77,353,306	84.426%
Airports	10,816,395	11.805%
Harbor	3,453,019	3.769%
Total for all Employer Categories	**$91,622,720**	**100.000%**

[1] The unrounded percentages are used in the allocation of the NOL amongst employer categories.

Allocation of June 30, 2022 Net OPEB Liability (NOL)

Employer Category	Total NOL	Percentage
City	$196,648,975	84.426%
Airports	27,497,635	11.805%
Harbor	8,778,328	3.769%
Total for all Employer Categories	**$232,924,938**	**100.000%**

Notes:

1. Based on the July 1, 2021 through June 30, 2022 employer contributions as provided by LACERS.
2. The Net OPEB Liability is the Total OPEB Liability minus the Plan's Fiduciary Net Position (plan assets).
3. The NOL is allocated based on the actual contributions from each employer category. The steps used for the allocation are as follows:
   - First calculate the ratio of the contributions from the employer category to the total contributions.
   - Then multiply this ratio by the NOL to determine the employer category's proportionate share of the NOL.

Determination of proportionate share (continued)

For purposes of the above results, the reporting date for the employer under GAS 75 is June 30, 2023. The reporting date and measurement date for the Plan under GAS 74 are June 30, 2022. Consistent with the provisions of GAS 75, the assets and liabilities measured as of June 30, 2022 are not adjusted or rolled forward to the June 30, 2023 reporting date. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

The following items are allocated based on the corresponding employer allocation percentage or proportionate share shown above within each tier.

1. Net OPEB Liability
2. Service cost
3. Interest on the Total OPEB Liability
4. Expensed portion of current-period benefit changes
5. Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability
6. Expensed portion of current-period changes of assumptions or other inputs
7. Member contributions
8. Projected earnings on plan investments
9. Expensed portion of current-period differences between actual and projected earnings on plan investments
10. Administrative expense
11. Recognition of beginning of year deferred outflows of resources as OPEB expense
12. Recognition of beginning of year deferred inflows of resources as OPEB expense

OPEB expense

Total for All Employer Categories

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Components of OPEB Expense		
• Service cost	$81,415,128	$84,817,265
• Interest on the Total OPEB Liability	246,694,076	244,775,724
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(59,783)	1,680,614
• Expensed portion of current-period changes of assumptions or other inputs	(17,779,521)	(24,821,023)
• Member contributions	0	0
• Projected earnings on plan investments	(265,091,526)	(201,045,859)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	125,145,586	(156,495,275)
• Administrative expense	7,618,828	7,425,496
• Other expense	3,722	0
• Recognition of beginning of year deferred outflows of resources as OPEB expense	80,144,237	78,463,623
• Recognition of beginning of year deferred inflows of resources as OPEB expense	(243,779,264)	(96,111,732)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
OPEB Expense	**$14,311,483**	**($61,311,167)**

OPEB expense (continued)

City

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Components of OPEB Expense		
• Service cost	$68,735,454	$71,689,773
• Interest on the Total OPEB Liability	208,273,694	206,890,851
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(69,030)	866,087
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(50,472)	1,420,499
• Expensed portion of current-period changes of assumptions or other inputs	(15,010,521)	(20,979,379)
• Member contributions	0	0
• Projected earnings on plan investments	(223,805,907)	(169,929,224)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	105,655,287	(132,273,904)
• Administrative expense	6,432,264	6,276,224
• Other expense	3,143	0
• Recognition of beginning of year deferred outflows of resources as OPEB expense	67,662,494	66,319,509
• Recognition of beginning of year deferred inflows of resources as OPEB expense	(205,812,838)	(81,236,152)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	2,270,575	1,404,488
OPEB Expense	**$14,284,143**	**($49,551,228)**

OPEB expense (continued)

Airports

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Components of OPEB Expense		
• Service cost	$9,611,352	$9,920,390
• Interest on the Total OPEB Liability	29,123,132	28,629,437
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	77,918	(1,020,669)
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(7,058)	196,568
• Expensed portion of current-period changes of assumptions or other inputs	(2,098,937)	(2,903,114)
• Member contributions	0	0
• Projected earnings on plan investments	(31,295,018)	(23,514,708)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	14,773,891	(18,303,987)
• Administrative expense	899,430	868,500
• Other expense	439	0
• Recognition of beginning of year deferred outflows of resources as OPEB expense	9,461,318	9,177,255
• Recognition of beginning of year deferred inflows of resources as OPEB expense	(28,779,028)	(11,241,412)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(2,090,904)	(1,070,235)
OPEB Expense	**($323,465)**	**($9,261,975)**

OPEB expense (continued)

Harbor

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Components of OPEB Expense		
• Service cost	$3,068,322	$3,207,102
• Interest on the Total OPEB Liability	9,297,250	9,255,436
• Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(8,888)	154,582
• Expensed portion of current-period benefit changes	0	0
• Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(2,253)	63,547
• Expensed portion of current-period changes of assumptions or other inputs	(670,063)	(938,530)
• Member contributions	0	0
• Projected earnings on plan investments	(9,990,601)	(7,601,927)
• Expensed portion of current-period differences between actual and projected earnings on plan investments	4,716,408	(5,917,384)
• Administrative expense	287,134	280,772
• Other expense	140	0
• Recognition of beginning of year deferred outflows of resources as OPEB expense	3,020,425	2,966,859
• Recognition of beginning of year deferred inflows of resources as OPEB expense	(9,187,398)	(3,634,168)
• Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(179,671)	(334,253)
OPEB Expense	**$350,805**	**($2,497,964)**

Deferred outflows of resources and deferred inflows of resources

Total for All Employer Categories

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	June 30, 2022	June 30, 2021
Deferred Outflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$7,815,906	$9,837,447
• Changes of assumptions or other inputs	85,646,415	125,841,533
• Net excess of projected over actual earnings on OPEB Plan investments (if any)	95,470,280	0
• Difference between actual and expected experience in the Total OPEB Liability	8,510,969	13,269,278
• **Total Deferred Outflows of Resources**	**$197,443,570**	**$148,948,258**
Deferred Inflows of Resources		
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]	$7,815,906	$9,837,447
• Changes of assumptions or other inputs	200,069,369	132,792,473
• Net excess of actual over projected earnings on OPEB Plan investments (if any)	0	544,489,515
• Difference between expected and actual experience in the Total OPEB Liability	120,401,208	164,481,520
• **Total Deferred Inflows of Resources**	**$328,286,483**	**$851,600,955**
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:		
Reporting Date for Employer under GAS 75 Year Ended June 30:		
2023	N/A	($163,635,027)
2024	($43,332,265)	(150,638,549)
2025	(58,832,833)	(166,139,117)
2026	(82,047,645)	(189,353,929)
2027	82,519,355	(24,786,929)
2028	(25,938,450)	(8,099,146)
2029	(3,211,075)	0
Thereafter	0	0

1 Calculated in accordance with Paragraphs 64 and 65 of GAS 75.

Deferred outflows of resources and deferred inflows of resources (continued)

City

Reporting Date for Employer under GAS 75		June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75		**June 30, 2022**	**June 30, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$6,739,857	$9,010,432
• Changes of assumptions or other inputs		72,307,757	106,364,559
• Net excess of projected over actual earnings on OPEB Plan investments (if any)		80,601,643	0
• Difference between actual and expected experience in the Total OPEB Liability		7,185,462	11,215,541
• **Total Deferred Outflows of Resources**		**$166,834,719**	**$126,590,532**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$357,575	$0
• Changes of assumptions or other inputs		168,910,365	112,239,675
• Net excess of actual over projected earnings on OPEB Plan investments (if any)		0	460,216,795
• Difference between expected and actual experience in the Total OPEB Liability		101,649,804	139,024,087
• **Total Deferred Inflows of Resources**		**$270,917,744**	**$711,480,557**
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:			
Reporting Date for Employer under GAS 75 Year Ended June 30:			
	2023	N/A	($136,038,034)
	2024	($34,524,857)	(125,195,818)
	2025	(47,847,299)	(138,533,253)
	2026	(67,911,953)	(158,620,359)
	2027	70,589,158	(19,960,081)
	2028	(21,664,670)	(6,542,480)
	2029	(2,723,404)	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 64 and 65 of GAS 75.

Deferred outflows of resources and deferred inflows of resources (continued)

Airports

Reporting Date for Employer under GAS 75		June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75		**June 30, 2022**	**June 30, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$403,616	$0
• Changes of assumptions or other inputs		10,110,870	14,718,666
• Net excess of projected over actual earnings on OPEB Plan investments (if any)		11,270,614	0
• Difference between actual and expected experience in the Total OPEB Liability		1,004,751	1,552,000
• **Total Deferred Outflows of Resources**		**$22,789,851**	**$16,270,666**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$6,868,463	$8,959,367
• Changes of assumptions or other inputs		23,618,916	15,531,662
• Net excess of actual over projected earnings on OPEB Plan investments (if any)		0	63,684,535
• Difference between expected and actual experience in the Total OPEB Liability		14,213,800	19,238,073
• **Total Deferred Inflows of Resources**		**$44,701,179**	**$107,413,637**
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:			
Reporting Date for Employer under GAS 75 Year Ended June 30:			
	2023	N/A	($21,229,969)
	2024	($7,037,478)	(19,618,838)
	2025	(8,718,331)	(21,282,768)
	2026	(11,132,702)	(23,671,795)
	2027	8,683,681	(4,035,074)
	2028	(3,341,445)	(1,304,527)
	2029	(365,053)	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 64 and 65 of GAS 75.

Deferred outflows of resources and deferred inflows of resources (continued)

Harbor

Reporting Date for Employer under GAS 75		June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75		**June 30, 2022**	**June 30, 2021**
Deferred Outflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$672,433	$827,015
• Changes of assumptions or other inputs		3,227,788	4,758,308
• Net excess of projected over actual earnings on OPEB Plan investments (if any)		3,598,023	0
• Difference between actual and expected experience in the Total OPEB Liability		320,756	501,737
• **Total Deferred Outflows of Resources**		**$7,819,000**	**$6,087,060**
Deferred Inflows of Resources			
• Changes in proportion and differences between employer's contributions and proportionate share of contributions[1]		$589,868	$878,080
• Changes of assumptions or other inputs		7,540,088	5,021,136
• Net excess of actual over projected earnings on OPEB Plan investments (if any)		0	20,588,185
• Difference between expected and actual experience in the Total OPEB Liability		4,537,604	6,219,360
• **Total Deferred Inflows of Resources**		**$12,667,560**	**$32,706,761**
Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:			
Reporting Date for Employer under GAS 75 Year Ended June 30:			
	2023	N/A	($6,367,024)
	2024	($1,769,930)	(5,823,893)
	2025	(2,267,203)	(6,323,096)
	2026	(3,002,990)	(7,061,775)
	2027	3,246,516	(791,774)
	2028	(932,335)	(252,139)
	2029	(122,618)	0
	Thereafter	0	0

[1] Calculated in accordance with Paragraphs 64 and 65 of GAS 75.

Deferred outflows of resources and deferred inflows of resources (continued)

There are changes in each employer category's proportionate share of the total Net OPEB Liability during the measurement period ended June 30, 2022. The net effect of the change on the employer category's proportionate share of the collective Net OPEB Liability and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with OPEB benefits through LACERS which is 6.18 years[1] determined as of June 30, 2021 (the beginning of the measurement period ending June 30, 2022).

In addition, the difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2022 is recognized over the same period.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

[1] The remaining service lives of all employees of 6.18 years used here for GAS 75 is different from the 4.83 years used for GAS 68 because the number of payees (with 0 years of expected remaining service lives) receiving health benefits under the Plan is less than the number of payees receiving pension benefits.

Schedule of proportionate share of the Net OPEB Liability

Total for All Employer Categories

Reporting Date for Employer under GAS 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll[1]	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	100.000%	$658,811,838	$1,876,946,179	35.10%	76.42%
2018	100.000%	566,944,384	1,973,048,633	28.73%	81.14%
2019	100.000%	580,456,232	2,057,565,478	28.21%	82.18%
2020	100.000%	522,200,681	2,108,171,088	24.77%	84.34%
2021	100.000%	635,325,858	2,271,038,575	27.98%	81.78%
2022	100.000%	(261,573,609)	2,276,768,292	(11.49)%	107.43%
2023	100.00%	232,924,938	2,155,005,471	10.81%	93.49%

[1] Covered payroll is defined as the payroll on which contributions to a OPEB plan are based.

Schedule of proportionate share of the Net OPEB Liability (continued)

City

Reporting Date for Employer under GAS 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll[1]	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	82.227%	$541,721,269	$1,540,925,299	35.16%	76.42%
2018	82.454%	467,468,218	1,625,808,930	28.75%	81.14%
2019	82.753%	480,346,441	1,701,304,099	28.23%	82.18%
2020	83.129%	434,101,068	1,749,621,444	24.81%	84.34%
2021	83.615%	531,226,775	1,895,552,279	28.02%	81.78%
2022	84.523%	(221,088,863)	1,918,677,086	(11.52)%	107.43%
2023	84.426%	196,648,975	1,818,039,081	10.82%	93.49%

[1] Covered payroll is defined as the payroll on which contributions to a OPEB plan are based.

Schedule of proportionate share of the Net OPEB Liability (continued)

Airports

Reporting Date for Employer under GAS 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll[1]	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	13.826%	$91,088,903	$260,929,145	34.91%	76.42%
2018	13.681%	77,566,434	271,035,342	28.62%	81.14%
2019	13.494%	78,324,326	278,681,843	28.11%	82.18%
2020	13.216%	69,014,460	280,595,646	24.60%	84.34%
2021	12.766%	81,105,566	292,405,953	27.74%	81.78%
2022	11.696%	(30,594,149)	270,630,444	(11.30)%	107.43%
2023	11.805%	27,497,635	255,761,313	10.75%	93.49%

[1] Covered payroll is defined as the payroll on which contributions to a OPEB plan are based.

Schedule of proportionate share of the Net OPEB Liability (continued)

Harbor

Reporting Date for Employer under GAS 75 as of June 30	Proportion of the Net OPEB Liability	Proportionate Share of Net OPEB Liability	Covered Payroll[1]	Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	3.947%	$26,001,666	$75,091,735	34.63%	76.42%
2018	3.865%	21,909,732	76,204,361	28.75%	81.14%
2019	3.753%	21,785,465	77,579,536	28.08%	82.18%
2020	3.655%	19,085,153	77,953,998	24.48%	84.34%
2021	3.619%	22,993,517	83,080,343	27.68%	81.78%
2022	3.781%	(9,890,597)	87,460,762	(11.31)%	107.43%
2023	3.769%	8,778,328	81,205,077	10.81%	93.49%

1 Covered payroll is defined as the payroll on which contributions to a OPEB plan are based.

Schedule of reconciliation of Net OPEB Liability

Total for All Employer Categories

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Beginning Net OPEB Liability	**($261,573,609)**	**$635,325,858**
• OPEB Expense	14,311,483	(61,311,167)
• Employer Contributions	(91,622,720)	(103,454,114)
• New Net Deferred Inflows/Outflows	408,174,757	(749,782,295)
• Change in Allocation of Prior Deferred Inflows/Outflows	0	0
• New Net Deferred Flows Due to Change in Proportion	0	0
• Recognition of Prior Deferred Inflows/Outflows	163,635,027	17,648,109
• Recognition of Prior Deferred Flows Due to Change in Proportion	0	0
Ending Net OPEB Liability	**$232,924,938**	**($261,573,609)**

Schedule of reconciliation of Net OPEB Liability (continued)

City

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Beginning Net OPEB Liability	**($221,088,863)**	**$531,226,775**
• OPEB Expense	14,284,143	(49,551,228)
• Employer Contributions	(77,353,306)	(87,442,126)
• New Net Deferred Inflows/Outflows	344,605,213	(633,735,628)
• Change in Allocation of Prior Deferred Inflows/Outflows	679,594	267,624
• New Net Deferred Flows Due to Change in Proportion	(357,575)	4,633,565
• Recognition of Prior Deferred Inflows/Outflows	138,150,344	14,916,643
• Recognition of Prior Deferred Flows Due to Change in Proportion	(2,270,575)	(1,404,488)
Ending Net OPEB Liability	**$196,648,975**	**($221,088,863)**

Schedule of reconciliation of Net OPEB Liability (continued)

Airports

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Beginning Net OPEB Liability	**($30,594,149)**	**$81,105,566**
• OPEB Expense	(323,465)	(9,261,975)
• Employer Contributions	(10,816,395)	(12,100,191)
• New Net Deferred Inflows/Outflows	48,186,514	(87,695,971)
• Change in Allocation of Prior Deferred Inflows/Outflows	(767,100)	(315,390)
• New Net Deferred Flows Due to Change in Proportion	403,616	(5,460,580)
• Recognition of Prior Deferred Inflows/Outflows	19,317,710	2,064,157
• Recognition of Prior Deferred Flows Due to Change in Proportion	2,090,904	1,070,235
Ending Net OPEB Liability	**$27,497,635**	**($30,594,149)**

Schedule of reconciliation of Net OPEB Liability (continued)

Harbor

Reporting Date for Employer under GAS 75	June 30, 2023	June 30, 2022
Measurement Date for Employer under GAS 75	**June 30, 2022**	**June 30, 2021**
Beginning Net OPEB Liability	**($9,890,597)**	**$22,993,517**
• OPEB Expense	350,805	(2,497,964)
• Employer Contributions	(3,453,019)	(3,911,797)
• New Net Deferred Inflows/Outflows	15,383,030	(28,350,696)
• Change in Allocation of Prior Deferred Inflows/Outflows	87,506	47,766
• New Net Deferred Flows Due to Change in Proportion	(46,041)	827,015
• Recognition of Prior Deferred Inflows/Outflows	6,166,973	667,309
• Recognition of Prior Deferred Flows Due to Change in Proportion	179,671	334,253
Ending Net OPEB Liability	**$8,778,328**	**($9,890,597)**

Schedule of recognition of changes in Total Net OPEB Liability

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Actual and Expected Experience on Total OPEB Liability

Reporting Date for Employer under GAS 75 Year Ended June 30	Differences Between Actual and Expected Experience	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30:[1]							
			2022	2023	2024	2025	2026	2027	2028	2029
2018	$19,666,471	6.39	$3,077,695	$3,077,695	$1,200,301	$0	$0	$0	$0	$0
2019	(7,321,481)	6.52	(1,122,927)	(1,122,927)	(1,122,927)	(583,919)	0	0	0	0
2020	(134,052,778)	6.21	(21,586,599)	(21,586,599)	(21,586,599)	(21,586,599)	(4,533,184)	0	0	0
2021	(135,719,690)	6.26	(21,680,462)	(21,680,462)	(21,680,462)	(21,680,462)	(21,680,462)	(5,636,918)	0	0
2022	10,671,896	6.35	1,680,614	1,680,614	1,680,614	1,680,614	1,680,614	1,680,614	588,212	0
2023	(369,459)	6.18	N/A	(59,783)	(59,783)	(59,783)	(59,783)	(59,783)	(59,783)	(10,761)
Net Increase/(Decrease) in OPEB Expense			**($39,631,679)**	**($39,691,462)**	**($41,568,856)**	**($42,230,149)**	**($24,592,815)**	**($4,016,087)**	**$528,429**	**($10,761)**

As described in *Section 2, Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources*, the average of the expected remaining service lives of all employees that are provided with OPEB through LACERS (active and inactive employees) determined as of July 1, 2021 (the beginning of the measurement period ending June 30, 2022) is 6.18 years.

[1] The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 75 reports.

Schedule of recognition of changes in Total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GAS 75 Year Ended June 30	Effects of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30:[1] 2022	2023	2024	2025	2026	2027	2028	2029
2018	$33,511,927	6.39	$5,244,433	$5,244,433	$2,045,329	$0	$0	$0	$0	$0
2019	92,177,641	6.52	14,137,675	14,137,675	14,137,675	7,351,591	0	0	0	0
2020	33,939,702	6.21	5,465,330	5,465,330	5,465,330	5,465,330	1,147,722	0	0	0
2021	96,076,478	6.26	15,347,680	15,347,680	15,347,680	15,347,680	15,347,680	3,990,398	0	0
2022	(157,613,496)	6.35	(24,821,023)	(24,821,023)	(24,821,023)	(24,821,023)	(24,821,023)	(24,821,023)	(8,687,358)	0
2023	(109,877,440)	6.18	N/A	(17,779,521)	(17,779,521)	(17,779,521)	(17,779,521)	(17,779,521)	(17,779,521)	(3,200,314)
Net Increase/(Decrease) in OPEB Expense			**$15,374,095**	**($2,405,426)**	**($5,604,530)**	**($14,435,943)**	**($26,105,142)**	**($38,610,146)**	**($26,466,879)**	**($3,200,314)**

As described in *Section 2, Schedule of Deferred Outflows of Resources and Deferred Inflows of Resources*, the average of the expected remaining service lives of all employees that are provided with OPEB through LACERS (active and inactive employees) determined as of July 1, 2021 (the beginning of the measurement period ending June 30, 2022) is 6.18 years.

[1] The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 75 reports.

Schedule of recognition of changes in Total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Projected and Actual Earnings on OPEB Plan Investments

Reporting Date for Employer under GAS 75 Year Ended June 30	Differences Between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30:[1] 2022	2023	2024	2025	2026	2027	2028	2029
2018	($168,243,825)	5.00	($33,648,765)	$0	$0	$0	$0	$0	$0	$0
2019	(90,364,893)	5.00	(18,072,979)	(18,072,977)	0	0	0	0	0	0
2020	30,039,319	5.00	6,007,864	6,007,864	6,007,863	0	0	0	0	0
2021	145,914,731	5.00	29,182,946	29,182,946	29,182,946	29,182,947	0	0	0	0
2022	(782,476,379)	5.00	(156,495,275)	(156,495,276)	(156,495,276)	(156,495,276)	(156,495,276)	0	0	0
2023	625,727,938	5.00	N/A	125,145,586	125,145,588	125,145,588	125,145,588	125,145,588	0	0
Net Increase/(Decrease) in OPEB Expense			**($173,026,209)**	**($14,231,857)**	**$3,841,121**	**($2,166,741)**	**($31,349,688)**	**$125,145,588**	**$0**	**$0**

The difference between projected and actual earnings on OPEB plan investments are recognized over a five-year period per Paragraph 43b. of GAS 75.

[1] The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 75 reports.

Schedule of recognition of changes in Total Net OPEB Liability (continued)

Total Increase (Decrease) in OPEB Expense

Reporting Date for Employer under GAS 75 Year Ended June 30	Total Differences	Reporting Date for Employer under GAS 75 Year Ended June 30:[1]							
		2022	2023	2024	2025	2026	2027	2028	2029
2018	($115,065,427)	($25,326,637)	$8,322,128	$3,245,630	$0	$0	$0	$0	$0
2019	(5,508,733)	(5,058,231)	(5,058,229)	13,014,748	6,767,672	0	0	0	0
2020	(70,073,757)	(10,113,405)	(10,113,405)	(10,113,406)	(16,121,269)	(3,385,462)	0	0	0
2021	106,271,519	22,850,164	22,850,164	22,850,164	22,850,165	(6,332,782)	(1,646,520)	0	0
2022	(929,417,979)	(179,635,684)	(179,635,685)	(179,635,685)	(179,635,685)	(179,635,685)	(23,140,409)	(8,099,146)	0
2023	515,481,039	N/A	107,306,282	107,306,284	107,306,284	107,306,284	107,306,284	(17,839,304)	(3,211,075)
Net Increase/(Decrease) in OPEB Expense		**($197,283,793)**	**($56,328,745)**	**($43,332,265)**	**($58,832,833)**	**($82,047,645)**	**($82,519,355)**	**($25,938,450)**	**($3,211,075)**

[1] The amortization amounts prior to June 30, 2022 have been omitted from this Schedule. Those amounts can be found in prior years' GAS 75 reports.

Allocation of changes in Total Net OPEB Liability

In addition to the amounts shown in *Section 2, Schedule of Recognition of Changes in Total Net OPEB Liability*, there are changes in each entity's proportionate share of the total Net OPEB Liability (NOL) during the measurement period ending on June 30, 2022. The net effect of the change on the entity's proportionate share of the collective NOL and collective deferred outflows of resources and deferred inflows of resources is also recognized over the average of the expected remaining service lives of all employees shown previously. The differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2022 are recognized over the same period. These amounts are shown below. While these amounts are different for each entity, they sum to zero for the entire Plan.

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2023

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30						
			2023	2024	2025	2026	2027	2028	2029
City	($426,605)	6.18	($69,030)	($69,030)	($69,030)	($69,030)	($69,030)	($69,030)	($12,425)
Airports	481,534	6.18	77,918	77,918	77,918	77,918	77,918	77,918	14,026
Harbor	(54,929)	6.18	(8,888)	(8,888)	(8,888)	(8,888)	(8,888)	(8,888)	(1,601)
Total	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2022

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30						
			2022	2023	2024	2025	2026	2027	2028
City	$5,499,652	6.35	$866,087	$866,087	$866,087	$866,087	$866,087	$866,087	$303,130
Airports	(6,481,249)	6.35	(1,020,669)	(1,020,669)	(1,020,669)	(1,020,669)	(1,020,669)	(1,020,669)	(357,235)
Harbor	981,597	6.35	154,582	154,582	154,582	154,582	154,582	154,582	54,105
Total	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Allocation of Changes in Total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2021

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30						
			2021	2022	2023	2024	2025	2026	2027
City	$2,994,931	6.26	$478,423	$478,423	$478,423	$478,423	$478,423	$478,423	$124,393
Airports	(2,775,498)	6.26	(443,370)	(443,370)	(443,370)	(443,370)	(443,370)	(443,370)	(115,278)
Harbor	(219,433)	6.26	(35,053)	(35,053)	(35,053)	(35,053)	(35,053)	(35,053)	(9,115)
Total	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2020

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30						
			2020	2021	2022	2023	2024	2025	2026
City	$2,425,804	6.21	$390,629	$390,629	$390,629	$390,629	$390,629	$390,629	$82,030
Airports	(1,790,760)	6.21	(288,367)	(288,367)	(288,367)	(288,367)	(288,367)	(288,367)	(60,558)
Harbor	(635,044)	6.21	(102,262)	(102,262)	(102,262)	(102,262)	(102,262)	(102,262)	(21,472)
Total	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Allocation of Changes in Total Net OPEB Liability (continued)

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2019

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30						
			2019	2020	2021	2022	2023	2024	2025
City	$1,965,296	6.52	$301,426	$301,426	$301,426	$301,426	$301,426	$301,426	$156,740
Airports	(1,233,967)	6.52	(189,259)	(189,259)	(189,259)	(189,259)	(189,259)	(189,259)	(98,413)
Harbor	(731,329)	6.52	(112,167)	(112,167)	(112,167)	(112,167)	(112,167)	(112,167)	(58,327)
Total	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2018

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 75 Year Ended June 30						
			2018	2019	2020	2021	2022	2023	2024
City	$1,495,323	6.39	$234,010	$234,010	$234,010	$234,010	$234,010	$234,010	$91,263
Airports	(953,634)	6.39	(149,239)	(149,239)	(149,239)	(149,239)	(149,239)	(149,239)	(58,200)
Harbor	(541,689)	6.39	(84,771)	(84,771)	(84,771)	(84,771)	(84,771)	(84,771)	(33,063)
Total	**$0**		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 3: Actuarial Assumptions and Methods and Appendices

Actuarial assumptions and methods

For June 30, 2022 Measurement Date and Employer Reporting as of June 30, 2023

Rationale for Assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2016 through June 30, 2019 Actuarial Experience Study dated June 17, 2020 and retiree health assumptions letter dated September 20, 2022. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both Tier 1 and Tier 3 members. These assumptions have been adopted by the Board.

Economic Assumptions

Net Investment Return:	7.00%; net of investment expenses.
Payroll Growth:	Inflation of 2.75% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the UAAL as a level percentage of payroll.

Salary Increases:

The annual rate of compensation increase includes: inflation at 2.75%, plus “across the board” salary increases of 0.50% per year, plus the following merit and promotion increases:

Merit and Promotion Increases

Years of Service	Rate (%)
Less than 1	6.70
1 – 2	6.50
2 – 3	5.80
3 – 4	4.00
4 – 5	3.00
5 – 6	2.20
6 – 7	2.00
7 – 8	1.80
8 – 9	1.60
9 – 10	1.40
10 & Over	1.00

Demographic Assumptions

Post-Retirement Mortality Rates:

Healthy Members

- Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.

Disabled Members

- Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

Beneficiaries

- Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

The Pub-2010 mortality tables and adjustments as shown above reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Pre-Retirement Mortality Rates:

Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Tables with rates increased by 10%, projected generationally with the two-dimensional mortality improvement scale MP-2019.

	Rate (%)	
Age	**Male**	**Female**
20	0.04	0.01
25	0.03	0.01
30	0.04	0.02
35	0.05	0.03
40	0.07	0.04
45	0.10	0.06
50	0.15	0.09
55	0.22	0.13
60	0.32	0.19
65	0.46	0.30

Generational projections beyond the base year (2010) are not reflected in the above mortality rates.

For Tier 1 Enhanced, 100% of pre-retirement death benefits are assumed to be service-connected.

Disability Incidence:

Disability Incidence

Age	Rate (%)
25	0.01
30	0.02
35	0.04
40	0.06
45	0.12
50	0.16
55	0.18
60	0.18
65	0.22

Termination:

Less Than Five Years of Service

Years of Service	Rate (%)
Less than 1	11.50
1 – 2	10.00
2 – 3	8.50
3 – 4	7.75
4 – 5	7.00

Five or More Years of Service

Age	Rate (%)
25	7.00
30	6.70
35	5.30
40	3.75
45	3.10
50	3.00
55	3.00
60	3.00

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Retirement Rates:

	Rate (%)					
	Tier 1		Tier 1 Enhanced		Tier 3	
Age	Non-55/30	55/30	Non-55/30	55/30	Non-55/30	55/30
50	5.0	0.0	7.0	0.0	5.0	0.0
51	3.0	0.0	5.0	0.0	3.0	0.0
52	3.0	0.0	5.0	0.0	3.0	0.0
53	3.0	0.0	5.0	0.0	3.0	0.0
54	18.0	0.0	20.0	0.0	17.0	0.0
55	6.0	27.0	8.0	30.0	0.0[1]	26.0
56	6.0	18.0	8.0	22.0	0.0[1]	17.0
57	6.0	18.0	8.0	22.0	0.0[1]	17.0
58	6.0	18.0	8.0	22.0	0.0[1]	17.0
59	6.0	18.0	8.0	22.0	0.0[1]	17.0
60	7.0	18.0	9.0	22.0	6.0	17.0
61	7.0	18.0	9.0	22.0	6.0	17.0
62	7.0	18.0	9.0	22.0	6.0	17.0
63	7.0	18.0	9.0	22.0	6.0	17.0
64	7.0	18.0	9.0	22.0	6.0	17.0
65	14.0	21.0	16.0	26.0	13.0	20.0
66	14.0	21.0	16.0	26.0	13.0	20.0
67	14.0	21.0	16.0	26.0	13.0	20.0
68	14.0	21.0	16.0	26.0	13.0	20.0
69	14.0	21.0	16.0	26.0	13.0	20.0
70 & Over	100.0	100.0	100.0	100.0	100.0	100.0

[1] Not eligible to retire under the provisions of the Tier 3 plan at these ages with less than 30 years of service. If a member has at least 30 years of service at these ages, they would be subject to the "55/30" rates.

Retirement Age and Benefit for Inactive Vested Members: OPEB benefit will be paid at the later of age 59 or the current attained age.

Service: Employment service is used for eligibility determination purposes. Benefit service is used for benefit calculation purposes.

Future Benefit Accruals: 1.0 year of service credit per year.

Unknown Data for Members: Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Retiree Health Assumptions

Per Capita Cost Development:	The assumed costs on a composite basis are the future costs of providing postemployment health care benefits at each age. To determine the assumed costs on a composite basis, historical premiums are reviewed and adjusted for increases in the cost of health care services.
Per Capita Cost Development - Maximum Dental Subsidy:	(see table below)

Carrier	Election Percent (%)	Monthly 2022/2023 Fiscal Year Subsidy
Delta Dental PPO	80.7	$44.21
DeltaCare USA	19.3	15.10

Per Capita Cost Development - Medicare Part B Premium Subsidy:

	Single Monthly Premium
Actual monthly premium for calendar year 2022	$170.10
Projected monthly premium for calendar year 2023*	177.75
Projected average monthly premium for plan year 2022/2023	173.93

* Based on calendar year 2022 premium adjusted to 2023 by assumed trend rate of 4.50%.

LACERS will not reimburse Medicare Part B premiums for Spouse/Domestic Partners, unless they are LACERS retired Members with Medicare Parts A and B enrolled as a dependent in a LACERS medical plan. This valuation does not reflect Medicare Part B reimbursement for any (married or surviving) spouse/domestic partners enrolled in Medicare Parts A and B.

For retirees age 65 and over on the valuation date, we valued the Medicare Part B premium subsidy as reported in the data. For current and future retirees under age 65, we will assume 100% of those electing a medical subsidy will be eligible for the Medicare Part B premium subsidy.

Per Capita Cost Development – Medical Subsidy:	Tier 1 members not subject to medical subsidy cap and all Tier 3 members.

- **Participant Under Age 65 or Not Eligible for Medicare A&B**

2022-2023 Fiscal Year		Single Party			Married/With Domestic Partner			Eligible Survivor		
Carrier	Observed and Assumed Election Rate (%)*	Monthly Premium	Maximum Subsidy	Subsidy	Monthly Premium	Maximum Subsidy	Subsidy	Monthly Premium	Maximum Subsidy	Subsidy
Kaiser HMO	62.4	$919.67	$1,923.35	$919.67	$1,839.33	$1,923.35	$1,839.33	$919.67	$919.67	$919.67
Anthem Blue Cross PPO	20.7	1,401.11	1,923.35	1,401.11	2,797.19	1,923.35	1,923.35	1,401.11	919.67	919.67
Anthem Blue Cross HMO	16.9	1,119.40	1,923.35	1,119.40	2,233.76	1,923.35	1,923.35	1,119.40	919.67	919.67

** The observed election percentages are based on raw census data as of June 30, 2022.*

- **Participant Eligible for Medicare A&B**

2022-2023 Fiscal Year		Single Party			Married/With Domestic Partner			Eligible Survivor		
Carrier	Observed and Assumed Election Rate (%)*	Monthly Premium	Maximum Subsidy	Subsidy	Monthly Premium	Maximum Subsidy	Subsidy	Monthly Premium	Maximum Subsidy	Subsidy
Kaiser Senior Advantage HMO	57.0	$262.47	$262.47	$262.47	$524.94	$524.94	$524.94	$262.47	$262.47	$262.47
Anthem Blue Cross Medicare Supplement / Anthem Medicare Preferred (PPO)	32.3	$494.67	494.67	494.67	984.31	984.31	984.31	494.67	494.67	494.67
UHC California Medicare Advantage Plan	10.7	$285.78	285.78	285.78	566.53	566.53	566.53	285.78	285.78	285.78

* *The observed election percentages are based on raw census data as of June 30, 2022.*

Note that there are three plans (SCAN, UHC Medicare Advantage HMO for Arizona and Nevada) offered by LACERS that are not included above because we assume a 0% participation rate for each of those plans. On average, their premiums are close to the UHC California Medicare Advantage plan.

Per Capita Cost Development – Medical Subsidy:

Tier 1 members who are subject to the retiree medical subsidy cap will have monthly health insurance subsidy maximums capped at the levels in effect at July 1, 2011, as shown in the table below. We understand that no active members are subject to the cap but that some inactive members may be subject to the cap.

Retiree Plan	Single Party	Married/With Domestic Partner	Eligible Survivor
Under 65 – All Plans	$1,190.00	$1,190.00	$593.62
Over 65			
Kaiser Senior Advantage	$203.27	$406.54	$203.27
Anthem Blue Cross Medicare Supplement / Anthem Medicare Preferred (PPO)	478.43	478.43*	478.43
UHC Medicare Adv. HMO	219.09	433.93	219.09

* The reason the subsidy is only at the single party amount is that there is no excess subsidy to cover a dependent.

Per Capita Cost Development – Medical Subsidy:

Adjustments to per capita costs (as shown on page 55-56) are as follows:

	Retiree		Spouse	
Age	**Male**	**Female**	**Male**	**Female**
55	0.8967	0.9258	0.7057	0.7993
60	1.0649	0.9979	0.9448	0.9271
64	1.2218	1.0586	1.1927	1.0434
65	0.9191	0.7812	0.9191	0.7812
70	1.0653	0.8419	1.0653	0.8419
75	1.1480	0.9062	1.1480	0.9062
80+	1.2362	0.9770	1.2362	0.9770

Health Care Cost Subsidy Trend Rates:	Trend is to be applied to premium for shown fiscal year to calculate next fiscal year's projected premium. First Fiscal Year is July 1, 2022 through June 30, 2023.

	Rate (%)					
Plan	**Anthem Blue Cross PPO, Under Age 65**	**Anthem Blue Cross Medicare Supplement / Anthem Medicare Preferred (PPO)**	**Kaiser HMO, Under Age 65**	**Kaiser Senior Advantage**	**Anthem Blue Cross HMO, Under 65**	**UHC CA Medicare Advantage**
Trend to be applied to 2022-2023 Fiscal Year premium	8.29	3.25	5.81	3.25	8.29	3.98

	Approximate Trend Rate (%)		**The fiscal year trend rates are based on the following calendar year trend rates:**	**Trend Applied to Calculate Following Year Premium Rate (%)**	
Fiscal Year	**Non-Medicare**	**Medicare**	**Calendar Year**	**Non-Medicare**	**Medicare**
2023-2024	7.12	6.37	2023	7.25[1]	6.50[1]
2024-2025	6.87	6.12	2024	7.00	6.25
2025-2026	6.62	5.87	2025	6.75	6.00
2026-2027	6.37	5.62	2026	6.50	5.75
2027-2028	6.12	5.37	2027	6.25	5.50
2028-2029	5.87	5.12	2028	6.00	5.25
2029-2030	5.62	4.87	2029	5.75	5.00
2030-2031	5.37	4.62	2030	5.50	4.75
2031-2032	5.12	4.50	2031	5.25	4.50
2032-2033	4.87	4.50	2032	5.00	4.50
2033-2034	4.62	4.50	2033	4.75	4.50
2034 and later	4.50	4.50	2034	4.50	4.50

1 *For example, the 7.25% assumption when applied to the 2023 non-Medicare medical premiums would provide the projected 2024 non-Medicare medical premiums. This trend would also be applied to the maximum medical subsidy, based on the non-Medicare Kaiser premium.*

Health Care Cost Subsidy Trend Rates (continued):	Trend is to be applied to premium for shown fiscal year to calculate next fiscal year's projected premium. First Fiscal Year is July 1, 2022 through June 30, 2023. Dental Premium Trend 3.00% for all years Medicare Part B Premium Trend 0.66%, then 4.50% thereafter
Spouse/Domestic Partner Coverage:	For all active and inactive members, 60% of male participants and 35% of female participants who receive a retiree health subsidy are assumed to be married or have a qualified domestic partner and elect dependent coverage. Of these covered spouses/domestic partners, 100% are assumed to continue coverage if the retiree predeceases the spouse/domestic partner. Male retirees are assumed to be 4 years older than their female spouses/domestic partners. Female retirees are assumed to be 2 years younger than their male spouses/domestic partners.
Participation:	Retiree Medical and Dental Coverage Election:

Service Range (Years)	Percent Covered[1] (%)
10 – 14	60
15 – 19	80
20 – 24	90
25 and over	95

[1]For deferred vested members, we assume an election percent of 50% of these rates.

Health Care Reform:	The valuation does not reflect the potential impact of any future changes due to prior or pending legislations.
Administrative Expenses:	No administrative expenses were valued separately from the premium costs.
Plan Design:	Development of plan liabilities was based on the substantive plan of benefits in effect as described in Section 2.

Actuarial Methods

Actuarial Cost Method:	Entry Age Actuarial Cost Method, level percent of salary. Entry age is calculated as age on the valuation date minus years of employment service. Both the normal cost and the actuarial accrued liability are calculated on an individual basis.
Expected Remaining Service Lives:	The average of the expected service lives of all employees is determined by: • Calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest. • Setting the remaining service life to zero for each nonactive or retired member. • Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Changes in Actuarial Assumptions

The following assumptions were changed since the prior valuation:

- Per capita costs and first year trends were updated to reflect 2023 calendar year premiums, subsidies and more recent data.
- Medical carrier election assumptions were updated based on more recent data.
- Trend assumptions to project future medical costs after 2022-2023 were updated.

Appendix A: Definition of Terms

Definitions of certain terms as they are used in Statement 75. The terms may have different meanings in other contexts.

Actuarially Determined Contribution:	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
Assumptions or Actuarial Assumptions:	The estimates on which the cost of the Plan is calculated including: a) Investment return — the rate of investment yield that the Plan will earn over the long-term future; b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates; c) Retirement rates — the rate or probability of retirement at a given age; d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Covered Employee Payroll:	The payroll of the employees that are provided OPEB benefits.
Discount Rate:	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: 1) the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and 2) the actuarial present value of projected benefit payments that are not included in (1) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
Entry Age Actuarial Cost Method:	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age.
Healthcare Cost Trend Rates:	The rate of change in per capita health costs over time.
Net OPEB Liability:	The Total OPEB Liability less the Plan's Fiduciary Net Position.
Plan's Fiduciary Net Position:	Market Value of Assets
Real Rate of Return:	The rate of return on an investment after removing inflation.
Service Cost:	The amount of contributions required to fund the benefit allocated to the current year of service.
Total OPEB Liability:	Present value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.
Valuation Date:	The date at which the actuarial valuation is performed.

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BOARD Meeting: 10/10/23
Item: III-C
Attachment: 3

COMMUNICATIONS WITH THE BOARD OF ADMINISTRATION

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

June 30, 2022

MOSSADAMS

MOSSADAMS

Communications with the Board of Administration

The Board of Administration
Los Angeles City Employees' Retirement System

We have audited the following schedules of Los Angeles City Employees' Retirement System (LACERS) and the related notes (collectively, the Schedules) as of and for the year ended June 30, 2022, and have issued our reports thereon dated August 30, 2023:

- Schedule of employer allocations and schedule of pension amounts by employer
- Schedule of employer allocations and schedule of OPEB amounts by employer

Professional standards require that we provide you with the following information related to our audits.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated June 6, 2023, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the Schedules does not relieve you or management of your responsibilities.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LACERS' internal control over financial reporting. Accordingly, we considered LACERS' internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audits of the Schedules that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audits

We performed the audits according to the planned scope and timing previously communicated to you in the engagement letter dated June 6, 2023, and our planning discussions held in June 2023.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by LACERS are described in footnotes to the Schedules. No new accounting policies were adopted and there were no changes in the application of existing policies during 2022. We noted no transactions entered into by LACERS during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the Schedules in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the Schedules prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the Schedules and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Schedules were:

Total Pension Liability and Pension Amounts – Management's estimate of the total pension liability and estimated pension measurements are based on actuarial assumptions of factors including discount rate, interest rate, inflation rate, mortality, turnover, retirement, disability, cost of living adjustments, non-investment expenses, and salary increases. Actuarial assumptions are adopted by LACERS, upon review of recommendations made by the LACERS' actuary. We evaluated the key factors and assumptions used to develop the total pension liability and pension amounts in determining that they are reasonable in relation to the schedule of pension amounts by employer as a whole.

Total OPEB Liability and OPEB Amounts – Management's estimate of the total OPEB liability and estimated OPEB measurements are based on actuarial assumptions of factors including discount rate, health care trends, participation rates, inflation rate, mortality, and expenses. Actuarial assumptions are adopted by LACERS, upon review of recommendations made by the LACERS' actuary. We evaluated the key factors and assumptions used to develop the total OPEB liability and OPEB amounts in determining that they are reasonable in relation to the schedule of OPEB amounts by employer as a whole.

Employer Allocations – Management's methods used to allocate pension and OPEB amounts, including net pension liability and net OPEB liability; pension and OPEB expense; deferred outflows of resources; and deferred inflows of resources, are based on each employer's proportionate share of total employer contributions. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the Schedules.

Financial Statement Disclosures

The disclosures in the Schedules are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

> Sensitive disclosures in the Schedules include disclosure of the LACERS' total pension liability and total OPEB liability as of the measurement date of June 30, 2022, and each employer's allocation of the net pension liability, net OPEB liability, pension, and OPEB amounts. The notes to the Schedules also include disclosure of the significant actuarial assumptions used in the measurements of the total pension and OPEB liabilities and related pension and OPEB amounts, as well as future amortizations of deferred outflows of resources and deferred inflows of resources as of June 30, 2022.

Significant Unusual Transactions

We encountered no significant unusual transactions during our audits of the LACERS' Schedules.

Significant Difficulties Encountered in Performing the Audits

Professional standards require us to inform you of any significant difficulties encountered in performing the audits. No significant difficulties were encountered during our audits of the LACERS' Schedules.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Schedules or the auditor's reports. No such disagreements arose during our audits.

Circumstances that Affect the Form and Content of the Auditor's Reports

There may be circumstances in which we would consider it necessary to include additional information in the auditor's reports in accordance with generally accepted auditing standards. There were no circumstances that affected the form and content of the auditor's reports.

Management Representations

We have requested certain representations from management that are included in the management representation letters dated August 30, 2023.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Schedules a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We are required to communicate to you other findings or issues arising from the audits that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

This information is intended solely for the use of Audit Committee and Board of Administration and management of LACERS and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

El Segundo, California
August 30, 2023

Agenda of:	**Oct. 10, 2023**
Item No:	**V-A**

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

September 12, 2023

10:01 a.m.

PRESENT:	President:		Annie Chao
	Vice President:		Sung Won Sohn
	Commissioners:	(arrived at 10:03 a.m)	Thuy Huynh
			Elizabeth Lee
			Gaylord "Rusty" Roten
			Janna Sidley
			Michael R. Wilkinson
	Legal Counselor:		Anya Freedman
	Manager-Secretary:		Neil M. Guglielmo
	Executive Assistant:		Ani Ghoukassian

The Items in the Minutes are numbered to correspond with the Agenda.

President Chao opened the meeting with going over the LACERS Guiding Principles.

Commissioner Huynh arrived to the meeting at 10:03 a.m.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment to which there were seven public comment cards received. The following members of the public made public comments with respect to LACERS investment in Advent International and in support of restaurant/hotel workers: Jordan Fein, Ruth Dominguez, Cecilia Alvarado, Marta Vela, Luis Perez, Felipe Caceres, and Gary Williams.

Item V-A taken out of order.

V

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of $22.143 billion as of September 11, 2023. Mr. June discussed the following items:

- No real estate property damage reported from Hurricane Idalia
- Northern Trust was not a party to the recently announced Securities Lending Anti-Trust lawsuit
- Update on SEC Private Fund Advisor Ruling
- Update on Advent International and report on historical relationship between LACERS and Advent International
- Future Agenda items: Investment Manager Contract, Private Credit Policy, and a real estate investment opportunity

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Discretionary COLA
- 977 Final Approvals
- 977 HVAC status
- The Government Finance Officers Association (GFOA) of the United States and Canada Award
- Audit of Members residing outside the U.S.
- Duplicate Checks
- Mid-Year Article
- Direct Deposit
- Cybersecurity
- Health Benefits Administration updates
- Retirement Services Division updates
- Communications and Stakeholder Relations updates
- Upcoming events

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Assumptions for the June 30, 2023 Retiree Health Actuarial Valuation
- Triennial Board Policy Review: Voting Abstention
- September 26th Board Meeting: Income Related Monthly Adjusted Amount (IRMAA)
- Year-End Accounting Report – Report to the Benefits Administration Committee and Board planned for the October 10th meeting date

C. RECOGNITION OF SERVICE FOR DELIA HERNANDEZ – President Chao, Neil M. Guglielmo, General Manager, Commissioners, and staff recognized Ms. Hernandez's 30 years of City service and her approaching retirement.

III

RECEIVE AND FILE ITEMS

A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.

B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.

C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING JUNE 30, 2023 – This report was received by the Board and filed.

IV

Commissioner Sidley moved approval of Consent Agenda Items IV-A and IV-B, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

CONSENT ITEM(S)

A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF AUGUST 8, 2023 AND POSSIBLE BOARD ACTION

B. TRAVEL AUTHORITY – COMMISSIONER THUY HUYNH; INSTITUTIONAL INVESTOR – 2023 ROUNDTABLE FOR CONSULTANTS & INSTITUTIONAL INVESTORS; CHICAGO, IL; OCTOBER 4-5, 2023 AND POSSIBLE BOARD ACTION

TRAVEL AUTHORITY
INSTITUTIONAL INVESTOR – 2023 ROUNDTABLE FOR CONSULTANTS & INSTITUTIONAL INVESTORS
OCTOBER 4-5, 2023
CHICAGO, IL

RESOLUTION 230912-A

WHEREAS, Board approval is required for all international travel requests, travel not included in the Approved List of Educational Seminars, and travel that exceeds the annual education travel budget of $10,000 for each Commissioner;

WHEREAS, the Institutional Investor – 2023 Roundtable for Consultants & Institutional Investors, in Chicago, IL is not included in the Approved List of Educational Seminars, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Huynh is hereby authorized to attend the Institutional Investor – 2023 Roundtable for Consultants & Institutional Investors, from October 4-5, 2023, in Chicago, IL;

BE IT FURTHER RESOLVED, that the reimbursement of up to $2,200 for Commissioner Huynh is hereby authorized for reasonable expenses in connection with participation.

V

INVESTMENTS

Item V-A taken out of order.

B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING JUNE 30, 2023 – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for one hour.

VI

President Chao recessed the Regular Meeting at 12:12 p.m. to convene in Closed Session discussion.

DISABILITY RETIREMENT APPLICATION(S)

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF SANDRA OXFORD AND POSSIBLE BOARD ACTION

B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF LUIS BARRALES AND POSSIBLE BOARD ACTION

President Chao reconvened the Regular Meeting at 12:19 p.m. and announced that the Board unanimously approved the Disability Retirement Applications of Sandra Oxford and Luis Barrales.

VII

OTHER BUSINESS – Commissioner Lee requested staff to draft a correspondence to Advent International regarding the Unite Here concerns and to bring this back for the Board's attention and further consideration.

VIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, September 26, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

IX

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:34 p.m.

Annie Chao
President

Neil M. Guglielmo
Manager-Secretary

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION | **MEETING: October 10, 2023**
From: Lin Lin, Personnel Director I | **ITEM: VII – A**

SUBJECT: **CONSIDERATION OF 2023 GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Board take action to recommend Merit Salary adjustment based on the merits of the Fiscal Year 2022-23 evaluation in a percentage between zero and five percent, effective July 1, 2023.

Executive Summary

The Los Angeles City Charter Section 508 requires that the amount of compensation for the General Manager be adjusted by the appointing commission within guidelines established by the City Council.

Discussion

Based on the performance evaluation discussed during closed session, the Board may set or adjust the General Manager's salary within the guidelines established by the City Council, with any salary increase being effective as of July 1, 2023.

General Manager salary range is set by ordinance between Salary Range M-7 through M-13. Each M range identifies specific classifications entitled to compensation within the range. LACERS' GM falls within the M-9 salary range. Please refer to Attachment 1 for the listing of General Managers M range.

Prepared By: Lin Lin, Personnel Director I

LL

Attachments: 1. General Managers Salary Range 2023
2. Resolution Salary Compensation for General Manager

REVISED

ATTACHMENT B-I
SALARY RANGES FOR GENERAL MANAGERS
LOS ANGELES ADMINISTRATIVE CODE SECTION 4.61

(The Salary Range schedule for General Managers below reflects the range in effect on June 18, 2023 and the 3.0% increase effective July 2, 2023. The Mayor or appropriate Board/Commission, pursuant to Charter Section 508, shall set or adjust the amount of compensation for General Managers within the identified "M" ranges).

CLASS CODE	RANGE NO. CLASSIFICATION	6/18/2023 BIWEEKLY RANGE	6/18/2023 ANNUAL RANGE	7/2/2023 BIWEEKLY RANGE	7/2/2023 ANNUAL RANGE
	M-13				
9998	General Manager and Chief Engineer Water and Power	$11,880.00 - $20,510.40	$310,068 - $535,321	$12,236.80 - $21,125.60	$319,380 - $551,378
	M-12				
9296	Chief Legislative Analyst	$10,236.60 - $18,152.00	$267,180 - $473,767	$10,544.00 - $18,696.80	$275,198 - $487,986
9359	Chief of Police	$10,236.60 - $18,152.00	$267,180 - $473,767	$10,544.00 - $18,696.80	$275,198 - $487,986
0010	City Administrative Officer	$10,236.60 - $18,152.00	$267,180 - $473,767	$10,544.00 - $18,696.80	$275,198 - $487,986
9339	Fire Chief	$10,236.60 - $18,152.00	$267,180 - $473,767	$10,544.00 - $18,696.80	$275,198 - $487,986
0161	General Manager Airports	$10,236.60 - $18,152.00	$267,180 - $473,767	$10,544.00 - $18,696.80	$275,198 - $487,986
9289	General Manager Harbor Department	$10,236.60 - $18,152.00	$267,180 - $473,767	$10,544.00 - $18,696.80	$275,198 - $487,986
	M-11				
9497	City Engineer	$9,804.80 - $16,107.20	$237,113 - $420,398	$9,357.60 - $16,590.40	$244,233 - $433,009
7236	Director Bureau of Sanitation	$9,804.80 - $16,107.20	$237,113 - $420,398	$9,357.60 - $16,590.40	$244,233 - $433,009
9650	Director of Finance	$9,804.80 - $16,107.20	$237,113 - $420,398	$9,357.60 - $16,590.40	$244,233 - $433,009
9254	General Manager Department of General Services	$9,804.80 - $16,107.20	$237,113 - $420,398	$9,357.60 - $16,590.40	$244,233 - $433,009
9380	General Manager Information Technology Agency	$9,804.80 - $16,107.20	$237,113 - $420,398	$9,357.60 - $16,590.40	$244,233 - $433,009
9295	General Manager Personnel Department	$9,804.80 - $16,107.20	$237,113 - $420,398	$9,357.60 - $16,590.40	$244,233 - $433,009
	M-10				
9255	City Clerk	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9235	City Librarian	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9445	Director of Planning	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9695	Executive Director, Convention Center	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9256	General Manager Department of Transportation	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9270	General Manager Los Angeles Housing Department	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9243	General Manager Recreation and Parks	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9500	General Manager Zoo Department	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069

REVISED

CLASS CODE	RANGE NO. CLASSIFICATION	6/18/2023 BIWEEKLY RANGE	6/18/2023 ANNUAL RANGE	7/2/2023 BIWEEKLY RANGE	7/2/2023 ANNUAL RANGE
	M-10 (continued)				
0202	Inspector Public Works	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
9205	Superintendent of Building	$8,076 - $14,324.00	$210,784 - $373,856	$8,318.40 - $14,753.60	$217,110 - $385,069
	M-9				
9265	Director Bureau of Street Lighting	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
4159	Director Bureau of Street Services	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
9423	Executive Director, Civil, Human Rights and Equity Department	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
9245	General Manager Animal Services	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
9250	General Manager Community Development	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
9150	General Manager - LACERS	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
9267	General Manager - LAFPP	$7,208.00 - $12,776.00	$188,129 - $333,454	$7,424.00 - $13,159.20	$193,766 - $343,455
	M-8				
9277	General Manager Community Investment for Families Department	$6,448.00 - $11,434.40	$168,293 - $298,438	$6,641.60 - $11,777.60	$173,346 - $307,395
9430	General Manager Department of Environmental Affairs	$6,448.00 - $11,434.41	$168,293 - $298,438	$6,641.60 - $11,777.60	$173,346 - $307,395
9222	General Manager Department of Neighborhood Empowerment	$6,448.00 - $11,434.42	$168,293 - $298,438	$6,641.60 - $11,777.60	$173,346 - $307,395
9806	General Manager Economic and Workforce Development Department	$6,448.00 - $11,434.43	$168,293 - $298,438	$6,641.60 - $11,777.60	$173,346 - $307,395
9645	Treasurer	$6,448.00 - $11,434.44	$168,293 - $298,438	$6,641.60 - $11,777.60	$173,346 - $307,395
	M-7				
9429	Executive Director Cannabis Department	$5,791.20 - $10,269.60	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,075
9720	Executive Director, Department on Disability	$5,791.20 - $10,269.61	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,076
9226	Executive Director, Youth Development Department	$5,791.20 - $10,269.62	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,077
9696	General Manager Cultural Affairs	$5,791.20 - $10,269.63	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,078
9218	General Manager Department of Aging	$5,791.20 - $10,269.64	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,079
9700	General Manager El Pueblo Historical Monument	$5,791.20 - $10,269.65	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,080
9272	General Manager Emergency Management Department	$5,791.20 - $10,269.66	$151,150 - $268,037	$5,964.80 - $10,577.60	$155,681 - $276,081

SALARY COMPENSATION FOR
GENERAL MANAGER
NEIL M. GUGLIELMO

PROPOSED RESOLUTION

WHEREAS, the Board of Administration has authorization to set the salary for the position of General Manager-LACERS; and

WHEREAS, the salary is consistent with the range allowable and set by City Council;

BE IT RESOLVED, that the Board of Administration approves a yearly salary at X% higher than the current salary for Neil M. Guglielmo, General Manager, to be effective on July 1, 2023, pursuant to Charter Section 1108(c).

OCTOBER 10, 2023

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: OCTOBER 10, 2023
ITEM: VII-B

SUBJECT: **ANTHEM BLUE CROSS MEDICARE PREFERRED (PPO) PLAN IN-HOME SUPPORT BENEFIT UPDATE AND POSSIBLE BOARD ACTION**

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Board authorize the General Manager to:

1. Temporarily halt the caregiver support benefits provided by Papa Inc. under the Anthem Blue Cross Medicare Preferred (PPO) Plan (Anthem), or
2. Remove the caregiver support benefit from the Anthem Medicare Advantage Preferred PPO for the 2024 medical plan year.

Executive Summary

On September 21, 2023, Anthem informed LACERS that their provider Papa, Inc. is under investigation by the U.S. Senate Committee on Aging following recent reporting and allegations of misconduct against Papa clients and caregivers.

Anthem stated that the information is being provided to LACERS out of abundance of caution. Anthem is providing LACERS the option to halt or eliminate this benefit for 2024. Therefore, this information is being brought to the Board's attention with a recommendation that the benefits be halted temporarily until the current vendor is replaced.

Discussion

The In-Home Support benefit provided by Papa, Inc. (Papa) via Papa Pals was added by LACERS for the 2022 plan year under the Anthem Medicare Preferred (PPO) Plan and was renewed for 2023 and 2024. Papa enables its clients to connect with independently contracted personnel to provide Instrumental Activities of Daily Living (IADL) services. These are non-medical services that allow a person to live independently. In the case of Papa Pals, services include companionship, help running errands, technology assistance, accessing telehealth, well-being checkups, and home help such as light cleaning, meal preparation, organizing, and pet help.

This enhanced social services program benefit from Anthem allows for Caregiver Relief providing In-Home Support of up to 30 hours per year of assistance with daily living activities. For the 2022 plan year, 1,209 hours were used by LACERS Members. In the current 2023 plan year, to date, 147 Members have utilized the program.

Anthem reported to LACERS that the U.S. Senate Committee on Aging is investigating Papa. There were allegations that some contractors working for Papa have assaulted, sexually harassed, and/or stolen from clients. Additionally, there are allegations that some clients sexually harassed Papa contractors. On July 13, 2023, the U.S. Senate Committee of Aging Chairman Bob Casey issued a letter to Papa requesting information on their hiring of contractors; training for contractors; internal policies/processes relating to background checks, safety, and harassment; and provide information on complaints Papa has received.

In response, Papa announced the hiring of a safety expert and a new Trust and Safety Roadmap, inclusive of enhanced new safety measures, protections, policies, and protocols. Papa outlined several areas for improvement and set forth initiatives that will roll out over the next three to six months to build on these safety measures.

According to Anthem, the information above was being provided to allow LACERS to determine and instruct Anthem to either halt the benefit until a new vendor replaces Papa or the benefits should be removed for 2024. Anthem stated that there will be a vendor change some time mid-2024 (targeting July). This means that the benefit will not be available to Members until a new vendor is selected; however, other benefits such as, the Personal Home Helper, Adult Day Center, Member Connect, and Silver Sneakers are still available.

Additional Information Related to the Allegations

A letter was issued (Attachment 1) by U.S. Senator Bob Casey (D-PA), Chairman of the Senate Committee on Aging, requesting Papa to provide information about its background check system following recent reporting that uncovered instances of sexual harassment and alleged assault of the company’s clients and caregivers.

A Bloomberg article dated May 30, 2023 (Attachment 2), referenced in Senator Casey’s letter, indicated evidence of over 1,200 confidential complaints to the company over the past four years, including harassment of both clients and caregivers, dozens of allegations of sexual harassment and assault, and reports of theft and unsafe work environments. Papa receives payments from Medicare and private health insurers for the services it provides. The 1,200+ alleged complaints span over several health plan carriers nationwide.

“With the increasing demand for home care services to enable older adults and people with disabilities to live at home, service providers must ensure they are offering their clients the opportunity to live safely. Similarly, care workers deserve to be treated with dignity. The allegations of abuse by both Papa care workers and clients, as well as the lack of training and oversight to prevent and address future problems, raise deep concerns,” wrote Chairman Casey.

Both attachments mentioned above did not mention which carrier plans, such as the Anthem Medicare Preferred PPO Plan, were involved or affected. However, a more recent Bloomberg article published September 11, 2023 (Attachment 3) mentioned that health insurers such as Humana Inc. and CVS Health Corp's Aetna and Molina Healthcare Inc. appear to state that they have decided not to renew their contracts with Papa.

Anthem Benefit Information

Currently out of 4,526 Retired Members and dependents enrolled in the Anthem Medicare Preferred (PPO) Plan, 147 (3%) LACERS Members have enrolled in the Papa in-home support benefit. One complaint was filed with Anthem in 2022 from a LACERS Member alleging theft, but upon further investigation by Anthem, the Member declined to file a police report and the allegation was closed. No allegations against Papa were reported from LACERS Members in 2023 thus far.

Given the low volume of enrollees, staff is recommending halting the benefit, until a new vendor is procured by Anthem. Despite the serious allegations that have been reported towards Papa Inc., LACERS staff still support providing this type of benefit in the future with a different vendor. With the continuing aging population, Members and their families are in greater need of support for independent and healthy living.

Prepared By: Karen Freire, Chief Benefits Analyst, Health, Wellness, and Buyback Division

NMG/DW/KF

Attachments: 1) U.S. Senator Bob Casey's letter to Mr. Andrew Parker (Chief Executive Officer of Papa, Inc.), dated July 13, 2023
2) Bloomberg article "Papa Eldercare Startup Faces Abuse Claims by Seniors, Caregivers" by Priya Anand, dated May 30, 2023
3) Bloomberg article "Eldercare Startup Papa Loses Contracts with Major Health Insurers" by Priya Anand, dated September 11, 2023

United States Senate
SPECIAL COMMITTEE ON AGING
WASHINGTON, DC 20510-6400
(202) 224-5364

BOARD Meeting: 10/10/23
Item VII-B
Attachment 1

July 13, 2023

Mr. Andrew Parker
Chief Executive Officer
Papa Inc.
66 SW 6th Street
Miami, FL 33130

Dear Mr. Parker:

I write regarding recent reports about Papa Inc. (Papa) that detailed troubling allegations about the company's clients receiving inadequate care and being subject to abuse.[1] With the increasing demand for home care services to enable older adults and people with disabilities to live at home, service providers must ensure they are offering their clients the opportunity to live safely. Similarly, care workers deserve to be treated with dignity. The allegations of abuse by both Papa care workers and clients, as well as the lack of training and oversight to prevent and address future problems, raise deep concerns. I request the company provide assurances that it is taking steps to ensure the safety and dignity of care workers and clients.

As you know, Papa Inc., "focuses on pairing older adults, families, and other underserved people," with someone to assist them, known as a Pal, to provide "companionship and assistance" with tasks including shopping, transportation, and assistance with prescriptions.[2] These services are facilitated via the company's website, mobile phone application, email exchanges, call-in service, and other means.[3] Papa appears to be rapidly expanding—the company reportedly operates in all 50 states;[4] is recruiting Pals in more than 40 states, including Pennsylvania;[5] and reportedly generates tens of millions of dollars in revenue

[1] Priya Anand, "Assault Allegations Plague a $1.4 Billion Home Eldercare Startup," *Bloomberg* (May 30, 2023), https://www.bloomberg.com/news/features/2023-05-30/papa-eldercare-startup-faces-abuse-claims-by-seniors-caregivers [hereinafter *Bloomberg Report*].

[2] Ellen T. Rudy, et al., "A Call for Consistent Measurement Across the Social Determinants of Health Industry Landscape," *Population Health Management* 25, no. 5 (October 2022): 699, https://www.liebertpub.com/doi/10.1089/pop.2022.0079?url_ver=Z39.88-2003&rfr_id=ori:rid:crossref.org&rfr_dat=cr_pub%20%200pubmed.

[3] *Pardo v. Papa, Inc.*, 2023 U.S. Dist. LEXIS ; "End User Agreement" End User Agreement, Papa Inc., last modified January 18, 2023, https://www.papa.com/end-user-agreement [hereinafter "End User Agreement"].

[4] Andrew Donlan, "After Layoffs, Papa CEO Lays Out Vision For Company's Future," *Home Health Care News* (August 30, 2022), https://homehealthcarenews.com/2022/08/after-layoffs-papa-ceo-lays-out-vision-for-companys-future/.

[5] "Locations," Papa Inc., https://www.papa.com/locations.

annually.[6] At the same time, Papa has reportedly partnered with more than 100 managed care companies, including Medicare Advantage, Medicaid, and employer health care plans, expanding its footprint to reach millions of beneficiaries.[7]

To become a Pal, the company requires that applicants be 21 years or older and able to pass background checks conducted by the company, although Pals are not required to have health care experience.[8] Recent reporting by *Bloomberg* raises serious concerns about the adequacy of Papa's vetting process. In one incident, a man with prior convictions for felony drug sales and misdemeanor domestic assault was nonetheless hired by Papa in Minnesota. This individual was subsequently charged with sexual assault and kidnapping for the alleged rape of a female client.[9] Although the criminal charges were recently dismissed, court documents make clear that a serious breach of professional and ethical standards nonetheless took place.[10]

Data collected by *Bloomberg* suggest that problems with Papa are not isolated to this single instance. The company reportedly logged over 1,200 confidential complaints during the past four years.[11] These complaints included harassment of both clients and caregivers; dozens of allegations of sexual harassment and assault; as well as reports of theft and unsafe work environments. In some instances, Papa ignored industry practices designed to protect against such abuses by sharing direct phone numbers between clients and service providers rather than anonymizing phone numbers.[12] In addition to the physical dangers in the report, five percent of sampled client complaints included theft.[13] Furthermore, *Bloomberg*'s reporting cites multiple instances of Papa's service providers being put in dangerous situations by clients, who appear not to have been thoroughly vetted, either. Given these clear and repeated lapses, Papa's response disputing *Bloomberg*'s reporting that the company's safeguards are lax is alarming.[14]

The Senate Special Committee on Aging has jurisdiction over the problems older adults face, including matters of maintaining seniors' health and their ability to obtain care or assistance.[15] Since its formation in the 1960s, the Committee has frequently used its authority to examine

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6 *Supra*, note 1, *Bloomberg Report.*
7 *Id*; Press Release, Papa Inc., "Papa Continues Rapid Expansion to Counteract Loneliness as a Serious Public Health Risk," PR Newswire (October 29, 2021), https://www.prnewswire.com/news-releases/papa-continues-rapid-expansion-to-counteract-loneliness-as-a-serious-public-health-risk-301411656.html.
8 "Be a Papa Pal," Papa Inc., https://www.papa.com/pals.
9 Tom Olsen, "Duluth caregiver accused of raping vulnerable adult," *Duluth News Tribune* (February 7, 2023), https://www.duluthnewstribune.com/news/local/duluth-caregiver-accused-of-raping-vulnerable-adult?utm_source=ground.news&utm_medium=referral.
10 Billue Interview, 64-101, February 3, 2023, *State of Minnesota vs Martin Jermaine Billue, Sr.*, No. 69DU-CR-23-335, St. Louis County District Court – Duluth (June 22, 2023).
11 *Supra*, note 1, *Bloomberg Report*.
12 *Id*.
13 *Id*.
14 *Id*.
15 "Rules: United States Senate Special Committee on Aging," Senate Special Committee on Aging, https://www.aging.senate.gov/about/rules.

private companies when concerns arise about potential health and safety, as well as financial risks posed to older adults.[16] As Chairman, I have an interest in ensuring that older adults and people with disabilities are receiving high-quality care, are free from fraud and abuse, and that federal health programs are receiving good value for taxpayer dollars. I request the company provide the following information and documents no later than August 14, 2023:

1. Please provide the following information regarding Papa's business:

    a. The number of clients that Papa has served during each of the last three calendar years.

    b. The number of hours of (i) in-person and (ii) virtual visits that Papa has facilitated for each of the last three calendar years. Please provide the respective billing rates for in-person and virtual visits.

    c. Papa's revenue for each of the last three calendar years. For each calendar year, please also provide the percentage of revenue derived from (i) traditional Medicare, (ii) Medicare Advantage, and (iii) Medicaid payments. Please also provide the percentage of revenue derived from other categories of payers, categorized by type of payer (e.g., commercial, Veterans Affairs, etc.).

    d. A list of any pilot programs or expansion plans the company is currently undertaking to test it services among payers beyond traditional Medicare or Medicare Advantage.

2. Please provide a detailed explanation of Papa's process for conducting background and motor vehicle record checks, as outlined in the company's end user agreement for contract employees.[17] In addition, please provide the following information and documents:

    a. As detailed above, one of Papa's independent service contractors was arraigned in Minnesota for the alleged rape of a client. This person had been convicted of multiple prior felony drug convictions, as well as misdemeanor domestic assault. Why did these convictions not trigger any flags during Papa's screening process? What changes, if any, has the company made to its screening process to better ensure client safety in the future?

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[16] For example, *see* Senate Special Committee on Aging, *Nursing Homes: Pat 1, Portland, OR.* 87th Cong., November 6, 1961; Senate Special Committee on Aging, *Sudden Price Spikes in Decades-Old Rx Drugs: Inside the Monopoly Business Model*, 114th Cong., March 17, 2016; Senate Special Committee on Aging, *Chairman Casey to Andrew Witty UnitedHealth Reimbursement for COVID-19 Vaccines*, October 20, 2021, https://www.aging.senate.gov/imo/media/doc/10.20.2021%20-%20Chairman%20Casey%20%20to%20Andrew%20Witty%20re%20UnitedHealth%20Reimbursement%20for%20COVID-19%20Vaccines.pdf.

[17] *Supra*, note 3, End User Agreement.

b. Please provide the number of applications that Papa has received for independent service provider positions for each of the last three calendar years. Please also provide the number of applications that were denied based on findings from Papa's background and motor vehicle record checks for each of the last three calendar years. Please also provide the number of independent service providers who were dismissed for cause in each of the last three calendar years.

c. Please provide all policies, guidance and procedures used in Papa's background and motor vehicle record checks process.

d. How many full-time equivalent (FTE) employees are responsible for conducting Papa's background and motor vehicle record checks process? How many of these FTEs work solely on background and motor vehicle record checks? Please describe the training that Papa provides these employees to conduct their vetting work.

e. Papa reportedly sought an evaluation of its vetting processes. Please provide a copy of that evaluation and describe the steps the company has taken to address any problems or recommendations that the evaluation identified.

3. Please provide a copy of every complaint that Papa has received so far in 2023 from clients and independent service providers. Please also provide an Excel document that provides for each complaint (a) the date each complaint was filed, (b) the city and state where the complaint originated, (c) the type of plan (e.g., Medicare Advantage, Medicaid, private pay) that paid for the service, (d) whether the complaint was submitted by a client or provider, and (e) the type of complaint (e.g. theft, harassment, abuse, etc.). In addition, for each of the last three calendar years, please provide aggregate data regarding the number of complaints Papa has received from clients and providers; please categorize these complaints by type.

4. What mandatory training does Papa require independent service providers to perform before interacting with a client? Specifically, how does Papa train providers to comply with medical privacy laws, including but not limited to the Health Information Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health? How does Papa evaluate the competency of its independent service providers to render services, including their ability to maintain adequate client privacy?

5. Given that Papa was reportedly aware of the dangers of sharing direct contact information between clients and contractors in 2019, please describe the company's plans to anonymize phone numbers in the future. In addition, please provide the company's policy of how it responds to instances of user complaints of harassment

that include misuse of users' phone numbers.

Thank you for your attention to this issue. I appreciate the company's commitment to fully cooperate with this request and intention to be fully transparent. If you or your staff has questions, please contact Peter Gartrell, Chief Investigator for Chairman Casey, at (202) 224-5364.

Sincerely,

Bob Casey

Robert P. Casey, Jr.
Chairman
Senate Special Committee on Aging

BOARD Meeting: 10/10/23
Item VII-B
Attachment 2

Illustration: Dadu Shin for Bloomberg Businessweek

Businessweek | Feature

Assault Allegations Plague a $1.4 Billion Home Eldercare Startup

Papa Inc. offers a kind of TaskRabbit for seniors. It's covered by Medicare Advantage and some company health plans. And it's got some very disturbing incident reports.

By Priya Anand
May 30, 2023 at 2:00 AM PDT

If you've been to an annual open enrollment fair in the past few years, you may have noticed a new eldercare benefit with the unusual name of Papa. Medicare Advantage and Medicaid health plans offer it, as do a number of large employer-sponsored programs. It's a gig economy version of home assistance, a family-on-demand TaskRabbit for seniors. Customers hire contractors from Papa's network to come to their homes, hang out and chat, do household chores, chauffeur them to doctor appointments—basically anything shy of the most intimate work done by a traditional caregiver, such as bathing people or helping them use the bathroom. Customers are called "papas," the contractors "pals."

Help with shopping was what brought a middle-aged pal named Martin Jermaine Billue Sr. to a 70-year-old woman's house in Duluth, Minnesota, one morning this winter. Billue arrived at 10 a.m. and drove the woman, who gets around using a walker or power wheelchair, to a few stores. When they returned to her home, she began moving the groceries inside, but he didn't offer to help. Instead, he changed clothes and surprised her in a bedroom, holding a knife in one hand and his exposed penis in the other. According to the criminal complaint against Billue, he raped her and then demanded she request that he be sent to her home again. Billue has said the sex was consensual and denied the state's charges of criminal sexual conduct, kidnapping and assault with a dangerous weapon. He's being held on a $200,000 bond pending trial.

Papa Inc., which isn't named as a defendant in the Duluth case but appears throughout the complaint against Billue, said in a statement to *Bloomberg Businessweek* that it was "deeply saddened" by the incident. "Our CEO has had several conversations with the member and has offered her all the help and support we can," the company wrote. "They speak often and have become quite important in each other's lives." Papa said that it removed the contractor from its platform and that it's conducting an internal review of its trust and safety practices. It also said it has added a two-person manual review of background-check data to its screening process, because the previous system didn't flag Billue's prior conviction for domestic assault. A lawyer for Billue didn't respond to requests for comment.

The incident is an extreme example of a problem the company has encountered with some frequency during its six years in business. *Businessweek* reviewed more than 1,200 confidential complaint reports logged by Papa over the past four years and found dozens of allegations of sexual harassment and assault, as well as an allegation of unlawful imprisonment, among a broader range of issues including theft and dissatisfaction with the service's quality. The logs show what can happen to both Papa's elderly clients and its contractors when the company offers little training or oversight."

Papa's Problems

A sample of complaints reported to Papa in 2021

Source: Bloomberg analysis of 638 complaints received by Papa

This scenario has played out pretty much as one might expect, with incident records that are by turns infuriating and heartbreaking and cartoonishly absurd. Sometimes the papas are the ones behaving badly. Pals have filed complaints alleging that clients tried to kiss or fondle them, or that their residences were covered in feces or infested with cockroaches or, in one instance, home to an alligator. Other times it's the pals: stealing, harassing, getting naked. In its statement, Papa disputed the suggestion that it's lax on safeguards.

It's easy to see the appeal of a workaround for America's severe shortage of health-care workers and caregivers. Manuela Lopez, a 72-year-old retiree in Grand Rapids, Michigan, calls Papa a "lifesaver." Lopez, a diabetic and amputee, has been using it for about a year to make it to doctors and the supermarket. "I can't just walk out the door," she says. "They help me." As for insurers, Papa got much more interesting about three years ago, when the government began allowing Medicare Advantage plans to pay for services that address social needs.

And yet. "There has to be a vetting and oversight mechanism," says Donald Berwick, a former administrator of the Centers for Medicare & Medicaid Services, who now lectures on health-care policy at Harvard Medical School. "This should not be an unregulated, unobserved, unevaluated part of trying to meet the needs of elders."

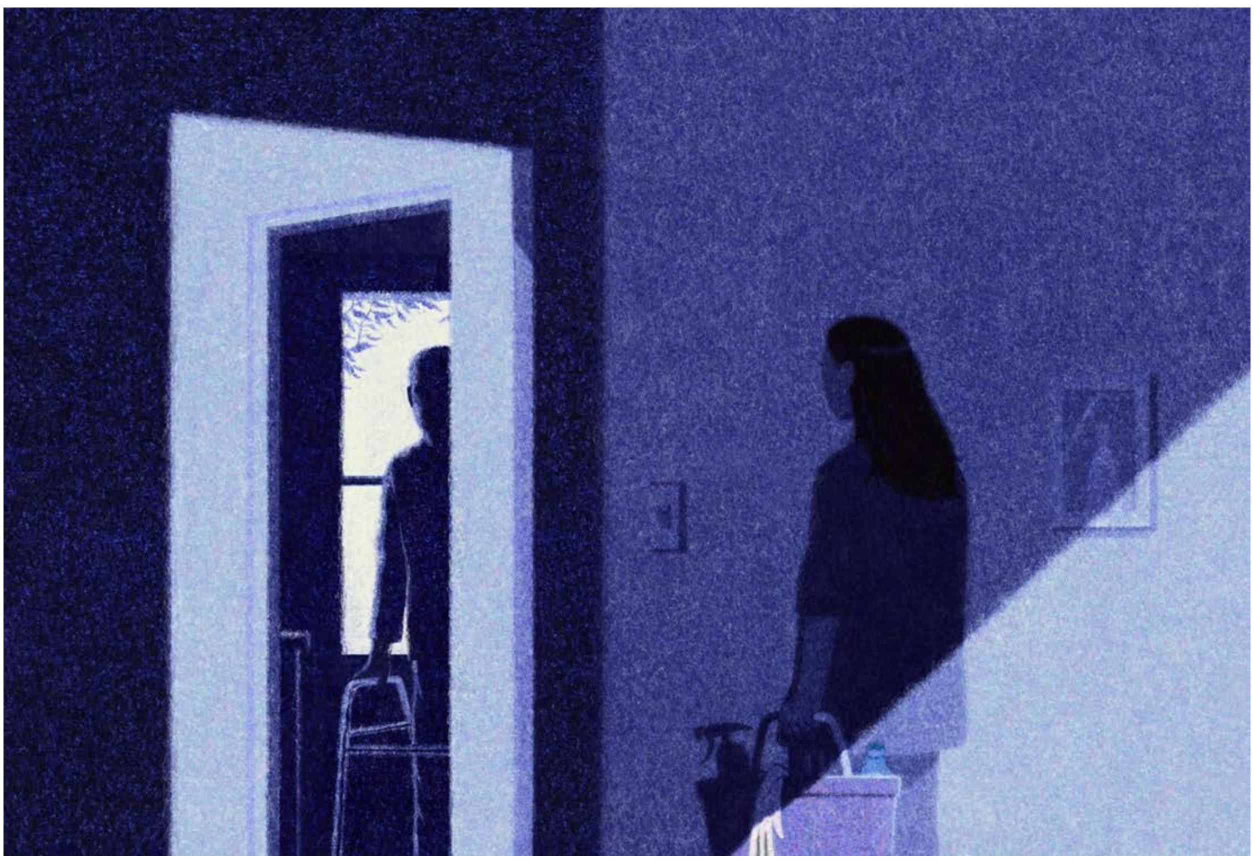


Illustration: Dadu Shin for Bloomberg Businessweek

The company said that it carefully tracks complaints and that fewer than 1% are safety-related. “We know any failure in protecting the safety of our members and Pals is unacceptable,” the company said. “Whenever you are connecting people, there is a chance something can go wrong, but we are committed to doing everything we can to try and ensure that does not happen. And if it does, we will do all we can for anyone involved.”

A spokesperson for the Centers for Medicare & Medicaid Services said the agency has been “reviewing complaints and grievances that allegedly involve Papa.” Most complaints revolve around customer service, but CMS said it’s also aware of the allegations and “serious concerns” described by *Businessweek*, and “continues to monitor” complaints against Papa. If a Medicare Advantage plan were contracted with a partner that’s not up to par with the agency’s standards, CMS has “meaningful ways to discourage plans from contracting with them,” the spokesperson said. For insurance companies, the deadline is drawing near to decide whether to offer Papa to members of those plans in this fall’s open enrollment. CMS, the government agency that approves their offerings, requires insurers to submit their plans the first week of June.

Unlike TaskRabbit, Lyft, Uber and other gig economy stalwarts that make money by the job, Papa relies on big contracts with health insurers that offer its service to members, generally guaranteeing a certain number of free hours per year. It’s also raised about $240 million from investors and was last valued at $1.4 billion, in 2021. Roughly 7 million people could gain access to Papa’s services through their or a relative’s health plan as of last year, according to company documents. In the first quarter of 2022, Papa recorded $10 million in revenue and 237,000 hours of in-person and virtual visits, according to internal documents, and those numbers have likely grown significantly with help from some of America’s biggest health insurers. (Papa disputes these numbers but declined to correct them or share more recent figures, though it did say it has facilitated about 1.5 million visits between members and pals.)

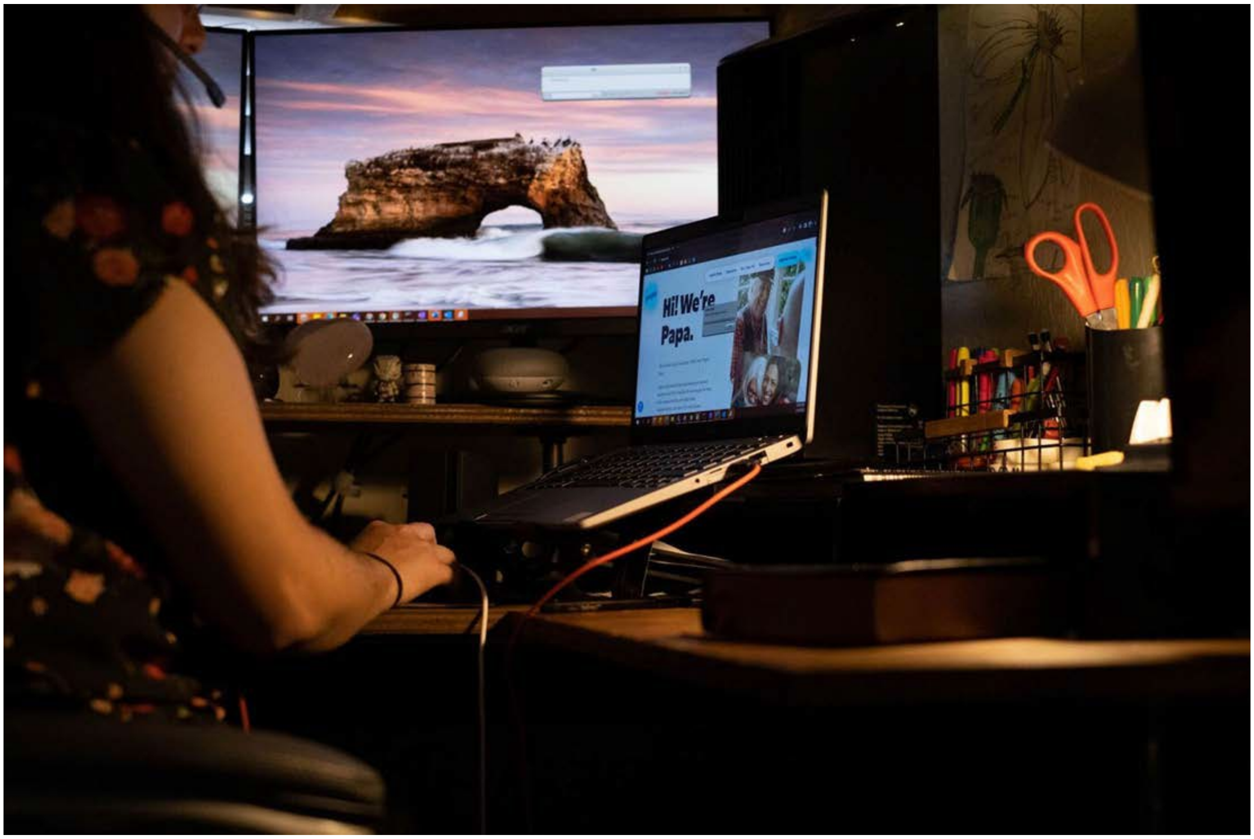
America’s patchwork system of senior care is a mess and rife with abuse; the catastrophic understaffing of nursing homes during the early months of the pandemic should haunt the country. Papa’s internal documents and more than two dozen people—including former employees, pals, papas and papas’ relatives—suggest the company has turbocharged some of those problems by marrying them with the weak checks and balances of the gig economy. “If you had told me in advance that we’re going to send people into the homes of frail elders, I would know right at the start that they’re going to meet some pretty difficult conditions,” Berwick says. “Any responsible company would have to not wait for the problem, but anticipate it and help its employees—or, in this case, contractors—prepare for that.”

Papa Chief Executive Officer Andrew Parker, who declined to sit for an interview, often says he started the company after hiring a college student to help entertain his grandfather. “He loved it, and the pal loved it. It was kind of an ‘aha’ moment,” Parker said in a 2021 podcast interview with students from the Wharton School at the University of Pennsylvania. “My grandpa wasn’t really willing to try anything new at all, let alone a stranger. And the fact that he was excited about it, I thought, was super powerful.” At the time, Parker was working for telehealth company MDLive Inc., which his dad founded, but he left in 2017 to create what he’s called “a whole new category of care.”

In Papa’s earliest days, Parker has said, he thought about an app with a Tinder-like swiping interface but settled on an old-school 1-800 number instead. The number would ring Parker’s cell phone and then ping a small group of pals who’d been manually vetted. About a year later the company shifted toward its more insurer-dependent business model. During the pandemic, when loneliness and isolation became universal challenges, Papa raised three rounds of investor funding, garnering praise for helping families connect with caregivers. SoftBank Group Corp. and Tiger Global Management LLC invested. So did Serena Williams’s husband (and Reddit co-founder), Alexis Ohanian, who once tweeted a photo of a Papa sticker on his laptop. Last year he tweeted that “caregivers will be the next multi-million dollar opportunity in plain sight [BICEP EMOJI].” (Ohanian, SoftBank and Tiger Global all declined to comment.)

Cigna Healthcare Inc. rolled out Papa to members in nine states last year to, as it said in a press release at the time, “help customers achieve optimal health, well-being, and peace of mind.” Anthem, now known as Elevance Health Inc., said in a benefits presentation that Papa could help fill gaps in care such as adherence to medication. Humana Inc.’s website says Papa helps its members feel less lonely, though a blog post describing the partnership was removed after *Businessweek* began its inquiry. A video promoting Papa as one of Aetna’s offerings likewise says the service can help reduce isolation, noting that pals undergo “a training regimen.”

Elevance said in a statement that Papa is one of its many offerings intended to reduce loneliness and that it evaluates all its programs “on an ongoing basis to ensure our members’ needs are being met.” A spokesperson for Cigna wouldn’t comment beyond saying the company has high standards for quality and safety and works to resolve issues quickly. Humana and Aetna declined to comment.



Ismary Sosa at her home office in Florida. *Photographer: Michelle Bruzzese for Bloomberg Businessweek*

Today, Papa's corporate head count is about 600, and in its statement it said it maintains a network of thousands of active pals. Federal requirements stipulate that Medicare-eligible home health aides must complete at least 75 hours of classroom supervision and practical training. Papa, whose stripped-down service doesn't offer the clinical elements of home care, isn't subject to the 75-hour rule. Its required training for pals consists of a short video that stresses the importance of avoiding physical contact with clients. Whatever pals didn't glean from the video, they're expected to learn on the job.

Papa said in its response to *Businessweek* that it has added more voluntary training options over the past year and that it sends pals emails containing an average of six links with additional, optional training content, along with a quarterly newsletter that includes a link to safety-related material on its website. The company also said pals have always been required to acknowledge patient privacy rules and CMS guidelines. "The average person does not require training to support their grandparents, parents, or elderly neighbors," a Papa spokeswoman said in a statement.

When opening the Papa app, a pal can see a map of clients asking for help and some specifics of the requests. Danielle Filgueiras, an ex-teacher in Kissimmee, Florida, signed up to work as a pal in late 2021. She says she had no pre-hire interview, hardly remembers the training video and was troubled by how quickly she found herself in a papa's home. "I do think there could be better training," she says. "I never talked to a real person before getting accepted." The company says on its website that prospective pals can apply online in minutes, if they're 21 or older, have US work authorization and can communicate in English and pass a background check.

Filgueiras *Photographer: Michelle Bruzzese for Bloomberg Businessweek*

Company incident logs include a range of complaints, dating to the pandemic's worst days, about pals refusing to follow Covid-19 protocols. Some papas reported thefts. More often they'd complain that a pal simply bailed on a scheduled visit. Papa said in its response to *Businessweek* that it requires pals to attest within the app that they're vaccinated and will follow Covid guidance and that its rate for filling visits is about 97%, though the company said visits that are rescheduled are counted as filled.

An incident early last year presaged the Duluth case. In January 2022, Capital District Physicians' Health Plan began offering Papa to Medicare Advantage members in New York. In a press release announcing the offering, CDPHP said Papa's "trained workforce" would "undoubtedly reduce the social isolation homebound individuals feel each and every day." Two weeks later one of those homebound individuals received a visit from a pal who began making lewd comments about "his genitals and erection issues," according to an incident report viewed by *Businessweek*. The pal allegedly called again later that week, at 5:45 a.m., to ask the client whether she'd "found any solutions for his erection problem."

Papa banned the pal, according to internal emails and records reviewed by *Businessweek*. But the incident raised alarm bells for CDPHP. Less than a month into the partnership, according to the emails, the insurer was already reconsidering it. CDPHP asked Papa to stop calling its members and to pause all future visits. It also canceled plans to send members mailers about the new program."

During these exchanges, Papa executives acknowledged that they'd opened up health plan members to harassment by sharing direct phone numbers with pals and said the company wasn't moving quickly enough to address serious complaints. Standard practice in the gig economy is to build spoofing technology into apps, generating phone numbers that are used only once, for the purposes of the specific transaction. But that wasn't the case with Papa. CDPHP confirmed in a statement to *Businessweek* that after the New York incident, it stopped all in-person pal visits and began investigating Papa's security protocols. "Since then, we have been closely monitoring all customer service interactions to ensure the health, safety, and well-being of our members," the insurer said. "We take the allegations against Papa very seriously and will proceed with our members' best interests in mind."

By this time, Papa had known for at least three years that sharing direct contact information between papas and pals had led to harassment complaints. Incident logs show it had received at least 28 reports involving direct phone numbers since 2019. Papa said in its response to *Businessweek* that anonymizing phone numbers is "on our road map," but because its service can involve repeat interactions between pals and customers, many of whom use landlines, "we're navigating the technical challenges it presents for our particular business." The company said that some papas and pals find it helpful to communicate directly and that it's "exploring options for long-term numbers that we can turn off if abuse is reported or the member or Pal leave our service."

If Papa did little to vet pals, it did even less to vet papas. One pal reported dealing with a client who was convinced he was George Washington and spoke at length about seizing control of the government. Another pal, Ismary Sosa, told *Businessweek* the low point of the job came when a woman asked her to take old meat out of her freezer and throw it into a lake behind her house, never warning about the 6-foot alligator living there. "I look back on that often," she says.

Tougher to handle were threats from the papas themselves. In February 2021 a pal reported that a man had locked her inside his living room, drawn the curtains and told her that he wanted to take her temperature and that other pals had wanted to date him.

Another female pal reported to the company that a male papa had offered to “give her $100 to touch her private parts.” According to the incident logs, the company told the woman it had blocked that particular papa from future visits by her and added a note that only male pals should be sent to that house. Papa said in its statement to *Businessweek* that its clients are elderly and may have declining mental health, and that it encourages pals to leave, report any issues and call 911 when needed. Papa also said it tries to work with health plans to help papas receive mental health or medical support.

Sosa *Photographer: Michelle Bruzzese for Bloomberg Businessweek*

But former workers say the company’s actions were often too little, too late. Last year a papa in the Miami suburbs asked a pal who was eight months pregnant to clean his fridge, then stood over her while she was cleaning and insisted on checking her heart and blood pressure. He told her that he’d been a doctor for 32 years and that it was important for her baby’s well-being. Eventually, when she relented and agreed to an exam, he placed a stethoscope on her chest and began groping her. After a few minutes, he told her she and her baby were safe.

The woman walked out of his home and into her car, where she Googled his name and called Papa’s help line. “My entire body froze on me,” she told a customer service agent, in a call recording reviewed by *Businessweek*. She cried as she told the agent what had just happened and how easy it would’ve been for the company to prevent it. The first page of search results had turned up decades of criminal charges against the man, including battery, impersonating a doctor and inappropriately touching a home health aide. According to records reviewed by *Businessweek*, he'd also pleaded guilty the previous year to tricking an Oregon casino out of $12,500 by claiming to represent the Village People.

The pal didn't file a criminal complaint against him, so that was the end of it. Reached by phone, the Florida man denied the entirety of the encounter with the pal and called the Oregon incident "bullshit."

Papa declined to comment on the specifics of the incident, citing privacy concerns. The company said it makes details about members and their locations available to workers 24 hours before a visit and encourages pals to "engage and establish a connection before meeting in person" and to decline, cancel or leave a visit if they feel uncomfortable. If a member misbehaves, Papa said, it may notify their health plan or investigate the matter, depending on the severity of the issue, potentially leading to a written warning, a suspension or a ban. Papa also said it offers workers and members a safety support line seven days a week, during hours when visits are conducted.

In the Duluth case, a settlement conference is scheduled for June 30. In the meantime, Papa said, it has hired a third-party expert to review its safety practices. Parker, the CEO, said in a statement that he's "deeply, personally saddened" by safety-related incidents. "We exist to help people who often do not have anyone else in their lives able to help them. That is why I started this service, and we are working to do that in the safest way we possibly can."

Several former employees say they joined Papa because they believed in its mission but grew disillusioned by the lack of protection for users. "It made me lose a lot of faith in the world," says a former employee who spoke on condition of anonymity for fear of professional reprisals. "The goal is to make people's lives better, not traumatize elderly people who can't walk or get their medication." Another says they'd never use the service to care for members of their family.

Julie Weaver, a retired teacher in Florida, says she first noticed Papa as an option on her 94-year-old mother's insurance plan about three years ago. "The concept is fabulous," she says. "But it's whoever you get. Some are better at it than others." Once, a pal brought her boyfriend along, making Weaver's mother uneasy. Weaver stopped using the service at the end of last year, when her mother's insurance dropped it from its offerings with little explanation. But Weaver said even if she could hire Papa for her mother now, she's not sure she would. "If I have to sit here and babysit the Papa person, it doesn't help me."

Technology | Startups

Eldercare Startup Papa Loses Contracts With Major Health Insurers

Humana, Aetna, Molina decline to renew relationships after a Bloomberg Businessweek investigation revealed allegations of abuse.

By Priya Anand
September 11, 2023 at 2:34 PM PDT

Several major US health insurers, including Humana Inc., CVS Health Corp.'s Aetna and Molina Healthcare Inc., are declining to renew contracts with the eldercare startup Papa for the upcoming year, according to people familiar with the matter, after a Bloomberg Businessweek detailed extensive allegations of abuse from seniors who rely on the service, and its workers.

The insurers' decisions not to renew partnerships with Papa means the startup is losing some of the deals that make up its primary form of business. Papa relies on contracts with health insurers, including Medicare Advantage, Medicaid and employer-sponsored plans. Insurers that partner with Papa offer its service to their plans' members, typically for a certain numbers of free hours per year. Members of those health plans, often elderly clients, can then request help with household chores, transportation or just company from the startup's network of independent contractors. The people who described the insurers' decisions asked not to be identified because the information is private.

A spokeswoman for Papa declined to comment on specific contracts but said the company has gained new clients since May. She also said one-third of Papa's clients have "expanded services," and that the company is still "actively selling 2024 programs."

Papa announced partnerships with Aetna and Humana in 2019. The insurers had previously described the startup's service as a way to help reduce loneliness among the elderly. Spokesmen for Aetna and Humana declined to comment. A spokeswoman for Molina did not immediately respond to a request for comment.

In May, a *Businessweek* investigation based on more than 1,200 confidential complaint reports received by Papa detailed the unintended consequences of sending contractors to the homes of the elderly with little training: allegations of sexual assault, harassment, theft and unsafe conditions.

In July, the chairman of the US Senate Special Committee on Aging sent an inquiry to Papa, asking the company to detail its safety practices. In the letter, Democratic Senator Bob Casey of Pennsylvania said "the allegations of abuse by both Papa care workers and clients, as well as the lack of training and oversight to prevent and address future problems, raise deep concerns."

That day, the startup announced plans to introduce new trust and safety measures. Among other initiatives, Papa said it would begin anonymizing phone numbers to help prevent harassment between its contractors and clients. Bloomberg had reported that the direct sharing of phone numbers between Papa's elderly clientele and workers had led to dozens of instances of harassment since at least 2019.

REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager
for NMG

MEETING: OCTOBER 10, 2023
ITEM: VII - C

SUBJECT: **HUMAN RESOURCE AND PAYROLL (HRP) PROJECT UPDATE**

ACTION: ☐ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☒

Recommendation

That the Board receive and file this report.

Background

The City's Human Resources and Payroll (HRP) project began in March 2020 with the objective of replacing the City's legacy payroll system, PaySR, utilized for the past twenty years by City departments. The City selected Workday, as the modernized software platform for human resource management and payroll. As referenced in the Council File (C.F.) 20-0313 of November 2021, the HRP project would be delivered as a two-phase implementation with the early phase to onboard new employees, and the final phase to process payroll.

City Payroll is Vital to Retirement Administration

LACERS Members are required to contribute 11% to the Plan by biweekly payroll deduction when they are active LACERS Members. LACERS relies on payroll processes and data maintained by the City in order to administer retirement benefits for its approximately 25,000 Active Members, including to:

- maintain each Member's individual member account of contributions; and
- project each Member's future retirement benefits to assist members to plan for retirement; and
- ultimately calculate Members' actual retirement benefits at the time of retirement.

LACERS has no independent access to payroll information about Active Members -- that data must originate with the City's payroll system and then be loaded into the LACERS pension administration system, Pension Gold. To date, Workday has been unable to provide a data extract that can be loaded into Pension Gold despite the impending plan to launch the new system in December 2023. The City has stated that a 95% accuracy for payroll data would be acceptable for this December 2023 launch. Even a 95% accuracy rate could mean that for approximately 25,000 Active LACERS Members, LACERS would not be able to rely on Workday's data to correctly calculate:

- individual member accounts contributions;
- future retirement benefits to assist members to plan for retirement; and
- retirement benefits at the time of retirement

In contrast, while the current PaySR system has its faults, on average LACERS reconciles approximately 150 errors per pay period. LACERS has done everything possible to assist the City to address these issues with Workday during the testing phase, and to prepare to mitigate the impact on our Members, and will continue to do so. LACERS has observed similar concerns from other City Departments regarding data integrity, payroll errors, testing gaps, and lack of reporting. These concerns also appear to be indicated by the City's own Quality Assurance Service in Gartner's report dated September 8, 2023 (C.F. 20-0313-S22), indicating critical risks in testing for payroll, integrations and reporting, in part impacted by delays in development and configuration. The Quality Assurance report further recommends preparing departmental staff for post go-live support and complex troubleshooting. As December approaches, Staff is now providing this report to brief the Board on this important matter and seek its policy direction and leadership as the head of the department. Specifically, Staff's aim is twofold:

- First: Staff seeks the Board's support to formally communicate with the City, sister City pension systems, members, and other key stakeholders, that the current December 2023 launch date should be postponed until Workday is proven to be accurate and that integrations and reporting have been delivered in order to ensure that this transition does not result in failing to correctly pay pension benefits to LACERS members who have dedicated their careers to serving the City; and
- Second: Staff seeks to prepare the Board for a future request for additional staffing and resources should Workday nevertheless launch in December 2023. Depending on the circumstances, LACERS may be compelled to make significant effort to obtain City payroll data, validate, and correct errors within each bi-weekly pay period. Incorrect Member contributions may need to be rectified, impacting people's paychecks and receipts to the System. Further ramifications could include more manual retirement processing and potential delays. Staff will return with a more precise budget request at a future meeting, as needed.

Discussion

Phase 1 of the HRP project went live on May 22, 2022 with implementation of the human resources module. Initially, the feature would include hiring processes and self-service capabilities for new employees to update demographics. The subsequent functionalities of the human resources module would be delivered at the final phase of the project which includes time tracking, absence management, and payment views.

The initial phase of HRP had included the human resources module, Form 41 reports, and the Excess Benefit integration. The Excess Benefit integration would ensure synchronization between HRP and the pension software, necessary for allocating payments based on the 415(b) limits between the two systems. Additionally, the Form 41 reports would provide official personnel records utilized for processing payroll and adjustments for members, in which the information is not available in payroll records.

During this initial phase, staff participated in testing of the human resources module, and collaborated on the Form 41 and Excess Benefit functionalities. Primarily, Phase 1 deployed the employee onboarding component, and deferred other human resources functionalities comprised of absence management, compensation, and time tracking until the final phase. With the limited resources and time constraint, the Form 41 and Excess Benefit were deferred for post go-live.

Phase 1 – Concerns	**Description**
Integrations	The 415(b) Excess Benefit Plan sponsored by the City would be synchronized between the pension software and HRP, using integration capabilities. Members exceeding the 415 limits will receive two benefit payments in which exceeded amounts are issued by the HRP system, and payments within limits are handled through the pension software. HRP team had developed integration files; however, they failed and thus deferred the integration capability for Excess Benefit, originally planned for Phase 1. This integration has been rescheduled for post go-live. <u>Impact</u>: Incorrect or missing payment amounts for Excess Benefit members, handled by HRP and pension software. <u>Mitigation</u>: Manual entries of all Excess Benefit members within HRP, and manually validate payment processing with both systems inclusive of the pension software.
Reports	The Form 41 reports are official personnel records utilized by staff for making necessary adjustments in processing member benefits. Primarily, the report ensures accuracy in administering member services in all aspects of benefit services such as bonuses, service purchases, and many others. With limited resources and time, the Form 41 report was deferred until post go-live. <u>Impact</u>: Inaccurate processing of benefits inclusive of regular, service purchases, survivors, and others due to information residing in Form 41 reports, as opposed to payroll records. <u>Mitigation</u>: Collaborate with HRP ensuring priority to access Form 41 data through customized reports or application interfaces.
Security	HRP access is granted through user security, as necessary for viewing and updating screens in Phase 1, Human Resource Module. There were substantial delays in setup of security access, which limited opportunities to test the functionalities in the short timeframe.

	Throughout Phase 1, there were other security concerns in which staff received notifications and links of non-departmental employees. These links provided access to work items and visibility to the information of employees that were outside of the department. The correction to this security issue took many months to resolve. Impact: Delay, limited, or inadequate access for staff in handling HRP functionalities as needed to process member benefits and conduct testing. Mitigation: Collaborate with HRP in simplifying the process to setup security credentials, especially for go-live.

HRP is currently at the "Parallel Testing" stage of Phase 2, and the system is expected to go-live by the end of this calendar year, sunsetting the replaced PaySR application. The Phase 2 includes a comprehensive scope comprised of Absence Management, Benefits Administration, Compensation, Time Tracking, Payroll, Reports, Integrations, and Training.

Staff has participated in the testing processes for the past ten months within this final phase. There have been many concerns raised in relation to base functionalities, data conversion, and specific features. These concerns are documented, and issues are discussed in weekly meetings with the HRP team. Though, many of the issues are still outstanding, and will need to be resolved prior to deployment.

At go-live, the HRP must provide accurate payroll and calculation as it becomes the "System of Records" for the pension software. Staff has adopted HRP as a Business Program Initiative (BPI), and has provided a high-level list of concerns, alongside potential impacts, with planned mitigation in mind, ensuring the highest priority is given to the project.

Phase 2 – Concerns	**Description**
Data Integrity	The integrity of data is a major concern, in which derivatives of inaccurate calculations or gaps are unknown as of current. Staff have reported data issues at each stage of the testing process when specific data were made available for testing. These outstanding issues have been deferred to a later stage. In the latter half of September 2023, the deduction functionalities were made available for testing. Staff had received over thirty thousand deduction errors. The data issues were related to inaccurate deduction codes, family death benefit plans, larger annuity, and service contracts. Additionally, the dollar amounts were either inaccurate or missing. Impact: Payroll processing may result in over or under

	collection of funds, potentially resulting in lost collections for Members. <u>Mitigation</u>: Continue rigorous testing and collaborating with HRP team to seek root cause of the data issues, and prioritize corrections needed for deployment.
Integration Files	The “End-to-End" testing validates functionality between the HRP and pension software, utilizing “Integration Files.” At the time of this writing, the integration files are not working. There are three (3) integration files expected to be delivered in the project as related to deductions, excess benefits, and Member payroll. <u>Impact</u>: Missing Member payroll information, with gaps in administering and processing benefits. <u>Mitigation</u>: Reprioritize timeline for the integration files, with Member payroll as critical for go-live, and defer deductions inclusive of excess benefits for post go-live.
Incomplete Tests	There are three primary test stages which includes “Unit,” “End-to-End,” and “Parallel Testing.” In prior test stages, the defects were reported, with many outstanding, and deferred for later stage resolution. During “Unit Testing,” staff had reported and retested many defects. Initially, the process was collaborative, but slowed thereafter, resulting in deferral of defects for subsequent test stages. The “End-to-End Testing” was established to validate four payroll cycles between December 2021 and February 2022. However, the integration files were not ready, and staff was not able to validate these payroll cycles. The testing at this stage uncovered substantial number of errors. Some of these reported issues include missing contributions and inaccurate calculations. <u>Impact</u>: Inaccurate data, as related to calculations and missing data, resulting in incorrect Member demographics and payroll within the pension software. <u>Mitigation</u>: Weekly collaboration with HRP to prioritize “Parallel Testing” to include gaps of prior test stages, for retests.

Report Delays	The base reports for Member payroll are not functional during the testing stage. The Member payroll reports are utilized to balance payroll and compared with the replaced payroll system, during parallel testing. Staff has reported issues of inaccurate and missing data in the base reports. Other base reports such as "Monthly Payroll and Summary Report" are non-functional. Impact: Inability to balance payroll during parallel testing, between the HRP and the replaced payroll system. Mitigation: Collaborate with HRP to prioritize resolving the base reports and provide customized reports and/or application programming interfaces to generate department specific reports.
User Permission	The testing stages require access to various screens and data. Staff had limited access, and requests for access were substantially delayed. The lack of permissions resulted in staff not being able to involve more testers. Additionally, the permission defects delayed capability to test certain base reports, and various functionalities. Impact: Staff not having necessary access rights. Delay in user readiness and familiarity with hands-on use of the HRP payroll functionalities prior to Go-Live. Mitigation: Collaborate with HRP to provide proxy capabilities to fully test payroll endpoints and prioritize giving staff necessary access.

While any project of this magnitude can be expected to have issues to work through, at this stage, LACERS must prepare for worst case scenarios. If the City goes live with a system deemed to be less than one hundred percent accurate (the HRP Project indicates benchmarking against 95% match) in payroll processing and/or without adequate integrations and reporting for benefits administration, it will require significant additional resources for LACERS to manage, reconcile, mitigate, and clean up what could be a substantial number of issues and errors affecting potentially everything from processing retirements to receiving Member contributions and other payroll deductions. Phase 1 issues are already negatively impacting LACERS operations as staff are forced to work around broken integrations and lack of sufficient reporting, causing processes such as payment of Excess Benefits to be a more labor-intensive burden, in addition to challenges in accessing and verifying important Member information. While LACERS continues to work around these Phase 1 problems, the potential order of magnitude of Phase 2 issues are immeasurable.

LACERS is currently evaluating possible resources needed above current staffing levels in order to prepare for post-HRP implementation issues and will inform the Board of next recommended steps.

Otherwise, LACERS will continue to escalate issues and concerns within the HRP Project Team and Oversight Executives and do everything within its power to continue to test, communicate, and resolve issues in the final stage of this project implementation.

Strategic Plan Impact Statement

The HRP Projects seeks to enhance the Strategic Plan Goal of greater organizational effectiveness, efficiency, and resiliency.

Prepared By: Todd Bouey, Assistant General Manager, the Administration Division Team: Andy Chiu, Lauren McCall, Jason Leung, Thomas Ma, Edwin Avanessian

NMG/TB/EA/AC/LM/JL/TM

Attachments: 1. Human Resources and Payroll Project Dashboard for period ending September 30, 2023

INITIATIVE: CITY HRP SYSTEMS IMPLEMENTATION
DIVISION(S)/SECTION: ADMIN / DATA UNIT
STRATEGIC GOAL(S): ORG. EFFICIENCY & RESILIENCY

COMPLETED
ON-TRACK
OFF-TRACK
INTERVENTION NEEDED

STATUS: INTERVENTION NEEDED
REPORT MONTHS: SEPTEMBER 2023
LEAD(S): ANDY CHIU
TEAM: LAUREN MCCALL, JASON LEUNG, THOMAS MA

BOARD Meeting: 10/10/23
Item: VII-C
Attachment

BUDGET

Appropriation:	$120,000
Expense:	$0
Unspent:	$120,000

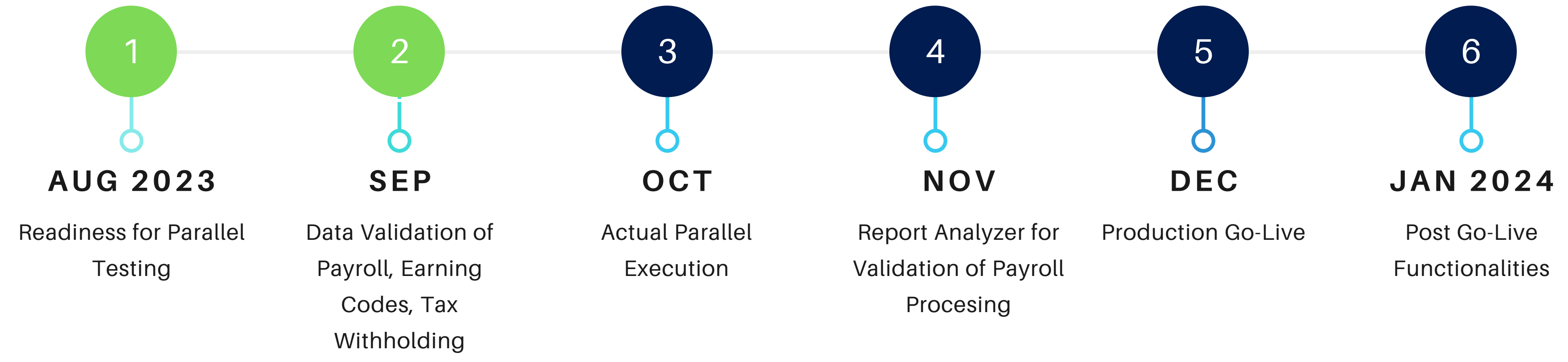
0%

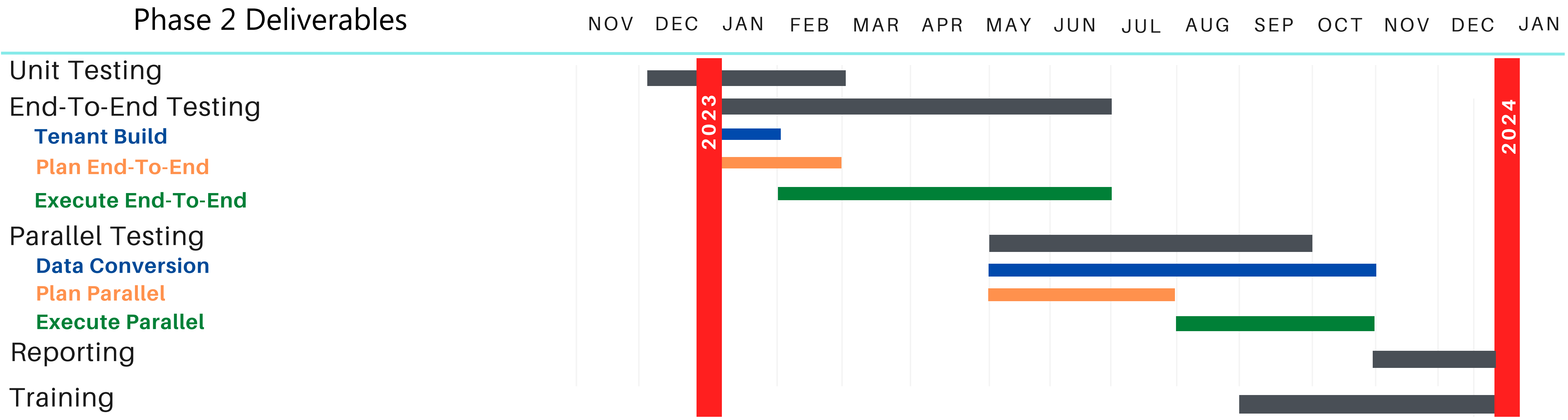
*$104k spent on PAS development to date

INITIATIVE PURPOSE: GO-LIVE OF THE HUMAN RESOURCE PLANNING (HRP) PLATFORM WITH DEPLOYMENT OF PAYROLL FUNCTIONALITIES, INTEGRATED WITH THE PENSION SOFTWARE.

KEY METRICS

Project Timeline





MILESTONES

	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
End-To-End Testing	Execute Testing			
Parallel Testing		Data Validation	Actual Parallel	
Reporting			Report Analyzer	Post Go-Live
Training		Pre-Training	Staff Training	Post Go-Live

PROGRESS

- Data Validation. Review data validation spreadsheets, and report all issues, alongside retesting to verify corrections.
- Support Tickets. Submission of 46+ support tickets, in which only 3 will be committed for Go-Live, related to base data conversion, and the rest post Go-Live.
- Collaboration. Weekly meetings with stakeholders to discuss critical issues, and priorities necessary for Go-Live.

CHALLENGES

- Schedule Delay. Many deliverables are either delayed or deferred for a later timeline. The errors discovered during end-to-end testing have been deferred for parallel testing.
- Data Integrity. Data conversion has not been completed, resulting in missing and inaccurate data. The recent data validation shows over 30K exceptions.
- Integration Files. All 4 integration files significantly delayed. Excess Benefits delayed from Phase 1, deferred post Go-Live. Only 1 payroll file will commit by Go-Live, but not demonstrated at the moment.
- User Permission. Staff lacks access to screens and data, necessary to fully test the new payroll system.

NEXT STEPS

- Rigorous Testing. Continue testing and correcting payroll data with stakeholders, as related to calculations, conversion, and missing records.
- Reprioritize. Clear communication with stakeholders of necessary and critical functionalities needed for Go-Live, alongside timeline for deferred deliverables.

REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: OCTOBER 10, 2023
ITEM: VIII - B

SUBJECT: **NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN OAKTREE REAL ESTATE OPPORTUNITIES FUND IX, L.P.**

ACTION: ☐ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☒

Recommendation

That the Board receive and file this notice of the commitment of up to $50 million in Oaktree Real Estate Opportunities Fund IX, L.P.

Discussion

On September 26, 2023, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to $50 million in the following private real estate fund: Oaktree Real Estate Opportunities Fund IX, L.P. The investment closed on September 29, 2023. Board vote: Ayes 7 (Commissioners Thuy Huynh, Elizabeth Lee, Gaylord “Rusty” Roten, Janna Sidley, Michael Wilkinson, Vice President Sung Won Sohn, and President Annie Chao), Recusal 0, and Nays 0.

Strategic Plan Impact Statement

Oaktree Real Estate Opportunities Fund IX, L.P. aligns with the Strategic Plan Goal to optimize long-term risk adjusted investment returns (Goal IV).

Prepared By: Jessica Chumak, Investment Officer I, Investment Division

NMG/RJ/WL/JC:rm

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Office of the Los Angeles City Attorney
Hydee Feldstein Soto

Board Mtg: 10/10/2023
Item IX-A

MEMORANDUM

To: Board of Administration
Los Angeles City Employees' Retirement System (LACERS)

From: Anya Freedman, Assistant City Attorney AJF
Joshua Geller, Deputy City Attorney JMG
Alexandra de Rivera, Deputy City Attorney AdR

Date: October 10, 2023

Re: Approval of Panel of Outside Health Law, Data Privacy, and Cybersecurity Counsel

Cc: Neil Guglielmo, General Manager

RECOMMENDATIONS

We recommend that the Board:

1. Engage the following seven law firms with specialized expertise in Health Law, Data Privacy, and Cybersecurity (Outside Counsel), for three-year contracts effective December 1, 2023, to assist the Public Pensions General Counsel Division of the City Attorney's Office (General Counsel) to provide as-needed, project-specific services to LACERS pursuant to not-to-exceed fee caps:

   a. **Baker & Hostetler LLP**
   b. **Clark Hill PLC**
   c. **Foley & Lardner LLP**
   d. **Groom Law Group, Chartered**
   e. **Ice Miller LLP**
   f. **Maynard Nexsen PC**
   g. **Nossaman LLP**

2. Authorize General Counsel to negotiate, and the General Manager to execute, contracts with the above-listed firms on behalf of the Board, subject to City Attorney approval as to form.

INTRODUCTION AND EXECUTIVE SUMMARY

On March 14, 2023, the Board approved a Request for Proposals (RFP) for Outside Counsel to assist General Counsel in providing advice and representation to Los Angeles City Employees' Retirement System (LACERS or the Plan). Having completed a robust RFP process including the review of eight written proposals and in-person interviews in coordination with Plan representatives, we now seek the Board's approval of a panel of seven Outside Counsel to assist General Counsel to provide these critical legal services to LACERS.

The RFP process was conducted by General Counsel and Staff representatives from LACERS and LAFPP. The selection process included an evaluation of written proposals, hour-long in-person panel interviews, and supplemental written questions and responses to finalize fee proposals and reconfirm previously disclosed or newly discovered ethical conflicts, if any. LACERS was represented on the selection panel by James Kawashima, Senior Benefits Analyst from the Health, Wellness, and Buyback Division and Vikram Jadhav, Chief Technology Officer.

We also recommend that the Board renew its contract with Foley & Lardner LLP (Foley) for a new three-year term beginning December 1, 2023. LACERS has an existing contract with Foley that is set to expire on November 30, 2023. Although Foley declined to respond to the RFP for reasons discussed below, based on our high satisfaction with Foley's work and their understanding of the Plan's health administration and disability retirement programs—gained from our collaboration with the firm under the current contract—we propose renewing Foley's contract for a three-year term to align with the six new panel firms.

Each panel firm would bring unique resources, varying fee structures, and sub-areas of expertise, and we recommend a portfolio approach to ensure that a choice of qualified counsel is available to assist with discrete projects as the need for these services arises during the contract term. For example, a smaller firm on the panel may be the right choice for a member privacy policy advice matter with significant overlap with pension benefits administration or healthcare issues, whereas a national law firm with a deep bench of cybersecurity breach response resources and experience dealing with cyber liability insurers may be the right choice for a significant cybersecurity incident impacting the Plan. Consistent with our management of outside investment, fiduciary, and tax counsel engagements for the Plan, we would solicit not-to-exceed bids before assigning each project.

Following approval by the Board, these firms would be engaged for three-year contracts beginning December 1, 2023. The Plan's current fiscal year budget has allocated $30,000 for these specialized legal services. The contract expenditure limit for each contract would align with the Board's budget and Staff's anticipated needs for Health Law, Data Privacy, and Cybersecurity projects during each year of the contract term.

Below we summarize the basis for engaging outside counsel with this specialized expertise, our competitive solicitation process, and the qualifications that distinguished the six new recommended firms. We also summarize our rationale behind renewing Foley's contract.

BACKGROUND

Engaging a Panel of Outside Counsel Is Prudent

The Plan administers retirement and healthcare benefits, including service and disability pensions, and group healthcare plans, for members and their beneficiaries. In carrying out these essential responsibilities, the Plan has access to, and is charged with safeguarding, various types of personal, financial, and medical information. In addition, LACERS relies on independent Information Technology (IT) platforms that are maintained and supported by internal IT staff as opposed to City ITA personnel.

In recent years, the legal landscape for medical and personal data privacy and cybersecurity has grown increasingly complex, and the Board's need for expertise in these areas has increased. We are committed to ensuring that the Plan's policies and procedures on data privacy and security, including medical data, comply with all local, state, federal, and foreign laws and meet or exceed industry standard best practices.

Access to Outside Counsel Has Proven Valuable to the Plan Since 2019

City Charter section 275 provides that "[u]pon recommendation of a board enumerated in Section 272(c), and the written consent of the City Attorney, the City may contract with attorneys outside of the City Attorney's Office to assist the City Attorney in providing legal services to that department." In 2019, in response to the increasing complexity of legal compliance in these areas of law, the Board and our Office moved forward to conduct the City's first ever RFP for these services. LACERS ultimately contracted with two firms: Foley & Lardner LLP and Polsinelli LLP. Last year, we extended Foley's contract by one year, so it now expires on November 30, 2023.

Based on our experience over the past three and a half years, access to these firms' expertise under these contracts has been valuable to the Plan. Some of the projects completed include:

- Ensuring compliance with member data and applicable medical privacy laws
- Consulting on cybersecurity best practices
- Reviewing cyber liability insurance policies
- Recommending contract requirements for healthcare services and assisting with negotiations of certain provisions
- Evaluating applicability of HIPAA to plan relationships with health insurance administrators
- Presenting on cybersecurity and information security best practices

DISCUSSION

2023 RFP and Screening of Written Proposals

The RFP was released on April 13, 2023, soliciting proposals from Outside Counsel, with an emphasis on advice concerning data ownership, data protection, cybersecurity, and data privacy best practices related to the administration of pension and health benefits, including conducting compliance audits, responding to data breaches, supporting contracting best practices, and adopting prudent policies that strike the appropriate balance between transparency and privacy. Counsel was required to have expertise in state, federal, and foreign laws, rules and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA), California's Confidentiality of Medical Information Act (CMIA), the California Consumer Privacy Act of 2018 (CCPA), the Health Information Technology for Economic and Clinical Health Act (HITECH Act), China's Cybersecurity Law (CSL), and the General Data Protection Regulation (GDPR). Counsel also needed to have significant familiarity and extensive interaction with the agencies charged with enforcing these laws. Familiarity with cyber liability insurance was also desirable.

We received responses from eight firms:

1. Baker & Hostetler LLP
2. Clark Hill PLC
3. Groom Law Group, Chartered
4. Ice Miller LLP
5. Maynard Nexsen PC
6. Nossaman LLP
7. Lewis Brisbois Bisgaard & Smith LLP
8. Willkie Farr & Gallagher LLP

A panel comprised of City Attorney's Office, LACERS, and LAFPP representatives analyzed all written responses and selected seven qualified firms to interview.[1]

Panel Interviews and Subsequent Last, Best, and Final Fee Proposals and Conflict Checks

On July 10 and 27, and August 2, 2023, the panel conducted in-person interviews. A list of our interview questions is attached to this memorandum as **Exhibit A**. Following the interviews, we asked the law firms to propose lower billing rates and alternative or fixed fee arrangements. The five firms with the highest initial fee proposals offered revised fee proposals, and the responses for the six new recommended firms are summarized in the table attached as **Exhibit B**.

We also asked the firms to run a robust conflict check. Baker & Hostetler identified a conflict involving a land use writ litigation matter, *Responsible Urban Development Initiative vs. The City of Los Angeles*, Case No. 22STCP02534. Approval of a contract with that firm would be

[1] The panel declined to interview Lewis Brisbois Bisgaard & Smith LLP.

subject to the City Council's and the firm's other client's informed consent to the representation. We do not believe that will prove to be an obstacle to executing a contract, as the matter creating the conflict is unrelated in subject matter and staffing and is expected to conclude in the near term.[2]

Following the panel interviews, we discussed the results with Staff representatives and reached consensus on a bench of the aforementioned six firms to recommend to the Board, subject to the City Attorney's written consent under Charter section 275.

Consensus Recommendations of Six New Panel Firms

Based upon the firms' written RFP proposals, interviews, and the supplemental information they provided regarding fees, we determined that the following six new firms are qualified to serve as Outside Counsel to the Plan:[3]

1. Baker & Hostetler LLP
2. Clark Hill PLC
3. Groom Law Group, Chartered
4. Ice Miller LLP
5. Maynard Nexsen PC
6. Nossaman LLP

We came away from the interviews with a deeper understanding of each firm's relative strengths and depth of expertise in particular areas, which led to our determination that maintaining a robust bench of firms would work better to meet the Plan's needs than trying to select one or two

[2] Responsible Urban Development Initiative (RUDI) is represented in the litigation by David Richardson of Baker & Hostetler. The City is represented by a Deputy City Attorney in the Land Use Division. According to the public docket information, RUDI has filed a petition for writ of mandate, challenging the City Planning Commission's approval of a CEQA exemption for a mixed-use development. The matter is currently pending before Judge Curtis Kin in Department 82 of Stanley Mosk Courthouse. The hearing on the writ is scheduled for December 14, 2023. We requested that Baker & Hostetler provide a proposed conflict waiver for this Board's information; as the litigation creating the conflict does not involve pension funds or policies, it would be the City Council that would need to provide approval of the waiver. (**Exhibit C.**) The RUDI litigation is staffed by different Baker & Hostetler personnel than would be providing services to LACERS under a cybersecurity-focused contract, involves different subject matter (land use), and is expected to conclude this calendar year. As such, we do not believe there would be any prejudice to the City in allowing the firm to conclude this representation, and we will be recommending that the City Council approve the firm's requested waiver, on behalf of the City. We would ask that that Board approve engaging Baker & Hostetler for this panel, subject to the City and the firm's other client providing informed consent to the representation.

[3] Although the panel enjoyed meeting with the firm's attorneys during the interview, we are not recommending Willkie Farr & Gallagher LLP for several reasons. First, Willkie's fees are simply too high. Their fees range from $950 per hour to $1,155 per hour. As their best and final offer, they proposed a flat fee monthly retainer of $20,000. While high rates are par for the course among national law firms with this highly specialized expertise, those rates remain meaningfully higher than the other national law firms we are recommending for engagement and which we believe will together provide LACERS with access to excellent outside counsel choices. Second, this firm lacked the requisite experience working with public agencies and public pension systems. Third, this firm requested a prospective blanket conflict waiver, which the City will not accept, as a matter of policy. Accordingly, we are not recommending including Willkie on this panel.

"one-stop" firms to handle everything. For example, for a client seeking health law advice, we might ask two or three firms to bid on an engagement, and for a client seeking advice on cyber liability insurance policies, we might request bids from two or three different firms. This portfolio approach would also provide a hedge against future unforeseen circumstances that might impact our ability to maintain sufficient outside counsel resources, which, unfortunately, has happened in the past with firms providing these services. For example, key attorneys could move to a different law firm, or a new conflict could arise during the contract term.

These six new firms distinguished themselves by demonstrating, to various degrees: (i) the depth and breadth of experience of their proposed teams in providing compliance advice in the area of health law, data privacy, and cybersecurity, to other public agencies, including peer public pension plans; (ii) the experience of their proposed teams in providing data breach counseling and in interacting with government regulators and law enforcement agencies, including professional relationships or prior tenure in those agencies; (iii) the tools and expertise of the proposed teams in drafting, reviewing, and negotiating contract language with third party administrators and other vendors; (iv) the expertise of their proposed teams in evaluating and negotiating cyber liability insurance policies; (v) the level of integration of their proposed teams in working together as a practice group, including a strong presence in Los Angeles; (vi) the firms' resources, tools, and commitment to continuing client education and training in the fast-changing privacy legal landscape; (vii) the proposed teams' experience and willingness to litigate health law, data privacy, and data ownership issues for government agency clients; (viii) the proposed teams' number of privacy professional certifications; and (ix) the relative value of the firms' proposed rate structure. A matrix summarizing each recommended firm's key qualifications is attached to this memorandum as **Exhibit D**, and attorney biographies for key attorneys on the proposed teams are attached as **Exhibit E**.

The recommended new firms have expertise in state, federal, and foreign data privacy laws, rules and regulations, including HIPAA, CMIA, the CCPA, the HITECH Act, and, if determined to be applicable to the Plan, China's CSL and the European Union's GDPR. The recommended new firms also demonstrated significant experience interacting with the federal and state agencies charged with enforcing these laws. Finally, the firms demonstrated substantial knowledge of cyber liability insurance agreements and would be prepared to provide advice as needed to the Plan as it evaluates the relative value and coverages under these insurance policies.

Rationale for Renewed Three-Year Contract with Foley

Since 2019, General Counsel and LACERS have worked closely with two lead members of the Foley team on health law and medical privacy matters. General Counsel and Staff have invested time in educating the firm about the unique attributes of LACERS' retiree healthcare administration and IT systems, and we believe the firm's lead attorneys have gained an understanding of these complex programs that would be valuable to the Plan.

After the close of the RFP, we learned that Foley declined to respond to the 2023 RFP because certain members of the team included in their 2018 proposal (who focused on cybersecurity and litigation matters) did not have the bandwidth to work on future LACERS engagements, and the two lead attorneys with whom we have worked closely and successfully on health law and medical privacy matters have recently been elevated to partner, which raised their rates above those that may be palatable to many public agency clients.

However, in subsequent discussions with the firm, during which we expressed our interest in continuing to work with the two remaining principal attorneys—Michael Calabrese and Claire Marblestone—we asked if Foley would be open to renewing the current contract to coincide with the new panel firms' contracts, with the understanding that the focus of this firm's services under the new contract would be on the Plan's Health Law and Data Privacy needs, including areas of overlap between fiduciary obligations and federal and state privacy laws. Foley has agreed to this proposed engagement, with Mr. Calabrese and Ms. Marblestone as the lead partners, with a blended billing rate of $750, and an annual COLA adjustment to be negotiated. (Attached hereto as **Exhibit F** are the firm profiles for Mr. Calabrese and Ms. Marblestone.)

CONCLUSION

We recommend that the Board engage the above-listed seven Outside Counsel for LACERS. These firms have been vetted vigorously and we are confident in their ability to serve the best interests of the Plan in partnership with General Counsel and Staff.

Thank you for considering this recommendation. We would be glad to answer any questions that the Board members may have.

AJF/JMG/AdR:np

Enclosures

EXHIBIT A

Introductory Questions

1. Please explain how your proposed team would work together to serve the pension plans. Which attorneys would actually handle the day-to-day work on a particular engagement?

2. How do you ensure that your clients are also informed about any relevant changes in health law and data privacy law that impact them, including California-specific rules?

Health Law Questions

1. Take us step-by-step on how you would conduct an audit of one of the pension plan clients for health privacy law best practices compliance.

2. What experience do you have advising clients on their status under HIPAA, the California Medical Information Act, and other medical data privacy laws?

Data Privacy and Insurance Questions

1. Take us step-by-step through how you would assist us in responding to a data breach that included both medical and non-medical personal data. What is your experience advising clients regarding third-party data breaches (e.g., PBI, health insurers)?

2. What advice do you provide your clients regarding cyber liability insurance? How is policy coverage different from retaining a law firm to handle incident response? Any difference in policy coverage for medical privacy breaches versus breach of non-medical personal data? Are you on the approved counsel lists of any insurance companies?

3. What experience do you have litigating/defending privacy issues in cases brought by members/consumers/patients?

Miscellaneous

1. Please share your general impressions of the current state of AI as it relates to governmental operations and what you anticipate we'll see over the next 3-5 years.

2. Would you be willing to negotiate a lower fee, such as a blended rate or flat fee engagements?

EXHIBIT B

Fee Proposal Comparison Table

	Initial Fee Proposal	Best and Final Fee Proposal
Clark Hill PLC	Member, Counsel, Senior Attorney: $450-$655	Member, Counsel, Senior Attorney: $400-$600
BakerHostetler	Partner: $925; Counsel: $750; Associate: $675	Partner: $855; Counsel: $750; Associate: $475-$675
Groom Law Group	Geloneck: $822; Levine: $1050; Amin: $917; or Blended rate: $745 subject to increase on January 1, 2024	Geloneck: $735; Levine: $939; Amin: $820; or Blended rate: $745 for the full three-year term
Ice Miller LLP	Partner: $586.50-$454.75; Sr. Counsel: $467.50; Associate $318.75-$403.75	Ice Miller declined to update its fee proposal
Nossaman LLP	Blended Rates Partner $575; Associate $400;	Borrelli: $575; Dover: $575; Sekaran: $575; or same blended rates as originally proposed
Maynard Nexsen PC	$625 (Blended Rate)	$605 (Blended Rate)

EXHIBIT C

BakerHostetler

Baker & Hostetler LLP

11601 Wilshire Boulevard
Suite 1400
Los Angeles, CA 90025-0509

T 310.820.8800
F 310.820.8859
www.bakerlaw.com

Jennifer L. Mitchell
direct dial: 310.442.8865
jlmitchell@bakerlaw.com

August 10, 2023

DRAFT

VIA E-MAIL

Anne Haley
Assistant City Attorney
Los Angeles City Attorney's Office
200 North Main Street, 8th Floor CHE
Los Angeles, CA 90012

Re: Conflict Waiver Regarding Health Law, Data Privacy and Cybersecurity for Pension Plans

Dear Ms. Haley:

I am writing regarding the simultaneous representation by Baker & Hostetler LLP ("BakerHostetler") of (a) the City of Los Angeles (the "City") and (b) Responsible Urban Development Initiative ("RUDI").

The City has requested that BakerHostetler represent it in connection with health law, data privacy and cybersecurity matters relating to the City's pension systems (including Los Angeles City Employees Retirement System (LACERS), Los Angeles Fire and Police Pensions (LAFPP), and Los Angeles Water and Power Employees Retirement Plan (WPERP)), (the "Subject Matters"). BakerHostetler currently represents Responsible Urban Development Initiative as counsel to this community group in a discrete litigation matter adverse to the City of Los Angeles (Responsible Urban Development Initiative v. The City of Los Angeles, and City of Los Angeles City Planning Commission, Case NO. 22STCP02534, Superior Court, Los Angeles County, Central District) (the "RUDI Matter").

If BakerHostetler is engaged by the City on the Subject Matters, BakerHostetler's representation of the RUDI Matter could give rise to a potential conflict of interest. Under the applicable rules of professional responsibility, the affected clients may waive this conflict. We do not believe that our representation of the City relating to the Subject Matters will create an adverse conflict with our continuing representation of RUDI.

The purpose of this letter is to obtain a written agreement to waive the foregoing potential conflict of interest so that BakerHostetler may represent the City in connection with the Subject Matters and may continue to represent RUDI in the RUDI Matter. Please note that BakerHostetler will not represent the City in connection with the RUDI Matter.

Moreover, none of our BakerHostetler attorneys and other professionals providing services to the City in connection with the Subject Matters will be among those who have previously or are currently providing services to RUDI. Nothing in this letter or our representation of the City will affect our obligation to maintain the confidence of all information we have received or will receive from the City or from RUDI, and we will establish proper procedures to ensure that no confidential information of the City is shared with RUDI and vice versa. In the event that a dispute should arise between the City, on the one hand, and RUDI, on the other hand, in connection with the Subject Matters, we will not represent either party in any litigation, arbitration or other dispute resolution proceeding arising therefrom.

If you have any questions or concerns regarding the terms and conditions of this letter, please contact me. This is an important decision, and if you feel like it would help we suggest you consult independent counsel to assist you in evaluating these terms. If you are in agreement with these terms, we request that you confirm that by signing below and returning a copy to me at the address set forth above. Thank you.

Sincerely,

Jennifer L. Mitchell
Partner

CONSENTED AND AGREED TO:

________., on behalf of itself and its affiliated and related entities	**________,** on behalf of itself and its affiliated and related entities
By: ________________________________	By: ________________________________
Its: Date: August __, 2023	Its: Date: August __, 2023

EXHIBIT D

2023 Health Law, Cybersecurity, and Data Privacy
Firm Evaluations

	Clark Hill	Baker Hostetler	Groom	Ice Miller	Nossaman	Maynard Nexsen
Firm Profile						
LA Office & # of attorneys	Yes - 78 (including paralegals)	Yes	None	None	Yes - 50	Yes - 14
Firm Size (# of Lawyers)	700 - International (US, Ireland & Mexico)	1,000 - US-only	90 - Washington, DC	340 - US-only	130 - CA, TX, Washington, DC & WA	550 - US-only
*Proposed Team (**Lead in Bold**)*	**Myriah Jaworski (Mbr.),** Paul F. Schmeltzer (Sr. Atty.), Sue S. Junn (Mbr.), Melissa K. Ventrone (Mbr., Practice Leader), Courtney Kieffer (Mbr.), Jason M. Schwent (SC), David G. Ries (OC), Ilya Smith (Sr. Atty.), Chirag Patel (Sr. Atty.), John F. Howard (Assoc.), Sunaina Ramesh (Assoc.)	**Jennifer L. Mitchell (Ptr.)** ***Data Privacy Team:*** Justin Yedor (Ptr.), Frederick C. Bingham (Assoc.) ***Cybersecurity Team:*** M. Scott Koller (Ptr.), Sara M. Goldstein (Ptr.), Marcus McCutcheon (Couns.), Daniel Yosef (Assoc.) ***Healthcare Privacy and Compliance:*** Lynn Sessions (Ptr.), Vimala Devassy (Ptr.), Kyle R. Gregory (Assoc.)	**Kelly Geloneck (Prin.), David Levine (Prin.)**, Kathryn Bjornstad Amin (Prin.), Kimberly Boberg (SC), Taylor Costanzo (Assoc.)	**Christopher S. Sears (Ptr.),** Maria C. Montero (Assoc.), Shalina A. Schaefer (SC), Tara Schulstad Sciscoe (Ptr.), Siddharth "Sid" Bose (Ptr.), James Watson (Ptr.), Angad Chopra (Assoc.)	**Melissa Borrelli (Ptr.)**, Thomas Dover (Ptr.), Jim Vorhis (Ptr.), Michelle McCarthy (Ptr.), Paul DeMuro (Ptr.), Raja Sékaran (Ptr.), James Reilly (Assoc.), Gaurav Dhiman (Assoc.)	**Starr Drum, (SH)** Sarah Glover, (SH) Elizabeth Synder, (Assoc.) Xeris Gregory, (Assoc.), Thomas Ritter (Assoc.), Leanne McAlpine (Technologist)
# Team Members w/ Privacy Cert	5 - **Jaworski**, Junn, Ventrone, Schwent, Howard	4 - **Mitchell**, Yedor, Bingham, Devassy	None	1 - Chopra	None	4 - **Drum**, Glover, Gregory,McAlpine
Fee Proposal	**Updated Bid:** **Jaworski:** $525 **Schmeltzer:** $400 **Ventrone:** $600 **Original Bid:** **Member/Counsel/Senior Attorney** $450 - $655; **Associate** $360 - $420;	**Updated Bid:** **Partner:** $855 **Counsel:** $750 **Associate** (>two years experience): $675 **Associate** (< two years of experience): $475 **Original Bid:** **Partner** $925; **Counsel** $750; **Associate** $675	**Updated Bid:** **Geloneck:** $735 **Levine:** $939 **Amin:** $820 or **Blended rate:** $745 for the full 3-year term **Original Bid:** **Blended rate** $745; increase Jan. 1; option to select a rate	***IM declined to update its fee proposal*** **Partner** $586.50-$454.75; **Sr. Counsel** $467.50; **Associate** $318.75-$403.75 (IM proposed a 15% discount off standard rates)	**Updated Bid:** **Borrelli:** $575 **Dover:** $575 **Sekaran:** $575 or Same blended rates as originally proposed **Original Bid:** **Blended Rates** **Partner** $575; **Associate** $400;	**Updated Bid:** $605 (Blended rate) **Original Bid:** $625 (Blended Rate)

2023 Health Law, Cybersecurity, and Data Privacy
Firm Evaluations

	Clark Hill	Baker Hostetler	Groom	Ice Miller	Nossaman	Maynard Nexsen
Conflicts of Interest	None	Yes. BH is representing Pltfs in Responsible Urban Development Initiative v. City of LA and City of LA City Planning Comm, Case 22STCP02534	None	None	None	None
Current City Engagements (Contracts)	**CAO Litigation:** Ongoing; **LAWA Litigation:** Ongoing	None	None	Tax counsel for LACERS, LAFPP, and WPERP	**LAWA:** LAMP/ANMP Real Property Counsel; Landslide access modernization; LAMP imp.; Insurance counsel **DWP:** Office Furniture v. DWP, real estate/eminent domain counsel, construction disputes counsel **WPERP, LACERS, LAFPP:** Fiduciary counsel **City of LA**: Outside counsel for (LAEC); LA convention center expansion; Digester Utlization Project **LA DPW**: Central LA Recycling and Transfer Station **BPW**: Hyperion advanced water purification **Harbor Dept.**: Environmental legal services, environmental advocacy, fed advocacy; real property counsel **City Atty/Harbor Division:** Gov't relations/reg	None

2023 Health Law, Cybersecurity, and Data Privacy
Firm Evaluations

	Clark Hill		Baker Hostetler		Groom		Ice Miller		Nossaman		Maynard Nexsen	
Experience	**Health**	**Cyber**	**Health**	**Cyber**	**Health**	**Cyber**	**Health**	**Cyber**	**Health**	**Cyber**	**Health**	**Cyber**
Litigation	MOD	EXT	MOD	MOD	LTD	LTD	LTD	LTD	LTD	LTD	MOD	EXT
Relationship(s) w/ Regulators (& agencies)	LTD	MOD	LTD	MOD	LTD	LTD	LTD	MOD	MOD	LTD	MOD	MOD
Compliance Advice	MOD	EXT	EXT	EXT	MOD	MOD	MOD	MOD	EXT	EXT	EXT	EXT
Cyberliability Insurance	MOD	MOD	LTD	LTD	LTD	LTD	LTD	LTD	MOD	MOD	MOD	MOD
Incident Response	MOD	EXT	EXT	EXT	LTD	LTD	MOD	MOD	MOD	MOD	EXT	EXT
Contracting	MOD	MOD	EXT	EXT	MOD	MOD	MOD	MOD	MOD	MOD	MOD	MOD
CA Law	LTD	MOD	EXT	EXT	MOD	LTD	LTD	LTD	EXT	EXT	LTD	LTD
Client Training	LTD	MOD	LTD	LTD	EXT	MOD	LTD	LTD	MOD	EXT	MOD	MOD
Govt Clients	MOD	EXT	MOD	MOD	EXT	LTD	EXT	EXT	EXT	EXT	MOD	MOD
Pension Plan Health Benefits Administration	LTD		LTD		EXT		MOD		EXT		LTD	
Misc. Notes	Several members possess privacy certifications.		Strong focus on breach preparedness and incident response.		Represents several public pension funds throughout the US		Watson served as Chief Division Counsel for the FBI where he advised on cyber and tech. Currently serving as tax counsel		Sekaran former OIG/HHS member (FCA/AKS). Borreli has Medicare experience. Currently serving as fiduciary/investment counsel		Maintains 24/7 (holidays and weekends included) incident response hotline with attorneys available	

LTD: Limited
MOD: Moderate
EXT: Extensive

EXHIBIT E

Qualifications and Hourly Rates

Core Team Biographies

Myriah Jaworski

Member | San Diego
(619) 819-2447
mjaworski@clarkhill.com

Focusing her practice on the intersection of law and technology, Myriah Jaworski advises clients on enterprise-wide data privacy and cybersecurity governance, incident response, data breach and class action defense, and related government investigations. Myriah works with clients to implement new technologies, including AI/ML and automated decision-making tools, to mitigate potential privacy risks and ethical biases and protect client IP and trade secrets. Among other recognitions in the data privacy space, Myriah serves as an appointee to the State Bar of California's Privacy Law Specialization Committee, and has been recognized by Law360 as one of four Data Privacy/CyberSecurity Rising Stars in 2022.

Myriah represents clients in defense of data breach class actions, privacy torts and statutory claims (IRPA/BIPA/VPPA/CIPA), pixel tacking and commercial surveillance matters, internet defamation, technology disputes, and cyber subrogation and media liability claims. Myriah defends clients in response to regulatory inquiries and investigations arising out of data incidents and privacy practices, including before state Attorney General offices, the Federal Trade Commission and the Department of Human and Health Services – Office of Civil Rights (HHS/OCR). Myriah litigates in many state and federal jurisdictions throughout the United States.

As a proactive compliance advisor, Myriah works with clients to operationalize enterprise-wide data privacy and cybersecurity programs, in compliance with state (CCPA/CPRA, VDCPA, CPA), federal (HIPAA, GLBA, NIST/ISO) and international (GDPR) laws and regulations. She assists businesses to operationalize data subject requests (DSARs), perform privacy impact assessments of new product lines and technologies and high-risk processing activities, and to manage third-party vendor and data sharing relationships.

Myriah also has deep knowledge of the advertising technology ecosystem and related privacy issues, and works with a broad spectrum of clients including consumer products and services, advertising and digital media companies and publishers, to enhance positive consumer decision-making and gain market advantage. She frequently works with clients to evaluate marketing claims, subscription/neg option offerings, sweepstakes and contests, and other consumer financial incentives under state and federal laws (ROSCA, FTC orders). Her clients include major E-commerce retailers, international news media companies, global manufacturers and retailers, healthcare organizations, and financial entities.

Myriah is a Certified Information Privacy Professional, United States (CIPP/US) and a Certified Information Privacy Professional, Europe (CIPP/E) as certified by the International Association of Privacy Professionals (IAPP). She was also a Trial Attorney with the United States Department of Justice (DOJ).

Recognitions

- Named among Rising Stars – Data Privacy and Cybersecurity by Law360 (2022)
- Named among Super Lawyers, Civil Litigation by *New York Metro* (2021)
- Named among Rising Stars by Upstate New York Super Lawyers® (2019-2020)

Experience*

- Obtained dismissal of multi-district data breach class action on Article III standing grounds.
- Resolution of identity misappropriation and biometric claims (IRPA/BIPA).
- Defense of cyber-subrogation claims and business interruption claims arising out of data incidents.
- Defended businesses in claims of pixel tracking and surveillance, privacy torts and novel claims relating to cyber-bullying and platform immunity under Section 230 of the Communications Decency Act.
- Obtained favorable monetary and injunctive relief in data misappropriation and theft, wire fraud and related commercial litigation matters.
- Represented app developer in defense of first-of-its-kind cyberbullying and privacy class action arising from alleged online harassment and failure to enforce moderation standards.
- Led litigation against banking institution that facilitated fraudulent wire transfers; represented numerous clients who fell victim to fraudulent electronic fund transfers phishing incidents. Helped client recover money and mitigate damages.
- Defended data broker in identity misappropriation (IRPA) claims relating to client’s website presentation of publicly available information.
- Work with clients to defend biometric privacy act (BIPA) claims arising from fingerprint and retina scans for timekeeping, access controls and other purposes.
- Represented clients in defense of data hostage, Computer Abuse and Fraud Act (CAFA) and cyberstalking claims.
- Led litigation against vendor and managed public relations after client, a large online retailer with international clients, fell victim to malicious code installed on its website resulting in tens of thousands of individuals’ credit card data impacted.

- Secured an injunction against a tech company to prevent them from holding clients servers and data hostage for non-payment of invoices where the invoices were in dispute.
- Defended clients in putative class actions for claims arising out of unwanted communications, including those brought under the TCPA, DNC and state telemarketing laws; obtained dismissal of TCPA class action on motion to dismiss.
- Defended clients in putative class actions for claims arising out of website and mobile apps alleging failure to adhere to ADA website accessibility standards.

*Experience completed prior to joining Clark Hill PLC.

Education: Syracuse University College of Law, J.D. - Juris Doctor, 2009 | Syracuse University College of Law, M.S. - Master of Science, 2009 | George Washington University, B.A. - Bachelor of Arts, 2006

Bar Licenses: California (#336898) | New York (#4813671)

Court Admission: U.S. District Ct., W.D. of New York | U.S. Court of Appeals, 2nd Circuit | U.S. District Ct., E.D. of New York | U.S. District Ct., S.D. of New York | U.S. District Ct., N.D. of New York

Memberships: International Association of Privacy Professionals (IAPP), Member | National Association of Surety Bond Producers Attorney Advisory Council, Advisor | American Bar Association | California State Bar Association | San Diego County Bar Association Privacy and Cybersecurity Law Executive Committee, Chair | New York State Bar Association | Information Systems Security Association (ISSA), Member

Paul F. Schmeltzer

Senior Attorney | Los Angeles
(213) 417-5163
pschmeltzer@clarkhill.com

Paul Schmeltzer counsels healthcare clients on regulatory matters including Federal and State pharmacy law, fraud, waste, and abuse, Stark law, state and federal anti-kickback statutes, HIPAA, and EMTALA. In addition to representing healthcare clients in regulatory matters, Paul has drafted managed care contracts for physicians and health plans and advised clients on regulatory and reimbursement matters.

Paul advises clients on data privacy and security matters, particularly with regard to HIPAA, the HITECH Act, the 21st Century Cures Act, the California Privacy Rights Act (CPRA), the Genetic Information Nondiscrimination Act (GINA), FERPA, the Privacy Act, state law data privacy and security requirements, and emerging cyber threats to data. He works closely with his clients on complicated compliance questions, incident response, investigations, and training to protect data and avoid legal risk and legal liability, both at the state and federal levels.

He also has experience counseling corporate clients on civil matters, including drafting legal documents, advising clients on employment issues, and researching and drafting motions.

Experience

- Representation of three separate Buddhist Foundation entities that were victims of ransomware, including determining the extent of the incident and notifying the relevant impacted individuals.
- Counsel to numerous healthcare clients in California that experienced data security incidents, either through internal employee error or fraud, or via external phishing or ransomware.

Education: University of Miami School of Law, LL.M - Master of Laws | University of Miami School of Law, J.D. - Juris Doctor | University of California, Los Angeles, B.A. - Bachelor of Arts

Bar Licenses: Florida (#77080) | California (#304114)

Sue S. Junn

Member | Los Angeles
(213) 417-5188
sjunn@clarkhill.com

Sue Junn represents healthcare professionals and long-term care facilities against claims of negligence, intentional misconduct, and statutory violations. Sue handles all aspects of litigation from law and motion practice through discovery, settlement negotiations, and trial, and she aggressively defends her clients in the courtroom.

Sue also provides counseling and services to businesses and organizations relating to the protection of informational privacy and cyber data security issues ranging from privacy impact assessments to structuring privacy governance policies and procedures and implementing best practices to respond to data breach incidents.

As a certified privacy professional, Sue also advises and assists her clients in assessing the application of, and dealing with, compliance issues under various state, federal, and international privacy laws including among others, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the European General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the California Privacy Rights Act (CPRA) which just passed in November 2020.

Recognitions

- Certified Information Privacy Professional/U.S. (CIPP/US)
- Certified Information Privacy Manager (CIPM)
- Scott Moot Court Honors Board

Education: Loyola Law School, Loyola Marymount University, J.D. - Juris Doctor, 1996 | University of California, Berkeley, B.A. - Bachelor of Arts, 1992

Bar Licenses: California (#185330)

Court Admission: U.S. District Ct., C.D. of California | U.S. Court of Appeals, 9th Circuit

Memberships: Asian Pacific American Bar Association | International Association of Privacy Professionals (IAPP) | Los Angeles County Bar Association | Korean American Bar Association

Melissa K. Ventrone

Member | Chicago
(312) 360-2506
mventrone@clarkhill.com

Melissa K. Ventrone is on the cutting edge of data security and privacy, helping clients navigate emerging challenges related to today's digital economy. As leader of the Cybersecurity, Data Protection and Privacy business unit, Melissa directs her skilled, multidisciplinary team of first responders to minimize security risks, ensure regulatory compliance, and curtail damage in the event of a data incident.

Understanding technology and the related legal issues and complex challenges, Melissa helps clients manage data to minimize risks and ensure compliance with changing regulatory requirements. Melissa is proficient in data security regulations including the European Union's General Data Protection Regulation (GDPR,) the California Consumer Privacy Act (CCPA), and the Health Insurance Portability and Accountability Act (HIPAA), among others. Leveraging her extensive knowledge, Melissa helps clients collect, use, monetize, and protect data (including intellectual property and customer, financial, medical, and employee records) in a secure and compliant manner.

As a Marine Corps veteran, Melissa understands the best defense is a strong offense especially when it comes to risk mitigation, resiliency, and protection. Melissa reviews data security policies, procedures, and incident response plans and works with clients to create a tactical action plan to establish compliance with state, federal and international laws and regulations and minimize cyber risks. This action plan includes creating and facilitating executive training and simulation exercises to improve clients' cyber resiliency and ensure they are prepared to respond effectively and efficiently to data security incidents.

When a damaging data breach or cybersecurity attack occurs, Melissa and her team are available 24/7 to manage the end-to-end process from containment to recovery, minimizing operational disruption, negative repercussions and costs. Melissa has managed thousands of data security incidents across all industries, ranging from lost devices at small companies to high-profile cyberattacks impacting millions of customers' data. Melissa's vast experience in cybersecurity preparedness and response allows her to swiftly identify the best strategies to protect clients' most critical assets.

Melissa is also a zealous advocate and has developed a winning reputation for defending companies facing data security and privacy regulatory investigations before both state and federal agencies.

Melissa is a Certified Information Privacy Professional (CIPP/US).

Recognitions.

- Named a Leading Lawyer in Illinois by Leading Lawyers℠ (2022).
- Named among *Crain's Chicago Business* 2020 Notable Women in Law.
- Named among *The Best Lawyers in America®* for Insurance Law (2023).
- Named among *Crain's Chicago Business* Notable Military Veteran Executives (2021-2022).
- Named among *Crain's Chicago Business* Chicago Gen X Leaders in Law (2021)

Experience

- Mobilized to file a temporary restraining order preventing an Internet service provider (ISP) from permitting an unauthorized individual, who had changed the access codes for the account, from gaining further access to the account or data within the account.
- Assisted a company with domain names that had been hacked and transferred to a different ISP. Mobilized in the appropriate jurisdictions and filed documents with the court to be heard on an emergency basis, requesting the domains be transferred back to the appropriate ISP. The court granted the request, preventing the company from suffering any further harm.
- Successfully defended a healthcare performance improvement company in class action litigation resulting from a stolen hard drive that contained personally identifiable information. Plaintiff alleged that client was negligent and violated consumer fraud statutes because it failed to properly protect the information on the hard drive, resulting in emotional distress, lost wages, lost time for researching identity theft and risk of identity theft.
- Represented an educational institution when one of its vendors disclosed personal health information of the institution's employees and dependents to the wrong employees. Coordinated with the vendor to determine the scale of the breach and that the error had been remediated, provided a communication plan that enabled the employer to notify the employees in person, and arranged for an identity restoration

resolution with an outside vendor. Based on this response, the employees expressed satisfaction with the institution's actions.

- Assisted a healthcare facility in responding to a breach that involved a stolen hard drive. Obtained identity restoration services for the impacted individuals and helped ensure compliance with breach notification laws, while working with the HIPAA compliance team to address HIPAA issues and coordinate with local regulators. Impacted individuals and their unions were pleased with the facility's response, as were regulators. Press accounts noted that the facility's response to its breach was an example of how a breach should be handled.
- Successfully represented several merchants that had suffered a credit card breach, working with forensic investigators who specialize in payment card breaches as well as the processor, banks and the credit card companies to reduce any potential fines or assessments. Reduced the overall liability of the company based on in-depth knowledge of the payment card industry's processes.

Education: Chicago-Kent College of Law, Illinois Institute of Technology, J.D. - Juris Doctor, 2003 | Northern Illinois University, B.S. - Bachelor of Science, 2000

Bar Licenses: Illinois (Active)

Court Admission: U.S. District Ct., N.D. of Illinois

Memberships: International Association of Privacy Professionals | Illinois State Bar Association | Employer Support of the Guard and Reserve | International Association of Defense Counsel

Courtney Kieffer

Member | Dallas
(214) 651-4616
ckieffer@clarkhill.com

Courtney Jones Kieffer understands the challenges and risks associated with the management of data across the information lifecycle and designs and implements strategic and tactical approaches to help clients strengthen their information governance.

Courtney’s experience in multi-district and multi-party litigation enables her to efficiently manage large data sets in various industries. Courtney’s risk management approach includes subjects such as policy adherence, evolving cyberthreats, and requirements surrounding document retention for regulatory and litigation purposes.

Courtney stays abreast of the latest insights and trends for data privacy, information governance, and cybersecurity threats so she can effectively advise clients on managing their information from data retention to e-discovery compliance to data destruction.

In addition to data security and information governance, Courtney's practice focuses on e-discovery, complex litigation, and environmental counseling and litigation. Courtney has experience handling multi-state matters involving agency approvals and environmental matters, including civil enforcement, toxic tort, and property damage claims. Courtney's background and perspective enable her to efficiently handle matters involving large dockets across diverse businesses.

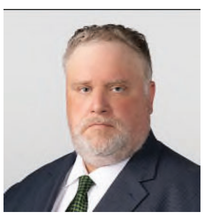
Courtney serves as Co-Chair of Clark Hill's BOLD-Dallas, the firm's initiative to promote women within the firm, the legal profession, and the business community.

Education: Georgetown University Law Center, J.D. - Juris Doctor, 1998 | Rice University, B.A. - Bachelor of Arts, 1995

Bar Licenses: Texas (#24007457)

Court Admission: U.S. District Ct., E.D. of Texas | U.S. District Ct., N.D. of Texas | U.S. District Ct., S.D. of Texas

Memberships: The Sedona Conference, Working Group 1 on Electronic Document Retention and Production and Working Group 11 on Data Security and Privacy Liability, Member



Jason M. Schwent

Senior Counsel | Chicago
(312) 985-5939
jschwent@clarkhill.com

Jason M. Schwent is experienced in data privacy, intellectual property, and litigation making him a fierce advocate for his clients. His passion for protecting clients' assets is evident whether negotiating a complicated enterprise software agreement with a Fortune 100 company or counseling a client following a data breach that exposed millions of users' data.

Jason's clients present him with daily complex business challenges, giving him a thorough understanding of how to navigate each client to minimize risk and liability. He advises public and private clients in various industries on regulatory compliance, technology-related transactions, and proactive risk management and data privacy review. His attention to detail covers every corner of his clients' businesses to identify vulnerabilities and opportunities.

When a client experiences a data security incident, Jason mobilizes his team to seamlessly guide clients through the entire response process. He leads clients through the intricate process of implementing incident response efforts from negotiating with threat actors; to drafting notifications, regulatory responses, and communications; to overseeing forensic, notification, and call center vendors. Jason takes the lead when communicating with forensic teams, law enforcement, and government officials.

In addition to being a registered patent attorney, Jason has extensive compliance experience with the EU's General Data Protection Regulation (GDPR,) the California Consumer Privacy Act (CCPA), and the Health Insurance Portability and Accountability Act (HIPAA).

Jason is a Certified Information Privacy Professional (CIPP/US).

Recognitions

- Named among The Best Lawyers in America® for Patent Law (2017-2023).
- Named among The Best Lawyers in America® for Privacy and Data Security Law (2023)

Education: University of New Hampshire School of Law, J.D. - Juris Doctor, 2001 | Truman State University, B.S. - Bachelor of Science, 1997

Bar Licenses: Illinois (Active) | Missouri (#53260)

Court Admission: U.S. District Ct., E.D. of Texas | U.S. Court of Appeals, Federal Circuit | U.S. Supreme Court | U.S. District Ct., E.D. of Missouri | U.S. Patent and Trademark Office

Memberships: Infragard, Member | International Association of Privacy Professionals, Certified Information Privacy Professional, U.S. Private-Sector | Illinois Bar Association | American Bar Association | The Missouri Bar

David G. Ries

Of Counsel | Pittsburgh
(412) 394-7787
dries@clarkhill.com

David G. Ries has devoted his legal career to helping organizations traverse complex environmental, technology, and data protection challenges.

David focuses on supporting data security and privacy clients by providing innovative solutions, designing a strategy for implementing comprehensive compliance programs and for responding to security incidents and regulatory actions and court claims relating to confidential business, employee, and customer data.

Information governance, including document storage and destruction, is multifaceted and constantly changing as individual regulatory bodies redefine the rules and court rulings place new responsibilities on businesses. David earned a distinguished reputation among his clients for his ability to understand the intricacies of governance and to provide actionable and sustainable recommendations.

David's extensive experience and understanding of the evolution in cybersecurity law, as well as his position as a member of the American Bar Association's Cybersecurity Legal Task Force, make him a sought-after speaker in cybersecurity circles. He is the co-author of *Locked Down: Practical Information Security for Lawyers, Second Edition*, and *Encryption*

Made Simple for Lawyers. He is also the editor of *eDiscovery, Fourth Edition*, and a contributing author to *Information Security and Privacy: A Legal, Business and Technical Handbook, Second Edition*.

Education: Boston College Law School, J.D. - Juris Doctor, 1974 | Boston College, B.A. - Bachelor of Arts, 1971

Bar Licenses: Pennsylvania (#19918)

Court Admission: U.S. Court of Appeals, 3rd Circuit | U.S. District Ct., W.D. of Michigan | U.S. Court of Appeals, 6th Circuit | U.S. District Ct., W.D. of Pennsylvania | U.S. District Ct., E.D. of Michigan

Memberships: Information Systems Security Association | Member, InfraGard, Pittsburgh Chapter (Board of Directors 2006-2016) | Member, American Bar Association Section of Environment, Energy and Resources, Cyberspace Law Committee, Litigation Section, Science and Technology Law Section, e-Discovery and Digital Evidence Committee, and Information Security Committee) | Member, ILTA LegalSEC Council | E-Discovery Special Master, U.S. District Court for the Western District of Pennsylvania

Ilya Smith

Senior Attorney | Detroit
(313) 309-9466
ismith@clarkhill.com

Ilya Smith provides counsel to higher education and corporate clients related to regulatory compliance, complex transactions involving technology and data sharing, privacy, and data security. Ilya's expansive regulatory compliance and program-building experience as a former Chief Compliance Officer and Chief Privacy Officer at two public higher education institutions provides Ilya with a deep foundation for advising clients in a full array of compliance matters, policy, and conducting organizational risk-based assessments.

Ilya appreciates the long-term impact and disruption a regulatory agency investigation or a data breach causes by an organization and its constituents. Her experience includes advising executives and boards in regulatory and transactional matters, managing hundreds of data security incidents, and representing clients before regulators. From whistleblower claims related to compliance matters and policy violations to major cyberattacks, Ilya is skilled at conducting investigations, leveraging forensics, deploying remediation plans, drafting notices, and advising clients' responses to impacted individuals' concerns.

Recognizing that the best defense to a regulatory investigation is the proactive mitigation of risk, Ilya advises clients in policy, procedures, and preventative measures to maintain the trust of organizational constituents and customers including establishing privacy and data governance programs business impact assessments, and addressing evolving global regulatory compliance requirements. Ilya has extensive experience assisting clients manage and transfer privacy, data security, and regulatory risk to third-parties in contracting and in implementing vendor management programs to minimize privacy and data security risks associated with the collection, processing, use, monetization, and protection of personal data.

Understanding systems, change management strategies, and complex organizational structures, Ilya is adept at navigating organizational interdependencies when assisting clients to operationalize policy and best practices. Clients value Ilya's distinctive ability to quarterback cross-functional regulatory compliance and legal strategies to support business objectives.

In addition to the full array of regulations that institutions of higher education are subject to, Ilya is proficient in privacy and data security regulations including the European Union's General Data Protection Regulation (GDPR,) the California Consumer Privacy Act (CCPA), Family Educational Rights and Privacy Act (FERPA), the Gramm-Leach-Bliley Act (GLBA), the Health Insurance Portability and Accountability Act (HIPAA), and the Children's Online Privacy Protection Act, among others.

Experience

- Successfully managed three class action lawsuits following a major, enterprise-wide security incident while advising client on the implementation of proactive risk mitigation strategies contributing to a favorable settlement with plaintiffs and recognition by regulators of best in class incident response and vendor management programs.*
- Effectively managed a cross-functional team to perform enterprise-wide GDPR gap assessments and designed and implemented policies, processes, notices, and consent frameworks for clients in the clinical research, health services, education services, and professional services industries.
- Designed and implemented inaugural Privacy Program and Privacy and Data Governance frameworks fora major public R1 research Higher Education Institution.
- Successfully negotiated hundreds of negotiations with client vendors leading to robust Privacy and Cyber Security protections of client data and the inclusion of terms transferring risks to vendors.

*Experience completed prior to joining Clark Hill.

Education: University of Illinois College of Law, J.D. - Juris Doctor, 2002 | Wheaton College, B.A. - Bachelor of Arts, 1999

Bar Licenses: Illinois (Active)

Chirag Patel

Senior Attorney | Chicago
(312) 123-4567
cpatel@clarkhill.com

Chirag Patel is a solution-oriented commercial and technology attorney with experience in e-commerce, data privacy compliance and protection, vendor MSAs and contracts, advertising, consumer protection, class actions, and trade secrets.

Chirag has transactional, compliance, and litigation experience in various technology, cybersecurity, and data privacy matters. He represents clients in a wide range of industries, including e-commerce, technology, healthcare, financial services (traditional and FinTech), cannabis, commercial construction, and hospitality.

He has represented clients in multimillion-dollar contract disputes, including cases involving the implementation of e-commerce (SaaS) solutions; SaaS service disputes; trademark, intellectual property, and licensing disputes; data breach indemnity disputes; and trade secret disputes. He has also acted as lead counsel in a diverse spectrum of commercial and consumer class actions, including claims for data breach and under the Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), Telephone Consumer Protection Act (TCPA), and various state laws.

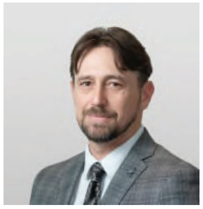
Chirag conducts compliance reviews of contracts, internal policies, and websites for compliance with data privacy and e-commerce laws, including the Restore Online Shoppers Confidence Act (ROSCA), California Consumer Privacy Act (CCPA), California Automatic Renewal Law (CARL), and Federal Trade Commission (FTC) regulations.

Chirag has experience with commercial contract review and transactions. He conducts master contract reviews in various industry settings covering issues such as intellectual property rights, data ownership, and terms of service. He also has full-cycle M&A experience, including conducting privacy and cybersecurity due diligence.

Education: DePaul University College of Law, J.D. - Juris Doctor, 2011 | Washington State University, B.B.A. - Bachelor of Business Administration, 2006

Bar Licenses: Illinois (Active)

Court Admission: U.S. District Ct., E.D. of Michigan | U.S. District Ct., E.D. of Missouri | U.S. District Ct., N.D. of Illinois | U.S. District Ct., C.D. of Illinois | U.S. District Ct., E.D. of Wisconsin



John F. Howard

Associate | Scottsdale
+1 (480) 684-1133
jfhoward@clarkhill.com

John F. Howard is a passionate advocate and legal advisor for organizations, ranging from local startups to Fortune 100 companies, navigating the complexities associated with protecting information in today's business and regulatory environments. Using his experience in privacy, cybersecurity, and regulatory compliance he guides his clients as they address issues such as data breaches, privacy and cybersecurity maturation, and business transactions.

John appreciates that business requires a balanced approach to addressing emerging legal and compliance issues while keeping the goals of the business in mind. John's risk management style utilizes this understanding to guide clients in developing effective incident response plans, risk management structures, polices, and procedures.

John has extensive experience in information technology, regulatory compliance, and program building having served as the Director of the HIPAA Privacy Program, the HIPAA Security Officer, and the HIPAA Privacy Officer at a large R1 public university. Frequently called upon to help guide executive leadership through complex issues.

In addition to being able to speak the language of executive leadership, John is also a Certified Information Privacy Professional (CIPP/US) and Certified Information Privacy Manager (CIPM) with experience in compliance with multiple information privacy and security regulations, including the Health Insurance Portability and Accountability Act (HIPAA), the California Consumer Privacy Act (CCPA), and the EU's General Data Protection Regulation (GDPR).

Education: James E. Rogers College of Law, University of Arizona, A.M. - Master of Arts, 2014 | James E. Rogers College of Law, University of Arizona, J.D. - Juris Doctor, 2017 | University of Arizona, B.A. - Bachelor of Arts, 2012

Bar Licenses: Arizona (Active)

Sunaina Ramesh

Associate | Chicago
(312) 360-2505
sramesh@clarkhill.com

Sunaina Ramesh assists organizations with their legal obligations under state data privacy laws, HIPAA, FERPA, the GLBA, and the GDPR, as well as other legal frameworks. She works with clients from start to end with breach incident response, through conducting forensics investigation analysis, working with data mining vendors, and facilitating the individual and regulatory notification processes.

She also helps clients with regulatory investigation responses and compliance matters.

Education: Loyola University Chicago School of Law, J.D. - Juris Doctor, 2021 | University of Iowa, A.B. - Bachelor of Arts, 2018

Bar Licenses: Illinois (Active)

Competitive Pricing

We recognize and understand that an important component toward helping clients control external costs includes legal fees. We are sensitive to our clients' obligations to secure the best professional services available for the best possible value. Our staffing model and service to our clients take controlling costs into consideration in all areas of representation.

Our fees are based on hours spent by lawyers and other professionals necessary to produce the work product.

The following is a schedule of current hourly rates for the lead attorneys and professionals we anticipate will devote time to City matters. Work will also be assigned to other personnel, as appropriate and with client approval.

NAME	TITLE	OFFICE	HOURLY RATE
Myriah Jaworski	Member	San Diego	$575
Paul F. Schmeltzer	Senior Attorney	Los Angeles	$450
Sue S. Junn	Member	Los Angeles	$560
Melissa K. Ventrone	Member	Chicago	$655
Courtney Kieffer	Member	Dallas	$575
Jason M. Schwent	Senior Counsel	Chicago	$565
David G. Ries	Of Counsel	Pittsburgh	$530
Chirag Patel	Senior Attorney	Chicago	$450
Ilya Smith	Senior Attorney	Detroit	$565
John F. Howard	Associate	Scottsdale	$420
Sunaina Ramesh	Associate	Chicago	$360

Out-of-Pocket Expenses

Out-of-pocket expenses include such items as long distance telephone, facsimiles, document copying, printing, and scanning, messenger and special delivery services, computerized legal

Qualifications and Hourly Rates

All respondents shall have sufficient qualified attorneys, paralegals and other personnel resources to provide the legal services required, as described in this RFP.

Please include a statement that details the names, bar numbers, resumes, and relevant expertise of attorneys for the work required under this RFP.

Please also submit a statement listing the proposed hourly rates for each attorney and legal professional as well as proposed standard rates for those positions referenced in your firm's response to this RFP.

Proposed Team Biographies

Jennifer L. Mitchell | Relationship Partner

She | Her | Hers
Partner | Los Angeles
T: +310.442.8865 | jlmitchell@bakerlaw.com

License # 243244

As the firm's Los Angeles and Costa Mesa Digital Assets and Data Management Leader, Jennifer Mitchell leverages more than 15 years of legal, compliance and operational experience, much of it in-house, as she helps clients navigate the complex landscape of global and strategic privacy matters. Having most recently served in executive privacy leadership roles for two global Fortune 100 companies, she is well versed in providing practical business solutions to maintain compliance with U.S., EMEA, LATAM and APAC privacy regulations. Jennifer also has in-depth experience with implementing data-driven initiatives in compliance with GDPR, HIPAA and CCPA, and provides strategic privacy counseling in mergers and acquisitions and divestitures across industries, including medical device and entertainment.

Jennifer has supported employee data programs for companies, including providing strategic privacy counseling to tackle the challenges posed by return-to-work initiatives during the pandemic, both in-office and at production locales. She has also supported global data subject rights requests in the employment context, and provides strategic counseling in preparation for CPRA employment data compliance.

Jennifer recently served as the Vice President of Privacy at Sony Pictures Entertainment Inc., where she was responsible for overseeing Sony Pictures' global privacy program across businesses. In addition, Jennifer was the Global Privacy Officer for Abbott Laboratories' Diabetes Care Division and a partner at an international law firm specializing in white-collar criminal defense, government investigations and litigation. She is a Certified Information

Privacy Professional (CIPP/US/EU) and a Certified Information Privacy Manager (CIPM).

Admissions: California

Education: University of Michigan Law School (J.D.)

University of Michigan (B.A., *with high distinction*)

Justin T. Yedor

He | Him | His

Partner | Los Angeles

T: +310.979.8405 | jyedor@bakerlaw.com

License # 316164

Justin Yedor partners with clients to develop creative solutions to data privacy challenges. He is a thought leader on California privacy law, and a go-to advisor on the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA).

Justin is a trusted advisor to clients as they make strategic decisions within the framework of California and other U.S. data privacy and consumer protection laws. He provides insightful advice and strategies for compliance with privacy requirements facing businesses in the retail, consumer services, entertainment, communications, financial and manufacturing sectors. Justin holds the CIPP/US credential as a Certified Information Privacy Professional from the International Association of Privacy Professionals (IAPP). He also serves on the Executive Committee of the Privacy and Cybersecurity Section of the Los Angeles County Bar Association.

Justin's collaborative approach to counseling clients is informed by several years of litigation experience. He has advocated for clients in state and federal court on a broad array of matters ranging from intellectual property disputes to products liability. His experience includes more than 100 successful motions, 50 oral arguments and taking and defending more than 50 lay witness and expert depositions.

Admissions: U.S. Court of Appeals, Fourth Circuit; U.S. Court of Appeals, Ninth Circuit; U.S. District Court, Central District of California; U.S. District Court, Eastern District of California; U.S. District Court, Eastern District of North Carolina; U.S. District Court, Middle District of North Carolina; U.S. District Court, Northern District of California; U.S. District Court, Southern District of California; U.S. District Court, Western District of North Carolina; North Carolina; California

Education: Duke University School of Law (J.D., 2012, *cum laude*; *Duke Journal of Constitutional Law & Public Policy*, Executive Editor)

College of William and Mary (B.A., 2007, *cum laude*)

Frederick C. Bingham

Associate | Los Angeles
T: +310.979.8437 | fbingham@bakerlaw.com

License # 292667

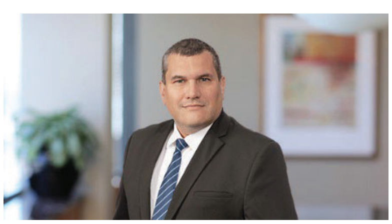
Frederick C. Bingham assists clients with complex data privacy and cybersecurity issues, providing counseling to keep them in compliance with privacy laws as well as prepare them for security risks. He has in-depth experience driving compliance and operationalization initiatives for the California Consumer Privacy Act (CCPA), California Privacy Rights Act (CPRA), Virginia Consumer Data Protection Act (VCDPA), Colorado Privacy Act (CPA) and General Data Protection Regulation (GDPR), and leverages his background representing healthcare clients to provide counseling and advice on the Healthcare Portability and Accountability Act (HIPAA). In addition, he has overseen incident response and defended clients in both single plaintiff and class action privacy litigation. He holds the CIPP/US, CIPP/E, CIPP/C, CIPP/A, CIPM and CIPT certifications from the International Association of Privacy Professionals (IAPP), and is a CISSP and CCSP Associate with (ISC)2.

Fred has worked with a wide range of clients, including hospitals, healthcare systems, software and platform service providers, international and commercial retail, public entities, real estate developers, franchisors, financial institutions, medical device manufacturers, home-security providers and technology companies, giving him a broad industry perspective from which to provide effective solutions and advice. He uses the solid legal foundation acquired during his federal judicial clerkship to inform the manner in which he evaluates an issue and determines the most effective approach.

Admissions: U.S. Court of Appeals, Ninth Circuit; U.S. District Court, Central District of California; U.S. District Court, Eastern District of California; U.S. District Court, Southern District of California; California

Education: California Western School of Law (J.D., 2013)

Bucknell University (B.A., 2010)



M. Scott Koller

He | Him | His
Partner | Los Angeles
T: +310.979.8427 | mskoller@bakerlaw.com

License # 247161

Scott Koller is a skilled privacy and data security attorney whose practice focuses on data breach response and security compliance issues. Clients in a broad range of industries turn to Scott for his experience and practical solutions on managing risks associated with data and information technology, including incident response preparedness, developing information security programs, cybersecurity training and helping to guide organizations through data security incidents.

Incident Response

Scott has counseled hundreds of clients in investigating and responding to an event compromising information and systems security, working closely with client resources, third-party forensic consulting experts and law enforcement to identify the nature and scope of a compromise. Scott relies on his knowledge of state, federal and international laws, as well as industry-specific guidelines and standards, to assist organizations in identifying and complying with legal obligations to disclose the incident to certain audiences and provide certain services to impacted populations.

Scott has represented numerous organizations, including healthcare providers, financial institutions, hospitality providers, retailers and other professional services providers in inquiries by regulators, including state attorneys general, state insurance departments, state health departments, the Federal Trade Commission, Securities and Exchange Commission, Department of Health and Human Services and the Office for Civil Rights.

Privacy & Digital Risk Advisory

Scott also partners with incident response teams, executives and boards to conduct interactive workshops and tabletop exercises to educate and coach organizations on best practices for handling incidents and improving existing incident response plans and procedures.

Leveraging his strong background in information technology, Scott works closely with both legal and information technology departments to measure and enhance the organization's security posture, including working with internal and external teams to conduct risk assessments and penetration tests, prioritize security projects and mitigation controls, and continuously measure the organization's privacy and security posture. He also advises clients on a wide range of privacy and data security issues, including under the Gramm-Leach-Bliley Act (GLBA), the Health Insurance Portability and Accountability Act (HIPAA), California Consumer Privacy Act (CCPA/CPRA), Family Educational Rights and Privacy Act (FERPA), PCI-DSS, the FTC Act, state data protection laws, international data privacy laws and self-regulatory rules.

Admissions: California

Education: Northwestern University School of Law (J.D.)

Chapman University (B.A., Economics)

Chapman University (B.S., Business Administration)

Sara M. Goldstein

She | Her | Hers
Partner | Philadelphia
T: +215.564.1572 | sgoldstein@bakerlaw.com

License # 311119

Named a 2021 "Rising Star" by Law360 and a 2021 "Lawyer on the Fast Track" by *The Pennsylvania Legal Intelligencer*, Sara Goldstein has advised hundreds of clients from a variety of different industries on responding to cybersecurity and data privacy incidents, including several of the largest data breaches to date.

Sara has led BakerHostetler's response to several large, high-profile data security incidents, including one incident at a cloud software company that involved the data of several hundred firm clients. As the leader of these matters, Sara developed the strategy for the incident response process, oversaw the team of attorneys working directly with clients, and created processes and protocols for the attorney team to follow.

Prior to joining BakerHostetler, Sara was the vice president and general counsel of the nation's second-largest provider of release of information and disclosure management services, where she was responsible for overseeing all of the company's legal and compliance-related matters. This experience gives her a depth of knowledge regarding clients' needs, bringing a business-oriented perspective to her practice and allowing her to provide legal guidance that is realistic and practical for the clients.

Sara has authored a variety of articles on privacy and data security in publications such as *Westlaw Journal Computer and Internet*, *Journal of the American Health Information Management Association*, *The Group Practice Journal*, *Compliance Today*, RACMonitor.com, and *Health Affairs*. She has been invited to speak to organizations across the country about compliance with federal and state privacy laws and the incident response process. She also served as an adjunct professor of law at Drexel University, where she taught a course on the Health Insurance Portability and Accountability Act (HIPAA) and patient privacy.

Admissions: New Jersey; Pennsylvania

Education: Drexel University Thomas R. Kline School of Law (J.D., 2011, Health Law)

Smith College (B.A., 2008, Government and Italian)

Marcus McCutcheon

He | Him | His
Counsel | Costa Mesa
T: +714.966.8811 | mmccutcheon@bakerlaw.com

License # 281444

Named a "One to Watch" in 2021 and 2022 by *The Best Lawyers in America*® and a "Top 40 Under 40" by National Black Lawyers since 2019, Marcus McCutcheon has advised dozens of clients from a variety of industries on responding to cybersecurity and data privacy incidents, including managing resultant class action litigation.

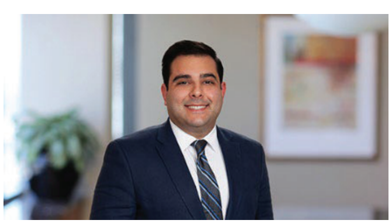
Marcus focuses his practice on cybersecurity and data privacy matters. Notably, he has advised dozens of clients on data breach responses, including initial incident response, individual and regulatory notifications, and subsequent regulatory investigations. Marcus also has experience representing clients in data breach and other privacy-related class actions. In addition, he has significant experience litigating other complex business, consumer warranty, product/technology, insurance coverage, construction defect and employment matters in both federal and state courts. He also works with manufacturers in the automotive industry in regulating the relationship between the manufacturers and their franchise dealers and representing manufacturers in consumer warranty matters. He treats the client-attorney relationship as a partnership, using a practical and creative approach to achieve his clients' goals.

Marcus is a member of the firm's Diversity and Inclusion Committee.

Admissions: U.S. District Court, Central District of California; U.S. District Court, Northern District of California; California, 2011

Education: Florida State University College of Law (J.D., 2011)

Stanford University (B.A., 2007, Political Science and Cultural & Social Anthropology)



Daniel Yosef

Associate | Los Angeles
T: +310.979.8410 | dyosef@bakerlaw.com

License # 322717

Daniel Yosef focuses his practice on digital assets and data management. Drawing on his experience as a former litigator, he combines a strong attention to detail with a highly organized approach to guide clients through the challenging aspects of digital risk advisory and cybersecurity.

Daniel Yosef focuses his practice on digital assets and data management. Drawing on his experience as a former litigator, he combines a strong attention to detail with a highly organized approach to guide clients through the challenging aspects of digital risk advisory and cybersecurity. Daniel always keeps the client's best interest in mind and approaches each matter determined to achieve the most favorable outcome possible.

Admissions: U.S. District Court, Central District of California; U.S. District Court, Eastern District of California; U.S. District Court, Northern District of California; U.S. District Court, Southern District of California; U.S. District Court, Western District of California; California

Education: Loyola Law School, Los Angeles (J.D., 2018, Data Privacy and Cybersecurity / *with honors*; Chief Articles and Symposia Editor, *Loyola of Los Angeles Entertainment Law Review*)

University of California, Berkeley (B.A., 2013)

Lynn Sessions

She | Her | Hers

Partner | Houston

T: +713.646.1352 | lsessions@bakerlaw.com

License # 00788391

Lynn Sessions leads the Healthcare Privacy and Compliance team in the Digital Assets and Data Management Practice Group and serves as national co-lead of the Healthcare Industry Team, demonstrating a career of advising healthcare industry clients in various areas of the law. She focuses her practice now on healthcare privacy and data security, breach response, regulatory defense and Health Insurance Portability and Accountability Act (HIPAA) compliance. Having previously served as in-house counsel and director of several departments at Texas Children's Hospital, Lynn collaborates closely with healthcare clients and approaches her legal representation from a client's perspective.

Lynn also regularly advises universities, medical schools and other higher educational institutions on breach preparedness, incident response and regulatory defense, and proactive compliance.

Lynn is a frequent speaker and writer on a range of topics affecting healthcare industry and university clients, including HIPAA compliance, data breach response, Office for Civil Rights investigations, Department of Education investigations, cyberliability and enterprise risk management.

Admissions: Texas

Education: Baylor University School of Law (J.D., 1993, Order of Barristers)

Texas A&M University (B.A., 1989)

Vimala Devassy

Partner | Atlanta

T: +404.256.8243 | vdevassy@bakerlaw.com

License # 174089

Vimy Devassy, a partner in BakerHostetler's national healthcare group, focuses her practice on transactions and regulatory matters for healthcare industry clients. She has a wealth of experience in structuring complex transactions among healthcare providers, negotiating a broad spectrum of industry relevant contracts and advising clients on day-to-day regulatory and compliance matters, including fraud and abuse laws and health information laws.

Certified as a Health Care Information Security and Privacy Practitioner (HCISPP), as well as an Information Privacy Professional (CIPP) by the International Association of Privacy Professionals, Vimy serves as Co-Chair of the Healthcare Technology Team. She has extensive experience managing issues related to confidentiality, privacy and security of health information, including compliance with the rubric of state and federal healthcare privacy laws, such as the Health Insurance Portability and Accountability Act (HIPAA), digital health laws, the Telephone Consumer Protection Act (TCPA) and the 21st Century Cures Act requirements, including the information blocking regulations. Her work includes helping clients understand how to align their privacy and information security programs in compliance with applicable laws, respond to potential breach and security incidents, permissibly utilize and share their health data, and navigate complex privacy and security laws as they consider innovative new technologies and business opportunities.

Admissions: Georgia; New York

Education: Boston University School of Management (M.B.A., 2001)

Boston University School of Law (J.D., 2001)

Emory University Rollins School of Public Health (M.P.H., 1998)

Georgia Institute of Technology (B.S., 1997)

Kyle R. Gregory

He | Him | His
Associate | Atlanta
T: +404.459.4218 | kgregory@bakerlaw.com

License # 335799

Named "One to Watch" by *Best Lawyers in America®* for the past two years, Kyle Gregory advises clients across a variety of sectors on technology and data privacy matters, with a focus on the complex issues which arise at the intersection of healthcare and technology and privacy.

Kyle is a pragmatic professional, experienced in helping clients with the acquisition and commercialization of technology without sacrificing their other, often equally important, obligations or objectives, such as ensuring the privacy and security of their information.

Admissions: Georgia

Education: Georgia State University College of Law (J.D., 2014, Latin Honors, *cum laude*, American Bar Association Award for Health Law)

Georgia State University J. Mack Robinson College of Business (M.S.H.A., 2014)

Georgia State University (B.A., 2011, History)

Proposed Tiered Discounted Rates*

Attorney Name	Location	Proposed Tiered Discounted Rates
Jennifer L. Mitchell	Los Angeles	$925.00
Justin T. Yedor	Los Angeles	$925.00
Frederick C. Bingham	Los Angeles	$675.00
M. Scott Koller	Los Angeles	$925.00
Sara M. Goldstein	Philadelphia	$925.00
Marcus McCutcheon	Costa Mesa	$750.00
Daniel Yosef	Los Angeles	$675.00
Lynn Sessions	Houston	$925.00
Vimala Devassy	Atlanta	$925.00
Kyle R. Gregory	Atlanta	$675.00

*The above quoted rates may be impacted by cyber insurance rates, if applicable to the City of Los Angeles. We would be happy to reassess applicable cybersecurity rates upon receipt of more information from the City of Los Angeles.

(n) Does your firm have an attorney or committee that develops initiatives and evaluates practices to promote DEI in the workplace? How are attorneys and support staff involved in this process? Please summarize any related firm initiatives or programs and include a link to any relevant electronic materials.

In recognizing the need for a focus on diversity, equity, an inclusion within our workplace, Groom long ago established its Diversity & Inclusion Committee, now called our DEI Committee. Today, and now in its 17th year, the committee is chaired by health principal, Viv Hunter Turner, and our Director of Professional Development & Diversity, Stephanie Felder. The DEI Committee is comprised of the Leadership Committee, made up of attorneys of all levels and staff members, as well as Advisory Board Members, also a blend of attorneys of all levels and staff members.

Please see our 2022 Diversity, Equity, and Inclusion Update for a detailed overview of our DEI activities over the past year.

(o) Does your firm have any certifications (e.g., Mansfield certification, Minority-owned or Women-owned certification)?

At this time, we do not have any such certifications. Up until last year, Groom was not eligible to be Mansfield Rule certified as there was a minimum number of attorneys required to be able to participate. Now that a program has been developed this year for smaller firms, we are looking forward to participating.

Qualifications and Hourly Rates

All respondents shall have sufficient qualified attorneys, paralegals and other personnel resources to provide the legal services required, as described in this RFP. Please include a statement that details the names, bar numbers, resumes, and relevant expertise of attorneys for the work required under this RFP. Please also submit a statement listing the proposed hourly rates for each attorney and legal professional as well as proposed standard rates for those positions referenced in your firm's response to this RFP.

Proposed Team

Kelly Geloneck and David Levine would be responsible for overall management of the relationship and for ensuring that all matters are handled in a timely and cost-effective manner.

Kelly Geloneck (Principal) – Kelly advises clients on an array of federal tax and ERISA matters regarding employee benefits, including cybersecurity and data privacy. Her practice encompasses qualified retirement plans, governmental plans, executive compensation, federal income and employment tax reporting, and plan cybersecurity and data privacy. Kelly has significant experience working with federal and state governmental plan clients and California plan sponsor clients with respect to their cybersecurity and plan data policies, service agreements, and in the defense of Department of Labor retirement and cybersecurity audits. Kelly advises governmental plan sponsors and their fiduciary committees on retirement plan compliance and plan cybersecurity and data privacy matters, including California Consumer Privacy Act compliance, and frequently speaks on these issues at industry events and conferences.

Kelly is admitted to the following bars:

- California (295983)
- District of Columbia (1017057)

David Levine (Principal) - David Levine practices in the employee benefits and tax areas, with a primary focus on matters involving governmental retirement and welfare programs and private sector retirement programs. He has conducted numerous compliance reviews for governmental plans and has worked with his colleagues to develop internal compliance and operational review materials that maximize the efficiency of our compliance reviews. In addition, he routinely advises plan advisors, sponsors, and other services providers on a wide range of employee benefits matters, from retirement and executive compensation to health and welfare plan matters. David actively advises numerous clients on cybersecurity and privacy matters, including involvement in pending legislation and guidance in these areas and is a regular speaker on these topics.

David has conducted numerous compliance reviews for governmental plan clients and developed proactive remediation strategies for these clients. He has advised governmental plan clients on plan qualification, pick-up, disability, 401(h), 115 and VEBA trust, health care, and deferred retirement option, and cash balance issues at Groom for over 18 years. He has also obtained private letter rulings, favorable determination letters, and other unique resolutions for these governmental plan clients. David also regularly advises governmental plan clients on fiduciary and investment matters and regularly provides fiduciary training to these clients.

David is admitted to the following bars:

- District of Columbia (463560)
- New York (2883957)

Kathryn Bjornstad Amin (Principal) – Katie is the leader of Groom's Health practice. She counsels employers, insurers, governmental entities, and plan sponsors on health and welfare benefit planning and design, fringe benefits, and the day-to-day intricacies of compliance and new benefit and product launches.

Katie's keen consideration to detail, combined with her technical experience, are valued by clients as they review existing practices and introduce new benefits to their employees and customers in both conventional and innovative forms. Clients rely on Katie's extensive experience, which encompasses the full range of federal and state laws that impact the administration of health & welfare benefit plans, cafeteria plans, health savings accounts (HSAs), health reimbursement arrangements (HRAs), flexible spending arrangements (FSAs), voluntary employees' beneficiary associations (VEBAs), wellness programs, expatriate coverage, fringe benefits, captive insurance arrangements, and other employee benefit arrangements. Most recently, the COVID-19 pandemic had clients seeking Katie's ongoing guidance on compliance issues related to remote work, new benefit mandates, and employee giving funds.

In addition to her work with well-established organizations in the technology, government contracting, health insurance, and pharmaceutical and life sciences sectors, Katie also helps to address the unique issues and opportunities facing start-ups and companies with unconventional workforces.

Before joining Groom over a decade ago, she worked at the Internal Revenue Service's Office of Chief Counsel and, to this day, maintains a longstanding interest in keeping clients proactively updated on the implications of evolving tax rules and regulations. She also represents clients in obtaining private letter rulings and in IRS audits.

Katie is the co-author of the EBIA Consumer-Driven Health Care treatise (published by Thomson Reuters). She also regularly speaks on employee benefit matters, such as wellness plans, account-based plans, lifestyle spending accounts, and the tax implications of benefits law.

In her pro-bono work, Katie has assisted charities with tax matters and Washington, D.C. residents with Medicare Part D enrollment, home health care, and Social Security Disability appeals.

Katie is admitted to the following bars:

- District of Columbia (1021468)
- Florida (61994)

Kimberly Boberg (Senior Counsel) – Kim focuses on taxation issues affecting retirement plans of governmental entities and public companies. She also has significant experience in creating tax-exempt entities and assisting such entities in maintaining that status. Moreover, Kim has worked extensively on the tax compliance issues regarding IRAs and qualified plans.

Kim's retirement plan practice includes assistance in plan design and ongoing administration, preservation of plans' tax-qualified status, and application of reporting and withholding rules. She has also helped clients establish new plans and assisted with corrections under the Internal Revenue Code. Kimberly earned her J.D. from George Washington University. She received her M.S. and B.A. from West Virginia University.

Kim is admitted to the following bars:

- District of Columbia (983028)
- New York (4689501)

Taylor Costanzo (Associate) – Taylor advises clients on a wide variety of employee benefits matters for governmental plans. Her practice encompasses retirement plans, executive compensation, and health and welfare arrangements. As a practitioner, Taylor prioritizes finding legal solutions that make business sense for her clients.

Prior to joining Groom, Taylor worked as a plan administrator for health and welfare arrangements and retirement plans in both for-profit and non-profit sectors. She leverages this experience to provide clients advice based on her legal knowledge and her experience as a plan sponsor herself. As a Benefits Specialist, she administered qualified retirement plans and health and welfare plans; coordinated with brokers and third-party administers; resolved insurance disputes; and completed annual reporting requirements among other things.

Taylor is admitted to the following bars:

- District of Columbia (90004826)

Proposed Rates

Blended Rate

We regularly enter into blended fee arrangements with our clients. We believe that such arrangements can be helpful to clients in that they represent cost certainty for each hour of attorney time and believe that they should be structured to further enhance a long-term relationship. Our most common blended rate structures are all-attorney blended rates and blended rates by attorney category – associate, of counsel, and principal. Because of our boutique structure, we do not heavily staff our matters, but we do try to maximize efficiency by using associates and paralegals where it is cost effective for our clients.

If the Plans were to prefer a blended rate structure, we would propose the following rate that would be in effect for the full term of the engagement beginning in 2023 and up to three years, subject to the formal approval of our Executive Committee:

All Attorneys	Proposed Blended Rate
All Attorneys	$745

Hourly Rates

Many of our clients choose to work with our firm utilizing a traditional hourly fee schedule. Based on client feedback, we understand that clients have been satisfied with this approach because of our lean staffing, efficient delegation, and efficient work product (i.e., fewer hours) as compared to our peer firms. We are glad to provide client references addressing the efficiency point.

Our standard rates for 2023 range from $495 to $1,390. As an indication of our interest in developing a long-term relationship with the Plans we propose to discount our standard rates by 5%. We have provided the standard and discount rates for the attorneys who we propose to serve on the team below. Our billing rates are reviewed each year and adjusted as appropriate each January, and our clients are typically provided with 30 day's advance notice of such adjustments.

Name	2023 Standard Hourly Rate	2023 Hourly Rate Less 5% Discount
Kelly Geloneck	$865	$822
David Levine	$1,105	$1,050

Katie Amin	$965	$917
Kim Boberg	$940	$893
Taylor Costanzo	$495	$470

Conflicts of Interest

Provide information on whether your firm represents any interests that may constitute a conflict of interest in your representation of the City of Los Angeles (alternatively, the "City"), the Plans (LACERS, WPERP, LAFPP), the Port of Los Angeles, Los Angeles World Airports, the Los Angeles Department of Water and Power, the Community Redevelopment Agency (CRA), the Housing Authority of the City of Los Angeles, the Community Development Department (CDD), or any other City agency or affiliated entity.

We are not aware of any existing conflict of interest in providing services to the Plans.

With respect to potential conflicts, although our firm, as a boutique practice, does not engage in the sort of broad litigation and corporate representation that frequently give rise to conflicts at other firms, we do represent a broad range of public and corporate employers with regard to their retirement and health plans, as well as financial institutions, insurers, and others providing services to employers and plans. Our broad range of clients is one of our strengths – it allows us to stay up-to-date on a variety of complicated and technical issues of interest to all of our clients and to provide our clients with information about industry best practices. However, from time to time, conflict issues may arise. We have a process for identifying those conflicts, and, where such conflicts arise, we handle those conflicts in a manner consistent with the rules for professional conduct and the terms of our engagement letters, and if a waiver or notice is required, to arrive at the appropriate resolution in full consultation with our clients.

Additionally, our firm works with many of the major plan service providers, assisting them, along with plan sponsors, to work through the many distinctive aspects of managing benefits and retirement plans. We note that we already have conflict waivers in place with several major retirement plan vendors, and we frequently are able to quickly obtain waivers with other vendors when needed for our plan sponsor clients. While we are able to obtain these waivers quickly, we think it is helpful for our plan sponsor clients to be aware of this up front. It has been our experience that our deep knowledge of the benefits and retirement markets and products from a wide array of vendors gives us a deeper understanding with which to advise plan sponsors.

Value Proposition/Additional Information

We recognize that the dynamics of each client are unique, so we work diligently – from inception of engagement forward – to understand the dynamics as best as possible and focus on working with the relationship contact to ensure that we fulfill our clients' needs.

Christopher S. Sears

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assistant Diane Sweeney
p 317-236-5801
email diane.sweeney@icemiller.com

Education

Undergraduate School
Bachelor of Arts in Political Science and History, Indiana University 1990

Law School
Indiana University Maurer School of Law 1994

Admissions

Indiana
United States District Court - Northern District of Indiana
United States District Court - Southern District of Indiana
Supreme Court of Indiana
United States Court of Appeals - Seventh Circuit

Overview

Christopher S. Sears is a partner in the Employee Benefits Group at Ice Miller LLP. He concentrates his practice in the field of health care and employee benefits. He assists clients design and maintain health and retirement plans and other employee benefits. He works with public and private employees, including governmental plans at all levels, hospitals, and other tax-exempt organizations.

Chris helps clients design employer-sponsored health plans and other benefits such as cafeteria plans, tuition reimbursement plans, long and short term disability plans, health reimbursement accounts, health savings accounts, and life insurance plans. He also helps them comply with myriad of laws that regulate these plans such as ERISA, the Internal Revenue Code, the Patient Protection and Affordable Care Act, HIPAA, ADA, FMLA, and COBRA. Chris also concentrates on laws regulating the privacy of health information. In particular, he works closely with both health plans and health care providers in their efforts to comply with the complex privacy rules of HIPAA, as well as state privacy laws. He also consults with clients to adopt, maintain and terminate their employee pension and retirement plans in compliance with the Internal Revenue Code and ERISA. In doing so, he assists clients with their 403(b) and 401(k) plans, defined benefit plans, and non-qualified deferred compensation arrangements (including those under Code Section 457(b) and 457(f)).

Chris is a frequent writer and speaker on employee benefit issues. He joined Ice Miller in 1994 after graduating from the Indiana University School of Law, Bloomington, cum laude. While attending the Indiana University School of Law, Chris was a member of the Indiana Law Journal. He did his undergraduate work at Indiana University, Bloomington, earning his bachelor of arts degree in political science and history in 1990. He is a former Chair of the Employee Benefits and Executive Compensation Interest Group of the American Bar Association Health Law Section. He has also served as a member of the American Bar Association's Joint Committee on Employee Benefits from 2008-2013, and has been listed in *The Best Lawyers in America®* for Employee Benefits every year since 2007.

He is admitted to practice law in the state of Indiana.

Reported and Representative Cases

- *Spangler, Jennings & Dougherty v. Indiana Insurance,* 729 N.E.2d 117 (Ind. 2000)
- *Wine-Settergren v. Lamey,* 716 N.E.2d 381 (Ind. 1999)

Firm Publications

- 4/4/2023 - Guidance Issued on the End of the COVID-19 Emergency Periods and Impact on Benefits Plans
- 1/17/2023 - Secure 2.0 Highlights for Retirement Plan Sponsors
- 11/14/2022 - IRS Opens Determination Letter Program to 403(b) Plans
- 11/10/2022 - Time to Dig In: SEC Issues Final Clawback Rules for Incentive Compensation
- 11/3/2022 - 2023 Cost-of-Living Adjustments for Health and Welfare Plans
- 10/10/2022 - IRS Extends Helpful RMD Rule Transition Relief
- 9/2/2022 - *Dobbs v. Jackson Women's Health*: Key Considerations for Employers Webinar Recording
- 8/22/2022 - IRS Extends Deadlines for Amending a Retirement Plan or IRA for Certain Provisions of SECURE Act, Miners Act, and CARES Act
- 8/1/2022 - Update on Indiana's Abortion Bill
- 6/13/2022 - IRS Announces New "Pre-Audit" Pilot Program for Retirement Plans
- 5/10/2022 - HDHP and HSA Annual Limits Increase for 2023
- 3/18/2022 - IRS Releases Proposed RMD Rule
- 2/11/2022 - Health Plan Fiduciaries Should Be Prepared for Service Provider Fee Disclosures
- 1/27/2022 - Expect the Breach of Fiduciary Duty Cases to Keep on Coming
- 1/12/2022 - Federal Agencies Issue New Guidance on Health Plan Coverage Requirements For At-Home COVID-19 Tests
- 11/9/2021 - 2022 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/20/2021 - Rollovers as Business Start-Ups (ROBS): What to Know When Financing a Business Using Your 401(k), IRA or Other Retirement Funds
- 10/1/2021 - Federal "No Surprises Act"
- 7/19/2021 - IRS Updates the EPCRS Correction Program (Rev. Proc. 2021-30)
- 6/18/2021 - The U.S. Supreme Court Upholds the Affordable Care Act, Again
- 5/19/2021 - IRS Issues Guidance on COBRA Subsidies Just In Time
- 5/12/2021 - HDHP and HSA Annual Limits Increase for 2022
- 5/3/2021 - DOL Issues New Cybersecurity Guidance: A Step Towards Minimum Expectations

- 3/12/2021 - Reminder: Annual Tax Withholding Notice and New IRS Draft Withholding Form W-4R
- 3/11/2021 - New Stimulus Act Provides Full COBRA Subsidies to Involuntarily Terminated Employees
- 3/8/2021 - Departments Issue New Guidance on COVID-19 Coverage Rules
- 3/3/2021 - Employer Action Required: Guidance on Plan Deadline Extensions During the National Emergency
- 2/23/2021 - IRS Issues Guidance on FSA Changes and Permits New Benefit Elections
- 1/19/2021 - Retirement Plan Provisions in the Consolidated Appropriations Act of 2021
- 1/11/2021 - EEOC Issues New Proposed Wellness Regulations
- 1/7/2021 - Year-End Legislation Brings More Than Just COVID-19 Relief: New Changes for FSAs and Employer-Based Health Plans
- 12/29/2020 - Consolidated Appropriations Act of 2021
- 12/8/2020 - IRS Issues 2020 Required Amendments List
- 11/10/2020 - IRS Issues Final Regulations Updating Required Minimum Distribution Life Expectancy Tables
- 10/29/2020 - 2021 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/6/2020 - IRS Offers Transition Relief for ACA Reporting
- 10/5/2020 - IRS Issues Final Regulations on Income Tax Withholding on Certain Periodic Retirement and Annuity Payments made After December 31, 2020
- 8/25/2020 - IRS Modifies Language in the Safe Harbor Special Tax Notice
- 6/29/2020 - Additional IRS Guidance for CARES Act Loans, Coronavirus-Related Distributions and Required Minimum Distributions
- 6/29/2020 - IRS Releases Important Guidance Regarding Coronavirus-Related Distributions, Loans and RMD Waivers under the CARES Act
- 5/27/2020 - DOL Issues Final Rule on Electronic Delivery
- 5/21/2020 - COVID-19 Extensions Are Not Mandatory for Governmental Plans
- 5/13/2020 - IRS Allows Mid-Year Election Changes for Health Plans, Health FSAs, Dependent Care FSAs in 2020
- 5/12/2020 - IRS Releases Coronavirus-Related Relief for Retirement Plans Q&A
- 5/11/2020 - A Closer Look: Extended Deadlines
- 5/11/2020 - A Closer Look: Employer-Provided Student Loan Repayments
- 5/11/2020 - A Closer Look: Other CARES Act Provisions Affecting Health Plans
- 5/11/2020 - A Closer Look: Mandatory Coverage of COVID-19 Testing
- 5/11/2020 - A Closer Look: Suspension of Required Minimum Distributions
- 5/11/2020 - A Closer Look: Loan Increases and Repayment Relief
- 5/11/2020 - A Closer Look: Coronavirus-Related Distributions
- 5/11/2020 - Summary Table and In-Depth Analysis of COVID-19 Legislation for Employer-Based Retirement and Welfare Plans
- 5/4/2020 - IRS and EBSA Provide Additional Relief for Health and Retirement Plans and Participants Due to COVID-19
- 4/17/2020 - FAQs Clarify Health Plan Requirements of FFCRA and CARES Act

- 4/13/2020 - IRS Extends Time-Sensitive Deadlines to July 15, 2020 Due to COVID-19
- 3/31/2020 - CARES Act Expands Requirements for Health Plans
- 3/30/2020 - 403(b) Plan Amendment Deadline Extended
- 3/30/2020 - Reducing or Suspending Employer Retirement Plan Contributions Due to COVID-19
- 3/27/2020 - Accessing Retirement Plan Funds Under CARES Act and Existing Law
- 3/26/2020 - IRS Issues 2020 Form W-4P
- 3/24/2020 - FAQs Regarding COVID-19 and Governmental Retirement Plans
- 3/19/2020 - Coronavirus Response Act Requires Health Plans to Cover COVID-19 Testing
- 3/12/2020 - HDHPs Can Cover COVID-19 Testing and Treatment Without Cost-Sharing
- 1/23/2020 - More Retirement Plan Changes for Educational Employers
- 1/21/2020 - K-12 Update: Deadline for 403(b) Plan Corrections Drawing Near
- 1/10/2020 - DEVELOPMENT: Reduced Age for In-Service Distributions
- 1/7/2020 - Required Amendments List for Individually Designed Retirement Plans
- 12/30/2019 - IRS Issues 2019 Required Amendments List
- 12/27/2019 - SECURE Act Becomes Law
- 12/13/2019 - Reminder: Annual Tax Withholding Notice
- 11/15/2019 - Do the Final Regulations on Hardship Distributions Affect 457(b) Plan "Unforeseeable Emergencies"? Not directly.
- 11/7/2019 - 2020 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/29/2019 - IRS Releases Information on 2020 Projects
- 10/28/2019 - DOL Proposes Regulations to Expand Electronic Distribution Options
- 10/1/2019 - Final Regulations on Hardship Distributions Make Few Changes to Proposed Regulations
- 9/13/2019 - Motion to Dismiss Granted in Pending Lawsuit Regarding Governmental Plan Status
- 8/30/2019 - No Changes Yet to Form W-4P
- 8/14/2019 - IRS Expands List of Preventive Care Benefits for HSA-Compatible Plans
- 7/18/2019 - Are You Ready? Proposed Regulations Regarding Hardship Distributions
- 7/8/2019 - Final Rule Offers New Option to Fund Student Employee Health Coverage
- 6/24/2019 - A Move Forward for Defined Contribution Health Care: Final Rule Permits Employers to Offer Individual Coverage HRAs
- 6/11/2019 - IRS Issues Proposed Regulations on Withholding for Periodic and Non-Periodic Payments
- 5/24/2019 - House Passes Retirement Legislation
- 5/2/2019 - IRS Expands Self-Correction Program for Certain Plan Failures
- 4/2/2019 - State Supreme Courts Decide Vested Rights
- 4/1/2019 - Updated Internal Revenue Service Operational Compliance List
- 3/11/2019 - Selected Regulatory Developments for Governmental Plans
- 1/15/2019 - IRS Increases User Fees for Certain Requests for Private Letter Rulings and Requests for Determination on Plan Termination
- 12/17/2018 - Texas Court Declares Affordable Care Act Unconstitutional
- 12/7/2018 - Governmental Plan Status is Key Issue in Pending Lawsuit
- 11/29/2018 - No 2018 "Required Amendments" for Individually-Designed Plans

- 11/28/2018 - IRS Issues Proposed Regulations Regarding Hardship Distributions
- 11/26/2018 - Highlights of the Regulatory Plan and Unified Agenda (Fall/Winter 2018)
- 11/7/2018 - 2019 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/17/2018 - IRS Updates EPCRS, Changing VCP Submission Procedure
- 10/11/2018 - IRS Updates EPCRS, Changing VCP Submission Procedure
- 10/8/2018 - TE/GE Fiscal Year 2019 Program Letter
- 9/25/2018 - Reminder: Annual Tax Withholding Notice
- 9/24/2018 - IRS Updates Safe Harbor Special Tax Notice Language
- 6/14/2018 - The Advisory Committee on Tax Exempt and Government Entities ("ACT") - 2018 Report
- 5/15/2018 - HDHP and HSA Annual Limits Increase for 2019
- 12/8/2017 - Senate's Amended Tax Bill: Several "Hot Button" Items Removed (For Now), But Many Important Changes Remain

Published In

- "IRS Announces Transition Relief for 403(b) Plan Exclusions of Part-Time Employees," *Employee Benefit Plan Review*, Volume 73, Number 3, March/April 2019
- "Bipartisan Budget Act of 2018 Brings Changes for Retirement Plans," published in *BenefitsLink Retirement Plans Newsletter*, Feb. 22, 2018
- "Fee Litigation Hits Higher Education," published in the *Daily Herald Business Ledger*, Sept. 22, 2016
- "Is There a Doctor In the House?" *Indianapolis Business Journal*, Feb. 4, 2008
- "The Indiana Network for Patient Care: A Case Study of a Successful Healthcare Data Sharing Agreement," American Bar Association Health Law Section *eSource*, September 2005
- "HIPAA is Here: Has Your County Started Yet?" *Indiana News 92*, March/April 2003
- "USERRA - Protecting Employees' Rights," *The Wyoming Banker*, January 2002
- "USERRA - Protecting Employees' Rights," *Hoosier Banker*, November 2002

Ice Miller News

- 8/18/2022 - 108 Ice Miller Attorneys Listed in *The Best Lawyers in America®* 2023 Edition
- 8/17/2022 - Ice Miller Forms Post-*Roe* Task Force
- 8/19/2021 - Ice Miller Attorneys Recognized by Best Lawyers® as 2022 "Lawyers of the Year," "Best Lawyers in America" and "Best Lawyers: Ones to Watch in America"
- 8/20/2020 - 121 Ice Miller Attorneys Listed in *The Best Lawyers in America©* 2021
- 8/15/2019 - 108 Ice Miller Attorneys Listed in *The Best Lawyers in America©* 2020
- 8/15/2018 - 105 Ice Miller Attorneys Listed in *The Best Lawyers in America©* 2019

Speaking Engagements

- "Negotiating TPA Agreements," National Association of Public Pension Attorneys 2018 Legal Education Conference, June 28, 2018
- "Building Better Benefits: Current Concerns for Employee Benefits Professionals," Ohio Hospital Association 2018 Annual Meeting and Education Summit, June 5, 2018

- "Health and Welfare Update," Central Indiana CEBS Spring Health & Welfare Seminar, May 16, 2018
- "What Does a Pension Plan With Financial Troubles Do? Stories from Puerto Rico, Chicago, Dallas, and Elsewhere," American Law Institute, October 5, 2017
- "Hot Topics in Tax Exempt and Governmental Plan Benefits," American Law Institute, October 5, 2017
- "Health Plan Affinity Group Health Care - Where Do We Go From Here?," National Association of Public Pension Attorneys 2017 Legal Education Conference, June 28, 2017
- "The Current State of the ACA and the Future of Employer-Provided Health Plans," 2017 GFOA Annual Conference, May 23, 2017
- "ACA Repeal & Replace," Central Indiana Chapter - ISCEBS, May 10, 2017
- "Qualification Standards for Public Sector Plans," American Academy of Actuaries, Enrolled Actuaries Meeting, April 3, 2017
- "ACA Update and Other Health and Welfare Plan Developments," Indiana Society for Healthcare Human Resources Administration, 2017 Spring Education Conference, March 9, 2017
- "The Trump Agenda: Impact on Public Funds, Possible Paths for Health Care and the Affordable Care Act," National Association of Public Pension Attorneys 2017 Winter Conference, February 22, 2017
- "ACA Update and Other Health and Welfare Plan Developments," P2F2 2016 Annual Conference, October 26, 2016
- "Health Plan Affinity Group – Key Issues in Health Care Today," National Association of Public Pension Attorneys 2016 Legal Education Conference, June 23, 2016
- "Health and Welfare Seminar," Central Indiana Chapter – ISCEBS, May 11, 2016
- "Went to DC and They Taxed My Cadillac," National Association of Public Pension Attorneys 2016 Winter Conference, February 18, 2016
- "2015 Health Plan Update," Public Pension Financial Forum 12th Annual Conference, October 28, 2015
- "What is Hot in the Benefits World," 2015 HR Indiana Annual Conference, August 25, 2015
- "Affordable Care Act Update," Indiana Chamber of Commerce/Indiana Human Resources Update, August 13, 2015
- "Confused About the Affordable Care Act?," Indiana Association of Cities and Towns IMPACT Annual Conference, August 5, 2015
- "Essential Health Benefits Discussion," National Conference of Insurance Legislators, July 16, 2015
- "EEOC Wellness Rules," Indiana State Council of the Society of Human Resource Management Conference, June 29, 2015
- "Employee Benefits," Ice Miller Executive Briefing: 2015 Employment Trends for Indiana, June 16, 2015
- "Employee Benefits," Ice Miller Executive Briefing: 2015 Employment Trends for Illinois, January 29, 2015
- "Employer Shared Responsibility and Reporting under Health Care Reform," 2015 American Mold Builders Association Annual Conference, May 6-8, 2015

- "Employee Benefits in 2015: Challenges and Changes," Indiana Chamber of Commerce 51st Annual HR Conference and Expo, April 28, 2015
- "Health Care Reform Update," Indiana Chamber of Commerce, October 30, 2014
- "Employee Benefits Update," ISHHRA 2014 Fall Education Conference, October 17, 2014
- "Health Care Implementation: A Compliance Update," Government Finance Officers Association, September 17, 2014
- "Coordinating the Moving Parts: Update on ACA Requirements," Government Finance Officers Association Annual Conference: The Future of Government Finance, May 18, 2014
- "Welfare Benefit Programs," American Benefits Council, August 28, 2014
- "Health Care Reform: Employer Obligations and Opportunities Under the Final Employer Penalty Regulation," Indiana Chamber PPACA Seminar, April 16, 2014
- "Legal Aspects of Health Reform (PPACA)," Indiana Workplace Wellness Partnership, April 11, 2014
- "The Patient Protection and Affordable Care Act: The Latest Regulations and Administrative Guidance," Indiana School Boards Association, November 1, 2013
- "Preparing for 2014: Employer Responsibilities Under the Affordable Care Act," 2013 Employee Health and Wellness Summit, September 30, 2013
- "Preparing for 2014: Employer Responsibilities Under the Affordable Care Act," Indiana Chamber of Commerce Health Care Reform Seminar, August 23, 2013
- "Health Care Reform – What's Looming in 2013-2014," Indiana School Boards Association Summer Academy, July 8, 2013
- "Health Care Reform – What's Looming in 2013-2014," Lafayette-West Lafayette Employers Health Forum, June 24, 2013
- "Health Care Reform: Minimizing Risk and Maximizing Opportunity," Indiana Chamber of Commerce HR Conference, May 6, 2013
- "Employer Responsibilities Under Health Care Reform," Tri-State Business Group on Health, March 12, 2013
- "Employer Responsibilities Under Health Care Reform," Indiana Society for Healthcare Human Resource Administration, March 8, 2013
- "Employer Responsibilities Under Health Care Reform," Ice Miller LLP & Indiana Chamber of Commerce, January 29, 2013
- "Helping Employers with Compliance in a Post-PPACA World," ABA Emerging Issues in Health Care Law, February 22, 2013
- "Moving Forward with Health Care Reform," Government Finance Officers Association Teleconference, January 31, 2013
- "Implementing the New Health Reform Law: What Governmental Employees Need to Know," 104th Government Finance Officers Association Annual Conference, June 8, 2010
- "What Will The Administration Do Through Regulation Now That Health Care Reform Has Passed," American Bar Association Joint Committee on Employee Benefits, 2010 Government Invitational Conference, April 8, 2010
- "Emerging Issues in Healthcare Law," American Bar Association Health Law Section's Conference, February 18, 2010

- Health Care Reform, Mechanical Contractors Association of American National Collective Bargaining Conference, October 30, 2009
- "Breast Cancer Legal Advocacy Workshop,"American Bar Association Health Law Section Council Annual Meeting, April 23, 2009
- "Using Deferred Compensation to Incent On-Call Coverage," American Bar Association Health Law Section Emerging Issues in Healthcare Law Conference, February 18-20, 2009
- "Breast Cancer Legal Advocacy Workshop," American Bar Association Health Law Section Emerging Issues in Healthcare Law Conference, February 18-20, 2009
- "Breast Cancer Legal Advocacy Workshop" and "What Employers Need to Know About Implementing Employee Wellness Plans" and "New EEOC Regulations on Age Discrimination in Retiree Health Care," Health Law Section Emerging Issues in Healthcare Law Conference, February 20-22, 2008
- "The Pension Protection Act and Defined Contribution Plans -- What You Need To Do Now," Health Law Section Employee Benefits and Executive Compensation Interest Group Webinar, April 26, 2007
- "The Pension Protection Act and Defined Contribution Plans -- What You Need To Do Now (in 25 Minutes or Less)," Health Law Section Emerging Issues in Healthcare Law Conference, February 21-23, 2007
- Moderator, "How Do Complex and Detailed Regulations Impact Benefits?" American Bar Association Joint Committee on Employee Benefits and American Law Institute on Certified Public Accounts, 2006 Government Invitational Conference, March 29-31, 2006
- "Medicare Part D: Where We Are So Far," American Bar Association Health Law Section Emerging Issues in Healthcare Law Conference, February 22-24, 2006

Awards and Recognitions

- *The Best Lawyers® in America*, Employee Benefits (ERISA) Law, 2007-2023
- *Best Lawyers®* "Lawyer of the Year" in Employee Benefits (ERISA) Law in Indianapolis, 2015, 2018
- Outstanding Young Healthcare Lawyer, *Nightingale*, 2007
- Indiana Super Lawyers, 2009

Memberships

- Member, National Association of Public Pension Attorneys
- Member, American Bar Association
- Member, Health Law Section, American Bar Association

Community Involvement

- Humane Society of Indianapolis, Volunteer

Maria Montero

Associate Chicago
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p 312-726-7129

assistant Cass Brady
p 614-462-2254
email cass.brady@icemiller.com

Education

Undergraduate School
Bachelor of Science, *with honors*, University of Illinois 2013

Law School
University of Chicago Law School 2016

Admissions

Illinois
United States District Court - Northern District of Illinois

Overview

Maria Montero is an associate in Ice Miller's Workplace Solutions Group, with a focus on employee benefits. Maria advises private employees in all aspects of employee benefits, particularly on the design, administration, and compliance of defined contribution and defined benefit pension plans, employee stock ownership plans (ESOP), and health and welfare plans.

Maria also has experience analyzing employee benefit and design issues in the context of mergers and acquisitions, as well as advising clients on the design, implementation, and tax considerations of incentive, deferred compensation, and equity-based compensation arrangements.

Community Involvement

- Chicago Volunteer Legal Services Junior Board, Member (November 2021–present)

Shalina Ann Schaefer

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assistant Diane Sweeney
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Education

Undergraduate School
Bachelor of Arts, Political Science and History, University of Notre Dame 2005

Law School
Indiana University Maurer School of Law 2008

Admissions

Indiana

Overview

Shalina Schaefer concentrates her practice in employee benefits, with a primary focus on welfare benefit plans, qualified plans of for-profit entities, and church plans. She works with regional and national clients on benefit issues, such as plan formation and design of qualified pension and welfare benefit plans; administrative, compliance and implementation advice; and general consulting regarding benefit matters, including advice regarding third-party provider agreements.

Shalina advises clients on all aspects of the Patient Protection and Affordable Care Act that affect employee benefit plans, including coverage mandates and reporting requirements, and the employer shared responsibility provisions that apply to large employers.

Shalina is originally from South Bend, Indiana. She received her Bachelor of Arts in political science and history from the University of Notre Dame in 2005. She earned her juris doctor, *magna cum laude*, from Indiana University Maurer School of Law in 2008. While attending law school, Schaefer served as a notes and comments editor for the *Indiana Law Journal.*

She joined Ice Miller in September 2008 and is licensed to practice law in the state of Indiana.

Firm Publications

- 4/4/2023 - Guidance Issued on the End of the COVID-19 Emergency Periods and Impact on Benefits Plans
- 1/17/2023 - Secure 2.0 Highlights for Retirement Plan Sponsors

- 11/14/2022 - IRS Opens Determination Letter Program to 403(b) Plans
- 10/10/2022 - IRS Extends Helpful RMD Rule Transition Relief
- 9/1/2022 - *Employee Benefit Plan Review* | *Dobbs v. Jackson Women's Health*: Proactive Considerations for Employers
- 8/1/2022 - Update on Indiana's Abortion Bill
- 6/29/2022 - *Dobbs v. Jackson Women's Health* – Proactive Considerations for Employers
- 6/13/2022 - IRS Announces New "Pre-Audit" Pilot Program for Retirement Plans
- 5/10/2022 - HDHP and HSA Annual Limits Increase for 2023
- 2/11/2022 - Health Plan Fiduciaries Should Be Prepared for Service Provider Fee Disclosures
- 1/12/2022 - Federal Agencies Issue New Guidance on Health Plan Coverage Requirements For At-Home COVID-19 Tests
- 11/9/2021 - 2022 Cost of Living Adjustments for Your Retirement Plan Administration
- 5/19/2021 - IRS Issues Guidance on COBRA Subsidies Just In Time
- 5/12/2021 - HDHP and HSA Annual Limits Increase for 2022
- 3/22/2021 - Church Plans - Know the Rules
- 3/11/2021 - New Stimulus Act Provides Full COBRA Subsidies to Involuntarily Terminated Employees
- 3/8/2021 - Departments Issue New Guidance on COVID-19 Coverage Rules
- 3/3/2021 - Employer Action Required: Guidance on Plan Deadline Extensions During the National Emergency
- 2/23/2021 - IRS Issues Guidance on FSA Changes and Permits New Benefit Elections
- 1/11/2021 - EEOC Issues New Proposed Wellness Regulations
- 1/7/2021 - Year-End Legislation Brings More Than Just COVID-19 Relief: New Changes for FSAs and Employer-Based Health Plans
- 12/22/2020 - EEOC Issues New Guidance Addressing COVID-19 Vaccines for Employers
- 10/6/2020 - IRS Offers Transition Relief for ACA Reporting
- 6/29/2020 - IRS Releases Important Guidance Regarding Coronavirus-Related Distributions, Loans and RMD Waivers under the CARES Act
- 5/21/2020 - COVID-19 Extensions Are Not Mandatory for Governmental Plans
- 5/13/2020 - IRS Allows Mid-Year Election Changes for Health Plans, Health FSAs, Dependent Care FSAs in 2020
- 5/11/2020 - A Closer Look: Extended Deadlines
- 5/11/2020 - A Closer Look: Employer-Provided Student Loan Repayments
- 5/11/2020 - A Closer Look: Other CARES Act Provisions Affecting Health Plans
- 5/11/2020 - A Closer Look: Mandatory Coverage of COVID-19 Testing
- 5/11/2020 - A Closer Look: Suspension of Required Minimum Distributions
- 5/11/2020 - A Closer Look: Loan Increases and Repayment Relief
- 5/11/2020 - A Closer Look: Coronavirus-Related Distributions
- 5/11/2020 - Summary Table and In-Depth Analysis of COVID-19 Legislation for Employer-Based Retirement and Welfare Plans
- 3/30/2020 - 403(b) Plan Amendment Deadline Extended
- 3/27/2020 - Accessing Retirement Plan Funds Under CARES Act and Existing Law

- 3/12/2020 - HDHPs Can Cover COVID-19 Testing and Treatment Without Cost-Sharing
- 1/23/2020 - More Retirement Plan Changes for Educational Employers
- 1/21/2020 - K-12 Update: Deadline for 403(b) Plan Corrections Drawing Near
- 8/14/2019 - IRS Expands List of Preventive Care Benefits for HSA-Compatible Plans
- 7/8/2019 - Final Rule Offers New Option to Fund Student Employee Health Coverage
- 6/24/2019 - A Move Forward for Defined Contribution Health Care: Final Rule Permits Employers to Offer Individual Coverage HRAs
- 5/24/2019 - House Passes Retirement Legislation
- 10/29/2018 - New Law Enables Tribal Council Members to Participate in Social Security
- 10/17/2018 - IRS Updates EPCRS, Changing VCP Submission Procedure

Published In

- "Don't Mess with RMDs!," *ASPPA Plan Consultant*, Spring 2020
- "RMD Compliance Concerns for Plan Sponsors," *ASPPA Plan Consultant*, Winter 2020
- *Indiana Law Journal*, Vol. 83
- *NAPPA Report* Vol. 24, No. 2, "Health Care Reform and Governmental Group Health Plans: The Initial Impact," Mary Beth Braitman, Terry A.M. Mumford, Shalina Schaefer, Tara Sciscoe and Christopher Sears
- "Covering the Kids: The Patient Protection and Affordable Care Act's Adult Child Coverage Mandate" *Health Care Law Monthly,* July 2011, Volume 2011, Issue No. 7

Ice Miller News

- 11/17/2022 - Taryn Stone and Shalina Schaefer Featured in IHEN Podcast: "Roe v. Wade: Legislation Update"
- 8/18/2022 - 108 Ice Miller Attorneys Listed in *The Best Lawyers in America®* 2023 Edition
- 8/17/2022 - Ice Miller Forms Post-*Roe* Task Force
- 3/20/2019 - Shalina Schaefer Quoted in Indiana Lawyer: "Southern District Case Challenges Reduction of U.S. Social Security Benefits for Canadians"

Speaking Engagements

- "Wellness and the Law," Indiana Health and Wellness Summit, Formula for Wellness, Oct. 3, 2017
- Health and Welfare Seminar, International Society of Certified Employee Benefit Specialists (ISCEBS) - Central Indiana Chapter, May 10, 2017
- Health and Welfare Seminar, International Society of Certified Employee Benefit Specialists (ISCEBS) - Central Indiana Chapter, May 11, 2016
- "ACA Reporting - How the First Year Went," Core Lawyer Working Group, July 18-19, 2016
- "Legal Check-Up: Screening Your Wellness Program for Compliance with HIPAA, ADA & GINA," Core Lawyer Working Group, July 13-14, 2015
- "Preparing for 2014: Employer Responsibilities Under the Affordable Care Act" HR Indiana Annual Conference, Aug. 29, 2013, Sarah Funke and Shalina Schaefer
- "The Legal Side of Wellness," Greater Lafayette Workplace Wellness Symposium, Feb. 22, 2013

- "Health Care Reform: What Do Employers Need To Do To Comply Now?" Central Illinois Employers' Health Care Conference, Oct. 12, 2010, Christopher Sears and Shalina Schaefer
- "An Action Plan for 2011 Compliance," BNA Webinar, July 29, 2010, Tara Sciscoe, Christopher Sears and Shalina Schaefer
- "What Do You Need to Know About the Early Retiree Reinsurance Program?" Ice Miller Webinar, June 28, 2010, Tara Sciscoe, Christopher Sears and Shalina Schaefer
- "What Do You Need to Know About Health Care Reform?" Indiana Association of Cities and Towns, May 18, 2010, Mary Beth Braitman and Shalina Schaefer
- "Health Care Reform: Impact on Employers and Benefit Plans," Indianapolis Chamber of Commerce, April 29, 2010, Tara Sciscoe, Christopher Sears and Shalina Schaefer

Awards and Recognitions

- *The Best Lawyers® in America*, Employee Benefits (ERISA) Law, 2023

Memberships

- Member, Indiana Bar Association

Community Involvement

- Board Member, Social Health Association of Indiana, Inc., 2011-2015

Appendix A-15

Tara Schulstad Sciscoe

Partner Indianapolis
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assistant Cynthia J. Worth
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email cindy.worth@icemiller.com

Education

Undergraduate School
Bachelor of Arts in Psychology and Political Science, Duke University 1991

Law School
University of Michigan Law School 1994

Admissions

Indiana

Overview

Tara Schulstad Sciscoe is a partner in Ice Miller's Workplace Solutions Group in Indianapolis, where she focuses her practice on assisting clients with employee benefits and executive compensation matters. She advises employers, plans and trusts with respect to the design and compliance of their employee benefit programs, including their retirement plans, deferred compensation plans, health and welfare plans, severance plans, early retirement programs, executive compensation programs, tuition remission and fringe benefit plans, and phased retirement programs.

Examples of key matters:

- Advising governmental, private and tax-exempt employers with respect to Health Care Reform compliance
- Designing and implementing early retirement programs for colleges and universities
- Structuring, drafting and implementing executive compensation programs for presidents, administrators, officers, and coaches
- Working with church plans with respect to retirement and welfare plan compliance across multiple interrelated programs and across multiple states
- Advising employers regarding wellness programs, cafeteria plan compliance, health savings accounts, and defined contribution health care strategies
- Consulting with tax-exempt and governmental educational employers and state systems on all aspects of 403(b), 457(b), and 401(a) plan compliance

- Working with plan sponsors on fiduciary compliance with respect to their retirement plans

Tara graduated from Duke University in 1991 and earned her juris doctor, from the University of Michigan in 1994, where she was a contributing editor of the *Michigan Law Review*. Born in Indianapolis, Indiana, Tara joined Ice Miller in 1994.

Reported and Representative Cases

- *Fairfield Mfg. Co. v. Hartman,* 132 F. Supp. 2d 1142 (N.D. Ind. 2001)
- *Eaton v. Onan Corporation,* 117 F.Supp. 2d 812 (S.D. Ind. 2000).
- *Marriott Mgmt. Services Corp. v. School Employees Retirement System,* Nos. 96-4191, 96-4194 (6th Cir. 1998)
- *Reilly v. Daly,* 666 N.E.2d 439 (Ind. App. Ct. 1996)

Firm Publications

- 4/4/2023 - Guidance Issued on the End of the COVID-19 Emergency Periods and Impact on Benefits Plans
- 3/29/2023 - Emergency Savings Accounts: What We Know (So Far)
- 1/17/2023 - Secure 2.0 Highlights for Retirement Plan Sponsors
- 11/14/2022 - IRS Opens Determination Letter Program to 403(b) Plans
- 11/10/2022 - Time to Dig In: SEC Issues Final Clawback Rules for Incentive Compensation
- 11/3/2022 - 2023 Cost-of-Living Adjustments for Health and Welfare Plans
- 10/10/2022 - IRS Extends Helpful RMD Rule Transition Relief
- 9/2/2022 - *Dobbs v. Jackson Women's Health*: Key Considerations for Employers Webinar Recording
- 8/22/2022 - IRS Extends Deadlines for Amending a Retirement Plan or IRA for Certain Provisions of SECURE Act, Miners Act, and CARES Act
- 8/1/2022 - Update on Indiana's Abortion Bill
- 7/8/2022 - *Law360* | Navigating The IRS Pre-Audit Retirement Plan Pilot Program
- 6/13/2022 - IRS Announces New "Pre-Audit" Pilot Program for Retirement Plans
- 5/10/2022 - HDHP and HSA Annual Limits Increase for 2023
- 3/18/2022 - IRS Releases Proposed RMD Rule
- 2/11/2022 - Health Plan Fiduciaries Should Be Prepared for Service Provider Fee Disclosures
- 1/27/2022 - Expect the Breach of Fiduciary Duty Cases to Keep on Coming
- 1/12/2022 - Federal Agencies Issue New Guidance on Health Plan Coverage Requirements For At-Home COVID-19 Tests
- 11/9/2021 - 2022 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/20/2021 - Rollovers as Business Start-Ups (ROBS): What to Know When Financing a Business Using Your 401(k), IRA or Other Retirement Funds
- 7/19/2021 - IRS Updates the EPCRS Correction Program (Rev. Proc. 2021-30)
- 6/18/2021 - The U.S. Supreme Court Upholds the Affordable Care Act, Again
- 5/19/2021 - IRS Issues Guidance on COBRA Subsidies Just In Time
- 5/12/2021 - HDHP and HSA Annual Limits Increase for 2022
- 5/3/2021 - DOL Issues New Cybersecurity Guidance: A Step Towards Minimum Expectations
- 3/22/2021 - Church Plans - Know the Rules

- 3/12/2021 - Reminder: Annual Tax Withholding Notice and New IRS Draft Withholding Form W-4R
- 3/11/2021 - New Stimulus Act Provides Full COBRA Subsidies to Involuntarily Terminated Employees
- 3/8/2021 - Departments Issue New Guidance on COVID-19 Coverage Rules
- 3/3/2021 - Employer Action Required: Guidance on Plan Deadline Extensions During the National Emergency
- 2/23/2021 - IRS Issues Guidance on FSA Changes and Permits New Benefit Elections
- 1/19/2021 - Retirement Plan Provisions in the Consolidated Appropriations Act of 2021
- 1/11/2021 - EEOC Issues New Proposed Wellness Regulations
- 1/7/2021 - Year-End Legislation Brings More Than Just COVID-19 Relief: New Changes for FSAs and Employer-Based Health Plans
- 12/29/2020 - Consolidated Appropriations Act of 2021
- 12/8/2020 - IRS Issues 2020 Required Amendments List
- 11/10/2020 - IRS Issues Final Regulations Updating Required Minimum Distribution Life Expectancy Tables
- 10/29/2020 - 2021 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/6/2020 - IRS Offers Transition Relief for ACA Reporting
- 10/5/2020 - IRS Issues Final Regulations on Income Tax Withholding on Certain Periodic Retirement and Annuity Payments made After December 31, 2020
- 8/25/2020 - IRS Modifies Language in the Safe Harbor Special Tax Notice
- 6/29/2020 - Additional IRS Guidance for CARES Act Loans, Coronavirus-Related Distributions and Required Minimum Distributions
- 6/29/2020 - IRS Releases Important Guidance Regarding Coronavirus-Related Distributions, Loans and RMD Waivers under the CARES Act
- 5/27/2020 - DOL Issues Final Rule on Electronic Delivery
- 5/21/2020 - COVID-19 Extensions Are Not Mandatory for Governmental Plans
- 5/13/2020 - IRS Allows Mid-Year Election Changes for Health Plans, Health FSAs, Dependent Care FSAs in 2020
- 5/12/2020 - IRS Releases Coronavirus-Related Relief for Retirement Plans Q&A
- 5/11/2020 - A Closer Look: Extended Deadlines
- 5/11/2020 - A Closer Look: Employer-Provided Student Loan Repayments
- 5/11/2020 - A Closer Look: Other CARES Act Provisions Affecting Health Plans
- 5/11/2020 - A Closer Look: Mandatory Coverage of COVID-19 Testing
- 5/11/2020 - A Closer Look: Suspension of Required Minimum Distributions
- 5/11/2020 - A Closer Look: Loan Increases and Repayment Relief
- 5/11/2020 - A Closer Look: Coronavirus-Related Distributions
- 5/11/2020 - Summary Table and In-Depth Analysis of COVID-19 Legislation for Employer-Based Retirement and Welfare Plans
- 5/4/2020 - IRS and EBSA Provide Additional Relief for Health and Retirement Plans and Participants Due to COVID-19
- 4/17/2020 - FAQs Clarify Health Plan Requirements of FFCRA and CARES Act

- 4/13/2020 - IRS Extends Time-Sensitive Deadlines to July 15, 2020 Due to COVID-19
- 3/31/2020 - CARES Act Expands Requirements for Health Plans
- 3/30/2020 - 403(b) Plan Amendment Deadline Extended
- 3/30/2020 - Reducing or Suspending Employer Retirement Plan Contributions Due to COVID-19
- 3/27/2020 - Accessing Retirement Plan Funds Under CARES Act and Existing Law
- 3/26/2020 - IRS Issues 2020 Form W-4P
- 3/24/2020 - FAQs Regarding COVID-19 and Governmental Retirement Plans
- 3/19/2020 - Coronavirus Response Act Requires Health Plans to Cover COVID-19 Testing
- 3/12/2020 - HDHPs Can Cover COVID-19 Testing and Treatment Without Cost-Sharing
- 1/23/2020 - More Retirement Plan Changes for Educational Employers
- 1/21/2020 - K-12 Update: Deadline for 403(b) Plan Corrections Drawing Near
- 1/10/2020 - DEVELOPMENT: Reduced Age for In-Service Distributions
- 1/7/2020 - Required Amendments List for Individually Designed Retirement Plans
- 12/30/2019 - IRS Issues 2019 Required Amendments List
- 12/27/2019 - SECURE Act Becomes Law
- 12/13/2019 - Reminder: Annual Tax Withholding Notice
- 11/15/2019 - Do the Final Regulations on Hardship Distributions Affect 457(b) Plan "Unforeseeable Emergencies"? Not directly.
- 11/7/2019 - 2020 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/29/2019 - IRS Releases Information on 2020 Projects
- 10/28/2019 - DOL Proposes Regulations to Expand Electronic Distribution Options
- 10/2/2019 - Hardship Distributions – Final Regulations Make Minor Changes to Proposed Regulations
- 10/1/2019 - Final Regulations on Hardship Distributions Make Few Changes to Proposed Regulations
- 9/13/2019 - Motion to Dismiss Granted in Pending Lawsuit Regarding Governmental Plan Status
- 9/5/2019 - Anticipating Changes to Form W-4P for 2020
- 8/30/2019 - No Changes Yet to Form W-4P
- 8/14/2019 - IRS Expands List of Preventive Care Benefits for HSA-Compatible Plans
- 8/13/2019 - Are You Ready? Proposed Regulations on Hardship Distributions
- 7/18/2019 - Are You Ready? Proposed Regulations Regarding Hardship Distributions
- 7/8/2019 - Final Rule Offers New Option to Fund Student Employee Health Coverage
- 6/24/2019 - A Move Forward for Defined Contribution Health Care: Final Rule Permits Employers to Offer Individual Coverage HRAs
- 6/11/2019 - IRS Issues Proposed Regulations on Withholding for Periodic and Non-Periodic Payments
- 5/24/2019 - House Passes Retirement Legislation
- 5/2/2019 - IRS Expands Self-Correction Program for Certain Plan Failures
- 4/2/2019 - State Supreme Courts Decide Vested Rights
- 4/1/2019 - Updated Internal Revenue Service Operational Compliance List
- 3/26/2019 - School Corporations with 403(b) Plans: IRS Permits Restatement of Plans to Correct Errors

- 3/11/2019 - Selected Regulatory Developments for Governmental Plans
- 1/15/2019 - IRS Increases User Fees for Certain Requests for Private Letter Rulings and Requests for Determination on Plan Termination
- 12/17/2018 - Texas Court Declares Affordable Care Act Unconstitutional
- 12/10/2018 - New Excise Taxes Applicable to Tax-Exempt Organizations
- 12/7/2018 - Governmental Plan Status is Key Issue in Pending Lawsuit
- 11/29/2018 - No 2018 "Required Amendments" for Individually-Designed Plans
- 11/28/2018 - IRS Issues Proposed Regulations Regarding Hardship Distributions
- 11/26/2018 - Highlights of the Regulatory Plan and Unified Agenda (Fall/Winter 2018)
- 11/7/2018 - 2019 Cost of Living Adjustments for Your Retirement Plan Administration
- 10/17/2018 - IRS Updates EPCRS, Changing VCP Submission Procedure
- 10/11/2018 - IRS Updates EPCRS, Changing VCP Submission Procedure
- 10/8/2018 - TE/GE Fiscal Year 2019 Program Letter
- 9/25/2018 - Reminder: Annual Tax Withholding Notice
- 9/24/2018 - IRS Updates Safe Harbor Special Tax Notice Language
- 9/5/2018 - New Changes in 2018 for Form 1099-R Reporting
- 6/14/2018 - The Advisory Committee on Tax Exempt and Government Entities ("ACT") - 2018 Report
- 5/15/2018 - HDHP and HSA Annual Limits Increase for 2019
- 12/8/2017 - Senate's Amended Tax Bill: Several "Hot Button" Items Removed (For Now), But Many Important Changes Remain

Published In

- Keeping Your 403(b) Plan Compliant," published in *Plan Consultant*, Fall 2021
- IRS Announces Transition Relief for 403(b) Plan Exclusions of Part-Time Employees," *Employee Benefit Plan Review*, Volume 73, Number 3, March/April 2019
- "Employee Benefits & Executive Compensation," published in *Practical Law Newsletter*, Feb. 2019
- "Bipartisan Budget Act of 2018 Brings Changes for Retirement Plans," published in *BenefitsLink Retirement Plans Newsletter*, Feb. 22, 2018
- "Retirement Plans Face New Challenges to Demonstrating Compliance," published by the Illinois Manufacturers' Association, Aug. 21, 2017
- "Retirement Plans Face New Challenges to Demonstrating Compliance," published in Inside Indiana Business, Aug. 20, 2017
- "Fee Litigation Hits Higher Education," published in the Daily Herald Business Ledger, Sept. 22, 2016
- "Covering the Kids: The Patient Protection and Affordable Care Act's Adult Child Coverage Mandate," *Health Care Law Monthly,* July 2011, Volume 2011, Issue No. 7
- "Health Care Reform and its Effect on Student Health Plans," NACUANote, Spring 2011
- "Health Care Reform and Colleges and Universities: The Initial Impact," NACUANote, Fall 2010
- Compliance with the New 403(b) Regulations," NACUANote, Fall 2008
- "Should I Stay or Should I Go? Early Retirement Incentive Programs," Summer 2007, NACUA

- "Take Control of Your Retirement Plan," November 2006, *NACUBO Business Officer Magazine*
- "Rethinking Deferred Compensation Plans for Executives of Tax-Exempt Employers," *Journal of Deferred Compensation,* Aspen Publishers, Vol. 8, No. 3, Spring 2003

Ice Miller News

- 1/12/2023 - Tara Sciscoe Quoted in Bloomberg Law *Daily Labor Report*: "Nonprofit Retirement Plans to Mirror 401(k)s With New SECURE Law"
- 8/18/2022 - 108 Ice Miller Attorneys Listed in *The Best Lawyers in America*® 2023 Edition
- 8/17/2022 - Ice Miller Forms Post-*Roe* Task Force
- 1/10/2022 - Tara Sciscoe Accepted to Serve on Internal Revenue Service Advisory Council
- 8/19/2021 - Ice Miller Attorneys Recognized by Best Lawyers® as 2022 "Lawyers of the Year," "Best Lawyers in America" and "Best Lawyers: Ones to Watch in America"
- 8/20/2020 - 121 Ice Miller Attorneys Listed in *The Best Lawyers in America*© 2021
- 8/15/2019 - 108 Ice Miller Attorneys Listed in *The Best Lawyers in America*© 2020
- 8/15/2018 - 17 Ice Miller Attorneys Recognized by *Best Lawyers*® as 2019 "Lawyers of the Year"
- 8/15/2018 - 105 Ice Miller Attorneys Listed in *The Best Lawyers in America*© 2019

Speaking Engagements

- "Dobbs v. Jackson Women's Health: Key Considerations for Employers," Ice Miller webinar, September 2, 2022
- "Church Plan Litigation Update" and "Correcting Plan Errors," Core Lawyer Working Group 2022 Annual CLE, July 18, 2022
- "ERISA and ESG Investing," Core Lawyer Working Group 2021 Annual CLE, July 22, 2021
- "Employer Sponsored Health Plan Changes in the Consolidated Appropriations Act of 2021," Ice Miller webinar, February 9, 2021
- "Recent Legislation of Interest for Church Plans", webinar for Church Benefits Association and Church Alliance, March 5, 2020
- "The New CARES Act and its Retirement-Related Provisions", webinar for National Council on Teacher Retirement ("NCTR"), April 9, 2020
- "Federal Tax Update," National Association of College and University Attorneys' 2019 Annual conference, Denver, Colorado, June 25, 2019
- Central Indiana Chapter ISCEBS Health and Welfare Seminar K12 Education Presentation, Carmel, IN, May 21, 2019
- "A Retirement Plan Workshop for K-12 Schools," Indianapolis, IN, May 1, 2019
- "Code Section 4960 Excise Tax," SEC Chief Financial Officer Meeting, Nashville, TN, March 13, 2019
- "People Payments: Executive Compensation Tax Issues," Higher Education Tax Institute, Austin, TX, June 5, 2018
- Central Indiana Chapter ISCEBS, Health and Welfare Seminar, Carmel, IN, May 16, 2018
- "Higher Education Retirement Plans: Update on Litigation and Risk Mitigation Considerations," NACUA webinar, April 12, 2018
- "The Latest on Retirement Plan Fee Litigation," NACUA Employment Law Conference, March 23, 2018

- "Mitigating Risk and Achieving Audit Readiness for Your Retirement Plans," Ice Miller Higher Education Seminar, Philadelphia, PA, November 7, 2017
- "Fee Litigation and Fiduciary Duties," Ohio Attorney General Office, Columbus, OH, October 27, 2017
- "Creating Effective and Compliant Employee Benefit Plans," Indiana Public School Corporation Seminar, October 24, 2017
- "Wellness and the Law: Structuring a Legally Compliant Workplace Wellness Program," Indiana Health and Wellness Summit, Indianapolis, IN, October 3, 2017
- "Deferred Compensation and Employment Agreements," 5th Annual Higher Education Taxation Institute Tax Forum, University of Texas, Austin, TX, June 6, 2017
- "What's New for Health Care Reform?," National Association of College and University Attorneys' 2017 Annual Conference, Chicago, IL, June 25, 2017
- "Fee Litigation" and "Update on Final Fiduciary Advice Rule," Core Lawyers Working Group 2017 Annual CLE, Philadelphia, PA, June 8, 2017
- Central Indiana Chapter ISCEBS Health and Welfare Seminar Presentation, May 10, 2017
- "Graduate Student Health Insurance and the Affordable Care Act," AGS 68th Annual Meeting, San Diego, CA, September 19, 2016
- "Third Party Payees and Power of Attorney," Core Lawyers Working Group 2016 Annual CLE, New York, NY, July 18, 2016
- Central Indiana Chapter ISCEBS Health and Welfare Seminar Presentation, May 13, 2016
- "Affordable Care Act Update," Indiana Chamber of Commerce, Indiana Human Resources Update, September 10, 2015
- "Rollovers, Contract Exchanges and Plan to Plan Transfers" and "IRS Audits and Church Plans," Core Lawyers Working Group 2015 Annual CLE, Chicago, IL, July 13, 2015
- "The Affordable Care Act on Campus in 2015: Ask the Experts," National Association of College and University Attorneys' 2015 Annual Conference, Washington, DC, June 30, 2015
- "Surviving an IRS Audit," Indiana Plan Sponsor Workshop, June 9, 2015
- "2015 Health & Welfare Update Seminar," Central Indiana Chapter - ISCEBS & Ice Miller, May 19, 2015
- "Ethics in the Cloud," Church Plan Workshop, Scottsdale, AZ, April 28, 2015
- "Trends & Benchmarking Higher Education Plans," webinar for White Oak Advisors, March 10, 2015
- "The Final Countdown: Preparing for the Employer Mandate and Reporting for Educational Institutions," webinar for Everence members, November 17 and 19, 2014
- "Health Care Reform Update," Indiana Chamber of Commerce, seminar for constituent members, October 30, 2014
- "Navigating the Complicated Landscape of ACA Implementation: Health Insurance Requirements and Defining Full-Time Employees," American Conference Institute's Forum on Legal, Regulatory & Compliance Forum on Higher Education Law, Chicago, IL, October 7, 2014
- "Benefits Law Briefing: Welfare Benefits Program," American Benefits Council, virtual seminar, August 28, 2014
- "The Affordable Care Act: Are You Ready for Pay or Play?," National Association of College and University Attorneys' Annual Conference, Denver, CO, June 22, 2014

- "The Affordable Care Act: Compliance Issues for Colleges and Universities," National Association of College and University Attorneys in Cooperation with the American Council on Education and the College and University Professional Association for Human Resources, virtual seminar, May 6, 2014
- "The Affordable Care Act: Compliance Issues for School Corporations," Indiana Association of School Business Officials Annual Meeting, French Lick, IN, May 9, 2014

Awards and Recognitions

- *The Best Lawyers® in America*, Employee Benefits (ERISA) Law, 2013-2023
- *The Best Lawyers®* 2019 and 2022 "Lawyer of the Year" in Employee Benefits (ERISA) Law
- AV-Preeminent, Martindale-Hubbell, Peer Review Ratings

Memberships

- Member, Section on Taxation, American Bar Association
- Member, National Association of College and University Attorneys (NACUA)
- Member, Church Benefits Association (CBA) Core Lawyer Working Group (CLWG)
- Member, Internal Revenue Service Advisory Committee (IRSAC)

Community Involvement

- Board Member, Second Helpings
- NACUA Notes Committee
- Eiteljorg Museum Advisory Board Committee
- Past Park Tudor School Annual Fund Committee
- Past BSA Troop 180 Committee Chair and Camping Coordinator
- Past Committee Member, St. Richard's School, Regalia
- Past Board Member, Art with a Heart
- Past President and Board Member, Social Health Association

Internal Committees

- Ice Miller, Chair of Higher Education Practice Group
- Ice Miller, Co-Chair Retirement Plans Committee
- Ice Miller, Mentoring Program

Siddharth Bose

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Education

Undergraduate School
Bachelor of Science in Computer Engineering, University of Illinois, Urbana-Champaign 2007

Graduate School
Master of Science in Electrical Engineering, Southern Illinois University 2009

Law School
St. Louis University 2014

Admissions

Indiana
United States District Court - Northern District of Indiana
United States District Court - Southern District of Indiana
United States Patent and Trademark Office

Overview

Siddharth "Sid" Bose is a partner in Ice Miller's Data Security and Privacy Practice.

As part of Ice Miller's Data Security and Privacy practice, Sid counsels clients on various data security, privacy and compliance matters. His practice focuses on the intersection of technology and law. As a former IT systems engineer, Sid leverages his past IT experience to advise clients on matters related to privacy law, vendor negotiations and agreements, audit and compliance, data breaches and incident response, disaster recovery, and fast emerging technologies including blockchain, artificial intelligence (AI), privacy and large-scale data analytics, and augmented/virtual reality.

Sid is also an adjunct professor at the Indiana University, Maurer School of Law. Sid teaches at the IU Cybersecurity Clinic on cybersecurity risk management and cybersecurity preparedness in pressing local, national, and global initiatives.

Sid is a current board member of the Central Indiana chapter of Information Systems Security Association (ISSA). He is also a volunteer with the National Telecommunications and Information Administration's

(NTIA), working group on IoT Security, Upgradability and Patching. As part of the working group, Sid participates in discussions on the impact of IoT devices and the need for a secure lifecycle approach to IoT devices. Sid is also a former co-chair of the Indianapolis chapter of the International Association of Privacy Professionals.
Sid also works on website accessibility matters. He understands that addressing website accessibility barriers can be challenging for clients. Resolving issues may require complex coding or architecture changes. To that end, Sid has helped clients develop a strategy to ensure they meet applicable accessibility requirements. Sid works with consultants and software developers to assess a client's current compliance posture and accessibility of a client's website(s), develops a strategy for remediating relevant accessibility barriers, and provides guidance in developing accessibility roadmaps that can mitigate risk from frivolous litigants.

Sid's work includes assisting clients with Web Content Accessibility Guidelines (WCAG) versions 2.0 and 2.1. Some of his representative work includes:

(1) Assisting a white-label software vendor develop a software development roadmap for its commercial software platform.
(2) Working with a real-estate management company with accessibility issues for over 20 websites that the company operated.
(3) Helping an educational institution that was in the process of obtaining financial services that included an online and mobile platform, and negotiating contract provisions around accessibility requirements for the financial services provider's online and mobile platforms.
4) Handling various frivolous "demand" letters that clients received from various firms alleging ADA violations, and negotiating settlement of demand letters; some without any payment.

Sid is also a registered patent attorney, whose intellectual property practice focuses on patent drafting and prosecution for domestic and foreign patents. Sid also works in areas of trademarks, copyrights, licensing, technology transactions, intellectual property protection, enforcement, and litigation.

Prior to joining Ice Miller, Sid was an IT Performance Specialist for almost 9 years, at a large multi-national company in St. Louis, MO. He was tasked with the assessment, testing and delivery of business critical applications and IT infrastructure services. Sid designed test cases to performance benchmark various hardware and software technologies. He also helped establish formalized IT processes for the successful testing and release of enterprise business applications.

As part of his IT role, Sid also assisted in the negotiations of license and support contracts with various IT vendors to help maximize the value of vendor relationships.

Sid has also worked as an extern in the Office of General Counsel at one of Missouri's largest utility companies. Sid's work covered research in the areas of construction financing- particularly, prudence analysis and construction work in progress (CWIP); real estate and zoning laws; local and federal government regulatory affairs, including Federal Energy Regulatory Commission (FERC) compliance issues; and corporate affairs.

Sid received his Bachelor of Science in Computer Engineering from University of Illinois, at Urbana-Champaign, in 2007. He received his Master of Science in Electrical Engineering from Southern Illinois University, at Edwardsville, in 2009. He received his juris doctor, *cum laude*, from Saint Louis University School of Law in 2014.

Firm Publications

- 8/12/2022 - FTC Announces Potential Rulemaking Targeting Mass Commercial Surveillance and Lax Data Security Practices
- 1/6/2022 - Federal Regulator Highlights Duty for Companies to Mitigate Cybersecurity Vulnerability
- 12/14/2020 - Hackers Well-Schooled in Attacking K-12 Systems
- 4/29/2020 - New York Tightens Data Security Laws Amidst Increased Cyber-Crime Risks

Published In

- "*Domino's* Effect: SCOTUS Skips Clarifying ADA Web Access," *Indiana Lawyer*, Dec. 11, 2019
- "The Cybersecurity Legal Plot Thickens," *SecurityInfoWatch*, Feb. 13, 2018
- "Clean Up in Aisle III," *Inside Indiana Business*, Oct. 19, 2017
- "I Told You So: An Approach to Notice and Choice in the Internet of Things," *Inside Indiana Business*, April 21, 2017
- "Approaching Notice And Choice In The Internet Of Things," Law360, Sept. 15, 2016

Ice Miller News

- 1/3/2022 - Ice Miller Announces New 2022 Partners
- 10/19/2021 - Sid Bose Quoted in *Commercial Integrator*: "Why You Need Good Legal Help In Pro AV"
- 8/19/2021 - Ice Miller Attorneys Recognized by Best Lawyers® as 2022 "Lawyers of the Year," "Best Lawyers in America" and "Best Lawyers: Ones to Watch in America"
- 2/25/2021 - Ice Miller Announces 30 Attorneys Named 2021 Indiana Super Lawyers, 12 Named 2021 Rising Stars

Speaking Engagements

- "Keeping Passwords, Financial, and Personal Information Safe," Lorman Webinar, November 14, 2019
- "Online Legal Research, Google Scholar, MS Office and Other Technological Skills in Legal Practice," NBI/IPE Seminar, Indianapolis, IN, November 8, 2019
- "HIPAA Audits, The OCR Hammer and the Ever Evolving HIPAA: How You Can Be Prepared," Expo.Health, Boston, MA, August 1, 2019
- "Lucky Number 13: Compliance 'Gotchas' in View of New CIP-013," 2019 Indiana Conference on Energy Management, Indianapolis, IN, June 4, 2019
- "It's Out There: Understanding the Financial Impacts of Cyber Security Risk," Government Finance Officers Association Conference, Los Angeles, CA, May 17, 2019
- "Forensics: Past, Present, Future. Where are we in 2019," The Masters Conference, Chicago, IL, May 16, 2019
- "GDPR Updates," Indiana Security and Privacy Network (InSPN), Indianapolis, IN, November 1, 2018
- "Who Would Hack a Baby Monitor? Privacy Issues with Internet of Things and Consumer Product Internet of Things", ICLEF Indiana Consumer Law: Consumer Credit and Consumer Products Issues, Indianapolis, IN, May 23, 2018
- "Information Security Panel," ProSource Summit, Nashville, Tennessee, March 5, 2018

- "Device Security," IoT Evolution Expo, Orlando, Florida, January 22, 2018
- "Be My Wingman Any Day: Why Legal and the ISO Need to Fly Together!" 2017 ISSA International Conference, San Diego, California, October 10, 2017
- "Ransomware and Other Cyber-Crime," 68th Annual Indiana Schools Boards/IAPSS Fall Conference, Indianapolis, Indiana, October 3, 2017
- "Building Secure:Understanding Legal Issues in the Age of IoT," CEDIA 2017, San Diego, California, September 8, 2017
- "The Other Side of the Coin- The Legal Issues in the IoT," Central Indiana ISSA Meeting, Indianapolis, Indiana, June 8, 2017
- An "Internet of Things" Privacy and Security Primer, Lorman Education Series, May 17, 2017
- "Secuity and Privacy in The Internet of Things," Ice Miller CLE, Indianapolis, Indiana, December 12, 2016
- "The Internet of Things," Ice Miller CLE, Columbus, Ohio, December 6, 2016
- "Data Security and Privacy Challenges for Higher Education: Protecting Your Data, Your Students, and Your Institution," Indianapolis, Indiana, November 18, 2016
- "Cybercrime: A Growing Challenge for NFPs," 2016 BKD Financial Services Symposium, Indianapolis, Indiana, November 16, 2016
- "Cybercrime: A Growing Challenge for NFPs," 2016 BKD Financial Services Symposium, Columbus, Ohio, November 9, 2016
- "Cybercrime: A Growing Challenge for NFPs," 2016 BKD Not-for-Profit Seminar Vision Series, Indianapolis, Indiana, November 8, 2016
- What you Need to Know About Early Learning Data Sharing- Best Practices in Data Integration, Data Privacy, and Security, at Child Care Aware® of America Symposium 2016, Washington D.C., April 4, 2016
- "Data Breach: Guarding Against and Responding to a Data Breach," CO-ACC Data Privacy and Professionalism CLE Presentation, Columbus, Ohio, March 19, 2015

Awards and Recognitions

- Indiana Super Lawyers, Rising Star 2021-2022

Memberships

- International Association of Privacy Professionals' (IAPP) Indianapolis Chapter, Co-chair, 2016
- American Intellectual Property Law Association
- St. Louis Computer Management Group
- International Association of Privacy Professionals, co-chair (2016- 2017)
- Central Indiana - Information Systems Security Association (CI-ISSA), Board Member
- Lorman Distinguished Faculty Member

Professional Certifications

- Certified Information Privacy Technologist (CIPT)
- ITIL v3 Foundations Certified
- SAP E2E Root Cause Analysis Certified

Jim Watson

Partner Indianapolis
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f 317-592-5444

Education

Undergraduate School
Bachelor of Arts, University of Illinois 1994

Graduate School
Master of Business Administration, University of Illinois 1995

Dual Master's Certificate in Advanced Cyber Security and Information Security Management, Villanova University 2017

Law School
Washington University School of Law 1998

Admissions

Indiana
Missouri

Overview

Jim Watson is a partner in Ice Miller's Litigation Practice Group. Jim has spent more than 20 years working in federal law enforcement in cyber security and data privacy. His experience in information security, data protection, privacy, crisis management, ethics, compliance, cryptocurrency, internal investigations and emerging technologies allows him to ready companies for cyber events through cyber risk assessment, incident response preparedness, and data breach response, to assess the privacy issues with emerging technologies, and to utilize his investigative skills in sensitive matters. Jim is an FBI Certified Cyber Instructor and holds Global Information and Assurance Certifications (GIAC) in the Law of Data Security & Investigation (GLEG) and a GIAC Security Essentials (GSEC). His work has been recognized by the FBI with its Medal of Excellence and by the Federal Law Enforcement Officers Association with the National Award for Investigative Excellence. He was also recognized by the National Center for Missing and Exploited Children with a Law Enforcement Officer of the Year Award.

Prior to joining Ice Miller, Jim served as Chief Division Counsel for the FBI where he advised on cyber and technology matters associated with both criminal and national security investigations. In addition, as general counsel for the Indianapolis Division of the FBI (INFBI), Jim managed all internal investigations within the office.

Previously, Jim served as Associate Division Counsel and cybercrime supervisor for the INFBI. He has also worked as a legal advisor, Special Agent and Supervisory Special Agent in Washington, D.C., Indiana, Florida, Illinois and Missouri. In Washington, D.C., he served in the Cyber National Security Section at the National Cyber Investigative Joint Task Force, which involved managing cyber counterterrorism and global counterintelligence matters, and serving as team leader of a cyber terrorism threat focus cell.

Jim is an Adjunct Professor with Butler University, Anderson University and IUPUI. Jim began his legal career as an associate at a St. Louis, Missouri-based law firm. He earned his juris doctor from Washington University in St. Louis and his Dual Master's in Advanced Cyber Security and Information Security Management from Villanova University.

Ice Miller News

- 5/24/2022 - Ice Miller Welcomes Veteran Cybersecurity Law Enforcement Agent James Watson

Awards and Recognitions

- Medal of Excellence – FBI, August 2019
- Law Enforcement Officers of the Year – National Center for Missing and Exploited Children (NCMEC), May 2013
- National Award for Investigative Excellence – Federal Law Enforcement Officers Association (FLEOA), May 2011

Memberships

- International Association of Privacy Professionals (IAPP)
- FBI Citizens Academy Alumni Association

Community Involvement

- Adjunct Professor, Butler University, Anderson University and IUPUI

Professional Certifications

- GIAC Advisory Board
- GIAC Law of Data Security & Investigations (GLEG)
- Leadership Professional in Ethics & Compliance (LPEC)
- GIAC Security Essentials Certification (GSEC)
- FBI Certified Cyber Instructor

Angad Chopra

Associate Chicago
200 W. Madison Street Suite 3500 Chicago, IL 60606-3417
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assistant Karen Alley
p 317-236-2418
email karen.alley@icemiller.com

Education

Undergraduate School
Bachelor of Arts, Political Science (cum laude), University of Arizona 2016

Law School
The Ohio State University Moritz College of Law 2021

Admissions

Illinois

Overview

Angad Chopra is an associate in Ice Miller's Data Security and Privacy Group. He joins the fall associate class as a previous summer associate at the Firm.

Angad earned his juris doctor from The Ohio State University Moritz College of Law. During law school, he held various leadership positions, including chief articles editor of the *Ohio State Law Journal*, treasurer and diversity chair of the American Constitutional Society and as a 1L Moot Court Clerk. Additionally, Angad was a research assistant for the Program on Data & Governance where he conducted legal research for various projects and initiatives including the Ohio Attorney General's Taskforce on Facial Recognition. Angad holds a Certified Information Privacy Professional U.S. Private-Sector Certification (CIPP/US) from the International Association of Privacy Professionals (IAPP).

In addition to his experience at Ice Miller, Angad previously worked for a law firm in Washington, D.C. as a design patent prosecution specialist, chair of the firm's global design patent prosecution committee and chair of its design workspace committee.

Angad graduated, *cum laude,* from the University of Arizona with a Bachelor of Arts in political science. In college, he founded the Arizona Global Health Project, a club dedicated to educating students on global health issues and providing healthcare and community outreach assistance to underprivileged communities in the United States and abroad. He also served as treasurer and president of the Arizona Model United Nations.

Additionally, Angad was director of marketing and university outreach for the United Nations Association of Southern Arizona and was a peer mentor for the University of Arizona School of Government and Public Policy.

Angad's personal interests include sports (NBA, NFL, MLB), jazz music, reading and hiking.

Firm Publications

- 2/17/2023 - California Moves to Finalize Draft Regulations While Colorado Proposes a New Slate of Rules
- 10/18/2022 - Gearing Up for Comprehensive Data Privacy and Security Legislation Across the States | Utah Consumer Privacy Act
- 10/4/2022 - Gearing Up for Comprehensive Data Privacy and Security Legislation Across the States | Connecticut Data Privacy Act
- 9/6/2022 - Gearing Up for Comprehensive Data Privacy and Security Legislation Across the States | Colorado Privacy Act
- 8/23/2022 - Gearing Up for Comprehensive Data Privacy and Security Legislation Across the States | Virginia Consumer Data Protection Act
- 8/9/2022 - Gearing Up for Comprehensive Data Privacy and Security Legislation Across the States | California Consumer Privacy Act & California Privacy Rights Act
- 5/23/2022 - Ice Miller Cybersecurity Law Snapshot: Settlement in Cybersecurity-Related False Claims Act Case, Europe Releases Hardened Directives, and CISA Warns of Looming Cyberattacks
- 4/11/2022 - Ice Miller Cybersecurity Law Snapshot: New Disclosure Rules on the Horizon and the White House Warns of Potentially Imminent Russian Cyberattacks
- 3/22/2022 - Ice Miller Cybersecurity Law Snapshot: Biden Signs into Law Critical Infrastructure Ransomware Payment and Cyber Incident Reporting
- 3/10/2022 - White House Coordinates Big Picture Conceptual Strategy to Address Digital Assets
- 3/7/2022 - Ice Miller Cybersecurity Law Snapshot: Russian Aggression Heightens Cybercrime Alert Level
- 2/22/2022 - Ice Miller Cybersecurity Law Snapshot: February's Federal Regulatory Rollout
- 2/7/2022 - Ice Miller Cybersecurity Law Snapshot: Cybersecurity-Related FCA Case, Small Business Cybersecurity Bill & NDAA's Nod to Voluntary Incident Reporting
- 2/3/2022 - Insurance "War Exclusion" Applies to "Traditional Forms of Warfare," Not Merck's $1.4B Cyber Loss Claim, Says Court
- 1/24/2022 - Ice Miller Cybersecurity Law Snapshot: New Year, Nuanced Approaches to Cybersecurity Vulnerabilities
- 12/27/2021 - Ice Miller Federal Cybersecurity Update: Holiday Hacker Prevention
- 11/22/2021 - Ice Miller Federal Cybersecurity Update: More Changes Ahead

Published In

- "Cyberattack—Intangible Damages in a Virtual World: Property Insurance Companies Declare War on Cyber-Attack Insurance Claims," *82 OHIO ST. L.J. 121*, 2021

Speaking Engagements

- Faculty Speaker 2022 PLI Illinois Basic Skills Course Lecture on Digital Ethics, Data Security & Privacy

Community Involvement

- Program Volunteer, Privacy+Security Forum: Fall & Spring Academy, May 2020 and October 2020 Program
- Global Classrooms International Model United Nations, May 2014 - August 2018
- American Model United Nations, November 2016 - August 2018
- Volunteer, Habitat for Humanity

Professional Certifications

- Certified Information Privacy Professional U.S. Private-Sector (CIPP/US)

Sékaran), providing our clients with an insider's view of health care law enforcement. Both entities and individual professionals seek our assistance to help them in a variety of criminal, civil and regulatory proceedings. We have been particularly successful at resolving preliminary inquiries and formal government investigations.

B) TEAM ORGANIZATION

Nossaman recognizes the importance of staffing matters to meet the needs and goals of the client. We propose a uniquely qualified team to provide legal services to the City. Melissa will lead our team and be the main point of contact. She will be supported by partners Thomas Dover, Michelle McCarthy, Jim Vorhis, Paul DeMuro, Raja Sékaran and associates and paralegals as needed.

Summaries of our team's qualifications and relevant experience are included on the following pages. For more details, please see complete resumes in **Appendix A: Resumes.**

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Melissa Borrelli | Partner. Melissa has worked in and around health care law and policy for almost two decades. She provides legal services and solutions to health payors, providers and others in the health, managed care and health plan industry, including both public and private sectors. Melissa offers legal counsel to commercial, specialized (including Employment Assistance Program, psychological, dental, vision and chiropractic/acupuncture), discount and government-based health plans, including Medi-Cal, Medicare and Marketplace. In addition, she advises health plans and risk-bearing providers on privacy and information security, licensing, contracting and other matters pertaining to the laws and standards of managed care, including the Knox-Keene Act, Welfare and Institutions Code, the federal Affordable Care Act, Public Health Service Act and accreditors such as the National Committee for Quality Assurance and Utilization Review Accreditation Commission. She advises on issues pertaining to privacy and information security, enterprise risk management, digital health, compliance and regulatory affairs, auditing/operational assessment, corporate governance, contracts, delegation oversight and due diligence. Her transactional work includes corporate governance, mergers and acquisition, and reorganization.

Prior to joining Nossaman, she worked in the health care consulting practice at an international tax and accounting firm and in-house at a California health plan. She also served as a lawyer with the California Department of Managed Health Care and completed a graduate fellowship placed at the California Health and Human Services Agency. She spent eight years teaching health and insurance law to graduate, undergraduate and paralegal students at multiple universities and colleges across California and co-authored the American Health Law Association's Managed Care Contracting Toolkit.

Melissa is certified in Health Care Compliance and Health Care Privacy Compliance through the Health Care Compliance Association.

NOSSAMAN LLP

Thomas Dover | Partner. Thomas, Chair of our Intellectual Property Group and Co-Lead of our Privacy/Data Security Group, represents public and private clients in procurements, systems and software transactions, technology licensing, financial and operational system procurement and negotiations and incorporating emerging technologies. Including his work with several Texas public entities and agencies, Thomas has extensive experience working with public entities and agencies on infrastructure development, software and technology licensing and trademark and branding issues. He represents LA Metro in the procurement and development of its innovative MicroTransit pilot project on matters related to intellectual property and privacy and data security issues, including the impact of state, federal and international privacy regulations. In addition, Thomas has provided counsel to the LADWP procurement of a large-scale replacement ERP solution as well as a new water trouble work management system, TxDOT on their toll system integration and back office system, Houston Metro's digital signage system and several other large public entity system transactions and procurements.

Outside of his practice, Thomas is the leader of Nossaman's LGBTQ Affinity Group, working to advance Nossaman's diversity efforts.

Michelle McCarthy | Partner. Michelle M. McCarthy has 20+ years of legal experience, serving as trustee-appointed counsel to some of the largest and most well-known pension, health and welfare funds in the nation.

Michelle provides legal guidance on myriad issues pertaining to employee benefit funds, including, but not limited to, advising her clients on compliance with applicable federal and state statutes, regulations and other guidance impacting employee retirement, health and welfare plan design and implementation; claims and appeals; benefit administration; cybersecurity; state and federal privacy laws; qualification under the Internal Revenue Code (IRC), underlying United States Department of Treasury (Treasury) regulations and other applicable guidance; maintaining tax-favored vehicle status; benefits administration; drafting administrative and trustee policies and procedures; advising on federal tax and international tax matters; as well as counseling on fiduciary duties and conducting fiduciary trainings.

In addition, Michelle advises on litigation matters arising out of claims and appeals and represents clients in agency investigations audits and voluntary corrective programs by the IRS, DOL and PBGC.

Michelle frequently speaks on employee benefit plan compliance issues at the International Foundation of Employee Benefits Plans annual conference, the American Bar Association, the Los Angeles County Bar Association, The Beverly Hills Bar Association, Lorman and more. Immediately upon joining Nossaman in March 2023, Michelle spoke on the Pensions, Benefits & Investments Briefings podcast "Secure 2.0 Brings Big Change to Retirement Plans."

In addition to her pro bono efforts, Michelle serves on the Board of Directors for Free Arts, an organization established to restore hope and resiliency to the homeless and impoverished youth of Los Angeles.

NOSSAMAN LLP

Jim Vorhis | Partner. Jim is a business litigator assisting clients in finding solutions to a wide range of disputes, with a particular emphasis on complex civil litigation in state and federal courts. His commercial litigation practice consists principally of business disputes involving insurance coverage, construction and financial services issues.

Jim represents a variety of public agency clients in insurance and litigation-related issues, including those related to environmental policies. In his insurance practice, he exclusively represents policyholder clients. His public agency client representation includes the Federal Deposit Insurance Corporation, more than ten California county employee retirement systems, including the California Public Employees' Retirement System, the Texas Department of Transportation, the Arizona Department of Transportation, the San Francisco County Transportation Authority and the Santa Clara Valley Water Agency, among others.

Jim has successfully represented clients in all phases of litigation and has developed experience managing complex discovery issues, conducting and defending depositions, and briefing and arguing major dispositive motions. He has helped clients achieve significant recoveries in several high-profile trials. Jim also is experienced in representing clients in alternative dispute resolution proceedings.

Paul DeMuro | Partner. Paul is a consultant with a PhD in Biomedical Informatics from a medical school in the Pacific Northwest and an attorney who provides novel legal solutions to clients in the health care industry. He advises on complex mergers and acquisitions, joint ventures and business transactions that streamline health care, real estate and information technology operations.

Paul has been involved in the Medi-Cal program since 1982, when the Medi-Cal contracting program was first introduced. He has advised on capitated managed care arrangements since 1983. He has worked with providers in the primary care case management (PCCM) program and on provider-sponsored health plans. He has provided counsel to clinically integrated health networks and Accountable Care Organizations.

He has counted accountable care organizations, hospitals, health care districts, physicians and managed care organizations among his clients. He routinely resolves their complicated issues concerning data analytics, quality, value-based purchasing, managed care, accountable care, precision medicine, informatics, patient-generated health data, mHealth, privacy and security. Additionally, he has led internal investigations and advised on matters concerning corporate governance, executive and physician compensation, regulatory compliance and public-private partnerships.

Raja Sékaran | Partner. Raja has practiced in the health care industry for more than 25 years. His practice focuses on managed care, regulatory compliance, government investigations, white-collar defense, Medicare, Medicaid, corporate structuring and governance, and revenue cycle. He advises health plans and risk-bearing providers on the legal aspects of their operations and matters pertaining to the laws of managed care, including the Knox-Keene Act. Raja serves as outside counsel to several managed care organizations as follows: a local health authority preparing to serve as the sole source for the county's managed Medi-Cal plan; the largest independent practice association in Northern California, including its health plan; an FQHC-owned health plan; as well as California's private sector health insurance exchange for employers of under one hundred employees. He is experienced in California administrative law, specifically the Brown Act, in his work with the Imperial County Local Health Authority Commission. Additionally, he

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has been instrumental in guiding health care industry clients through the many rapidly evolving regulatory and operational issues associated with the outbreak of COVID-19.

Raja brings a comprehensive perspective to his practice obtained through experience in both the private and public sectors. After beginning his health law career as an Associate at Nossaman, he served as Senior Counsel in the Office of Inspector General (OIG) for the U.S. Department of Health & Human Services, where he undertook False Claims Act investigations of managed care organizations, negotiated Corporate Integrity Agreements, brought administrative litigation and authored OIG advisory opinions involving the federal Anti-Kickback Statute. Following his public service career, Raja held a number of corporate leadership positions, including Vice President of Regulatory Affairs of a national, publicly traded health care company, Chief Legal Officer and Compliance Officer (respectively) of two California health plans and Vice President & Associate General Counsel of the nation's fifth largest health care delivery system. Additionally, Raja chairs our Minority Affinity Group and serves on our Diversity, Equity & Inclusion and Political Contributions committees.

James Reilly | Associate. James provides legal guidance to clients in the health care industry. He ensures health care entities are able to deliver high quality services to their patients while complying with government agency regulations. He also crafts internal corporate compliance policies for clients, so they can function optimally. Areas of specialization include health care fraud and abuse, privacy (HIPAA and CMIA), corporate practice, consent, reimbursement and billing, Medicare and Medi-Cal compliance and payments and licensing. While in law school, James interned at the Eviction Defense Collaborative, Inc., where he prepared legal documents on behalf of clients so they could properly respond to lawsuits. He also worked in the UC Hastings Legal Clinic helping clients obtain Social Security Disability benefits by participating in administrative hearings and conducting extensive medical record reviews.

Gaurav Dhiman | Associate. Gaurav Dhiman provides legal counsel to clients in the health care industry. He provides guidance on issues related to health care fraud and abuse, Medicare/Medi-Cal reimbursement, clinical research compliance, contracts, and privacy.

Prior to joining Nossaman, Gaurav worked in-house as a Legal Fellow in the Health Affairs, Privacy, and Data Protection Group at the University of California's Office of General Counsel. This office provides legal guidance to the UC System's medical centers, medical schools and faculty practice plans.

Prior to attending law school, Gaurav completed the preclinical curriculum towards an MD degree at the University of Miami Miller School of Medicine.

C) FIRM PROCEDURES

Nossaman attorneys endeavor to be as responsive to our clients' inquires as possible. We are keenly aware of the stress that results from delayed responses to legal questions. We are available to provide services when required, including evenings and weekends, at home, or while traveling. Our attorneys provide their mobile phone information to clients to facilitate prompt communication and, on most occasions, respond to phone calls and voice or email messages within a few hours of receipt. When commitments to other clients require travel, court appearances or otherwise make us unavailable for short durations, we strive to respond to all communications within 24 hours. If our attorneys are not

Starr Turner Drum

SHAREHOLDER, CIPM, CIPP/E, FIP

Birmingham, AL

Los Angeles, CA

t. 205.254.1852

Email

Practices

Cybersecurity & Privacy

Compliance & Risk Management

Education

Business & Commercial Disputes

Education

University of Alabama School of Law
(2009, J.D., Alabama Law Review, Senior Editor; John A. Campbell Moot Court Board; Bench and Bar Legal Honor Society; Criminal Law Moot Court Team; Ethics and Professionalism Trial Team)

Emory University
(2005, B.A., Film Studies; Kenneth Cole Scholarship Recipient; National Merit Scholarship Recipient)

Starr leads the privacy division of Maynard Nexsen's Cybersecurity & Privacy Practice. She assists clients with everything from developing globally-compliant privacy programs to defending privacy-focused litigation and regulatory investigations.

After clerking for a federal judge for two years, Starr quickly gained expertise and recognition for her work in the privacy space. Starr has successfully developed hundreds of internationally compliant privacy and information governance plans across several sectors and has served as privacy due diligence counsel in billions of dollars' worth of private equity and M&A-related transactions. Starr is passionate about defending her clients' interests in adversarial proceedings and has successfully defended numerous state and federal privacy and security class actions and regulatory investigations.

A tireless worker, Starr is known for her depth and breadth of privacy knowledge. She chairs the steering committee of the privacy and cybersecurity-focused working group of the Sedona Conference® and was selected as a Fellow of Information Privacy by the International Association of Privacy Professionals. She is regularly invited to speak on emerging privacy and data issues, such as AI, biometrics, children's privacy, digital marketing, data analytics, and more. She also serves as an adjunct professor at The University of Alabama School of Law where she teaches privacy and data security law.

Community & Professional

- Birmingham Bar Association, Executive Committee (2020-2022)
- Sedona Conference Working Group 11 Steering Committee Chair
- Member of Sedona Conference Working Groups 6 and 11
- Board of Governors for City Club of Birmingham
- Birmingham Bar Foundation Board Member
- Indian Springs School Alumni Council

- Global privacy and compliance advisory services: BIPA, CCPA, CPA, CTDPA, GDPR, GLBA, HIPAA, UCPA, VCDPA, etc.
- Marketing and digital media compliance advisory services
- Regulatory investigations
- Privacy and security litigation defense: BIPA, CIPA, data breach (including CCPA), TCPA and mini TCPAs, etc.
- Privacy due diligence and risk assessments

Recognition

- The Best Lawyers in America© for Privacy and Data Security Law (2024)
- Best Lawyers: Ones to Watch for Corporate Governance and Compliance Law, Technology Law (2021- 2023)
- B-Metro Magazine "Top Attorneys" (2020)
- B-Metro Magazine "Top Lawyers" (2019)
- Mid-South Super Lawyers "Rising Star" for E-Discovery (2016-2019)
- Birmingham Business Journal's "Rising Stars In Law" (2018)
- B-Metro Magazine "Top Women Lawyers" (2018-2019)
- Selected as a Fellow of Information Privacy, International Association of Privacy Professionals
- Alabama State Bar Leadership Forum – Class 12
- Birmingham Bar Association Future Leaders Forum (2015)
- B-Metro Magazine "Rising Star of the Birmingham Bar" (2013)

News

08.31.2022

HR and B2B Exemptions Under California Privacy Law Expiring; Enforcement Heats Up

08.22.2022

200 Maynard Attorneys Recognized in The Best Lawyers in America© 2023

07.26.2022

Starr Drum Appointed Chair of the WG11 Steering Committee of the Sedona Conference®

05.24.2022

MAYNARD REPRESENTED VERASCI IN SALE TO WCG CLINICAL SERVICES: EARNS A SPOT ON THE 2022 MID-MARKET DEALS OF THE YEAR

05.13.2022

MAYNARD REPRESENTS AAA COOPER TRANSPORTATION IN ACQUISITION BY KNIGHT-SWIFT TRANSPORTATION: EARNS A SPOT ON THE 2022 MID-MARKET DEALS OF THE YEAR

05.11.2022

And Then There Were Five: Connecticut Passes Comprehensive Consumer Privacy Law

03.10.2022

Cybersecurity Refresh: SEC Proposes New Cybersecurity Disclosure Rules

10.27.2021

MAYNARD RECOGNIZED AMONG TOP 16 LAW FIRMS IN THE U.S. FOR CYBERSECURITY/DATA PRIVACY

09.09.2021
The Four Ps of Privacy

08.19.2021
179 Maynard Attorneys Recognized in The Best Lawyers in America© 2022

07.14.2021
Three's Company: Colorado Becomes Third U.S. State to Enact Comprehensive Privacy Law

07.06.2021
Maynard Represents AAA Cooper Transportation in its Acquisition by Knight-Swift Transportation Holdings, Inc.

06.15.2021
European Commission Implements Updated Standard Contractual Clauses for Cross-Border Transfers and New Standard Contractual Clauses for Controller and Processor Relationships - Part II of II: Controller-Processor SCCs

06.07.2021
European Commission Implements Updated Standard Contractual Clauses for Cross-Border Transfers and New Standard Contractual Clauses for Controller and Processor Relationships - Part I of II: Cross-Border SCCs

03.03.2021
Virginia is for (Privacy) Lovers: Second Comprehensive State Privacy Law Signed

Speaking Engagements

June 29, 2023, "Adding CO and CT to your US privacy compliance program," OneTrust LinkedIn Live Event (Webinar)

June 14, 2023, "Cross-border data transfers regulatory action and case law update," The Sedona Conference International Programme (Valencia, Spain)

May 5, 2023, "Children's Data Privacy," The Sedona Conference (Denver, CO)

April 14, 2023, "Emerging Issues in Privacy and Cybersecurity Litigation," 16th Annual Sedona Conference Institute: Data Privacy & Cybersecurity Litigation (Reston, VA)

April 3, 2023, "The State of US Privacy Law," IAPP Global Privacy Summit 2023 (Washington, D.C.)

November 2, 2022, "Notice and Consent – Biometric Facial Recognition Data," The Sedona Conference (Cleveland, OH)

September 15, 2022, "California's Consumer Privacy Rights Act: Why Should any Arizona Business Care?" ARMA International (Phoenix, AZ)

June 28, 2022, "Global approaches to privacy and cybersecurity-based class action litigation," The Sedona Conference Working Group 11 International Programme Meeting (Washington, D.C.)

June 22, 2022, “Social Media and the Law,” Public Relations Council of Alabama (Webinar)

April 27, 2022, “Privacy and Data Security Legislative and Regulatory Update,” The Sedona Conference (Phoenix, AZ)

March 10, 2022, “Campus Cybersecurity and Data Privacy – The Path Forward,” ABHES National Conference on Allied Health Education (New Orleans, LA)

October 29, 2021, “Notice and Consent – Biometric Facial Recognition Data,” The Sedona Conference (Houston, TX)

October 28, 2021, “WG 11 Midyear Meeting Town Hall,” The Sedona Conference (Houston, TX)

October 7, 2021, “Cybersecurity and Privacy in Education: Guidelines for Managing and Protecting Data,” CAPPS 37th Annual Conference (San Diego, CA)

September 20, 2021, “Understanding Biometric Data and the Compliance Requirements Associated With Its Use,” SCCE 20th Annual Compliance and Ethics Institute (Las Vegas, NV)

April 15, 2021, “WG 11 Annual Meeting Town Hall,” The Sedona Conference (Webinar)

March 3, 2021, “The Sedona Conference Commentary on Ephemeral Messaging,” The Sedona Conference (Webinar)

October 20, 2020, “Privacy & Security in 2020: What’s Happened and What’s Coming,” Alabama Human Resources Management Conference (Webinar)

September 2, 2020, “Privacy & Security in 2020: What’s Happened and What’s Coming,” Association of Corporate Counsel, Alabama Chapter (Webinar)

July 30, 2020, “The Sedona Conference Commentary on the Enforceability in U.S. Courts of Orders and Judgments Entered under GDPR,” The Sedona Conference (Webinar)

June 24, 2020, “CCPA Enforcement is Right Around the Corner: Best Practices and Tips for Achieving Compliance,” Active Navigation (Webinar)

June 2, 2020, “Operationalizing Privacy and Data Security Compliance in Higher Education,” SCCE 2020 Higher Education Compliance Conference (Webinar)

April 15, 2020, "U.S. Judicial Enforcement of Orders Entered Under the EU General Data Protection Regulation (GDPR)," The Sedona Conference Working Group 11 Annual Meeting 2020 (Webinar)

April 7, 2020, “Staying In Your Privacy Lane: Knowing Your Role and Knowing When to Ask for Help,” IAPP Global Privacy Summit 2020 (Washington, D.C.)*

January 30, 2020, “Privacy in 2020: Where do GDPR and CCPA Stand and What Comes Next,” ControlCase 2020 Data Security and Compliance Summit (Orlando, FL)

November 22, 2019, “There’s An App for That: The ‘Sharing Economy’ and Data Privacy,” Birmingham Bar Association CLE (Birmingham, AL)

July 18, 2019, "Online Privacy: Who's Monitoring You and How?," Alabama State Bar Annual Meeting (Point Clear, AL)

June 20, 2019, "U.S. Judicial Enforcement of Orders Entered Under the GDPR," The Sedona Conference Working Group 11 International Programme Meeting (Hong Kong)

April 3, 2019: "Subject Access Rights Under the GDPR," International Privacy + Security Forum (Washington, D.C.)

March 8, 2019, "Stuff You Didn't Learn in Law School: Hot Topics in Privacy and Cybersecurity Law," Birmingham Bar Membership Forum (Birmingham, AL)

February 28, 2019, "U.S. Judicial Enforcement of Orders Entered Under the EU General Data Protection Regulation (GDPR)," The Sedona Conference Working Group 11 Annual Meeting 2019 (Houston, TX)

February 1, 2019: "Automation and Appellate Advocacy," Cumberland Law Review Symposium (Birmingham, AL)

November 15, 2018: "GDPR Compliance," ControlCase 2018 Data Security and Compliance Summit (Ft. Lauderdale, FL)

August 24, 2018: "Navigating the Wild West of Online Privacy in a Rapidly Changing Legal Landscape," Birmingham Bar Association CLE (Birmingham, AL)

June 28, 2018: "Privacy and Data Security Law: an Overview," Alabama State Bar Annual Meeting (Sandestin, FL)

April 17, 2018: "Data Privacy and Security Laws: Their Broad Reach and Enforcement." Birmingham Bar Association Women Lawyers Section CLE (Birmingham, AL)

April 10, 2018: "GDPR Overview and Discussion," IAPP Birmingham KnowledgeNet Chapter Meeting (Birmingham, AL)

August 24, 2017: "ESI," Alabama State Bar Lawyer University (Montgomery, AL)

*Postponed due to COVID-19

Insights

→ The Sedona Conference Commentary on the Enforceability in U.S. Courts of Orders and Judgments Entered under GDPR

→ The Sedona Conference Commentary on Ephemeral Messaging

→ The Four Ps of Privacy

→ A Brief FAQ on the Latest CCPA Amendment Updates

→ The Alabama Data Breach Notification Act of 2018

→ California's Sweeping New Law Set to Dramatically Shift Privacy Landscape

→ "Responding to GDPR Pushback: The Business Case for Compliance" – International Association of Privacy Professionals

- Privacy Statement Deficiencies Could Have Greater Consequences in 2018
- One Year Until GDPR; Is Your Organization Prepared?

03.30.2023 | ARTICLE
Iowa Passes Comprehensive Consumer Privacy Law

03.29.2019
Businesses Will Have Numerous New Privacy Obligations Under The Ccpa

09.01.2018
The Alabama Data Breach Notification Act Of 2018

07.17.2018
California's Sweeping New Law Set To Dramatically Shift Privacy Landscape

Blog Posts

CLIENT ALERT: CCPA AMENDMENTS SIGNED AND AG RELEASES DRAFT REGULATIONS
Blog, 10.14.2019

CLIENT ALERT: AFTER A DRAMATIC FINISH TO THE CALIFORNIA LEGISLATIVE SESSION: WHERE DOES THE CCPA STAND?
Blog, 09.16.2019

Sarah S. Glover

SHAREHOLDER, CIPP/US

Birmingham, AL

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Email

Practices

Cybersecurity & Privacy

Compliance & Risk Management

Education

University of Alabama School of Law
(2011, J.D., *magna cum laude*; Alabama Law Review, Articles Editor; Hugo Black Scholar; Order of the Coif; John A. Campbell Moot Court Board; ABA National Moot Court Team)

University of Alabama
(2008, B.A., *summa cum laude*; University Honors Program; Phi Beta Kappa)

As a Shareholder in Maynard Nexsen's Cybersecurity & Privacy Practice, Sarah heads up cybersecurity risk assessments, data breach response, and cybersecurity compliance and training initiatives.

Sarah has gained prominence through her cyber knowledge and experience, earning the ANSI-Accredited Certified Information Privacy Professional/United States (CIPP/US) from the International Association of Privacy Professionals (IAPP) while also serving as the Vice Chair of the Alabama State Bar Cybersecurity Task Force and an adjunct cybersecurity law professor at the University of Alabama School of Law.

For almost a decade, Sarah has worked on a wide array of cyber-related issues, from data breach planning, response, and recovery, to navigating vendor management and contract negotiations, to helping companies bolster their information security programs. She has performed cybersecurity risk assessments for over 100 private equity portfolio companies and has advised a variety of organizations, from Fortune 500 companies to tech start-ups, across all industry verticals.

Clients appreciate Sarah's ability to simplify the complex and handle high pressure situations with an even-keeled manner. Her infectious personality has led to numerous speaking opportunities, while her subject-matter expertise has led to Sarah becoming a published author on cybersecurity risk management.

Community & Professional

- International Association of Privacy Professionals
- Alabama State Bar Association – Vice Chair of Alabama State Bar Cybersecurity Task Force
- InfraGard
- Tech Birmingham
- Birmingham Bar Association, Young Lawyer's Section
- American Bar Association, Litigation and Science and Technology Law Sections

- Guiding clients through cybersecurity incident response
- Facilitating cybersecurity risk assessments
- Developing cybersecurity policies, procedures, and governance programs to align with regulatory requirements
- Performing cybersecurity awareness and incident response readiness training
- Negotiating cyber risk issues in technology contracts
- Providing strategic advice during transactions involving cybersecurity risk
- Evaluating cyber liability insurance coverage

Recognition

- *Best Lawyers:* "Ones to Watch" for Commercial Litigation, Privacy and Data Security law (2022-present), Intellectual Property Law, Technology Law (2024)
- BBJ NextGen Law Honoree (2021)

News

08.17.2023 | NEWS FROM MAYNARD NEXSEN

244 Maynard Nexsen Attorneys Named to 2024 Best Lawyers in America®

08.22.2022

200 Maynard Attorneys Recognized in The Best Lawyers in America© 2023

03.10.2022

Cybersecurity Refresh: SEC Proposes New Cybersecurity Disclosure Rules

10.27.2021

MAYNARD RECOGNIZED AMONG TOP 16 LAW FIRMS IN THE U.S. FOR CYBERSECURITY/DATA PRIVACY

08.19.2021

179 Maynard Attorneys Recognized in The Best Lawyers in America© 2022

Speaking Engagements

Below is a list of 's recent speaking engagements.

- October 27, 2021: "Ransomware On The Rise: What to Do When You Get Hit" - Compliance and Ethics Forum for Life Insurers (CEFLI) October Educational Webinar
- August 18, 2021: "Campus Security – A Practical Approach to Implementation" - Career Schools Private Education Network Annual Conference
- September 2, 2020: “Privacy & Security in 2020: What’s Happened and What’s Coming,” - Association of Corporate Counsel, Alabama Chapter (Webinar)
- May 5, 2020: "Force Majeure: Navigating contract performance issues during the pandemic" - COVID-19 Webinar: Navigating Landlord/Tenant Relations & General Real Estate Issues
- May 5, 2020: "Cybersecurity Update: How cyber criminals are taking advantage of businesses to commit fraud" - COVID-19 Webinar: Navigating Landlord/Tenant Relations & General Real Estate Issues
- July 19, 2019: "Exploring the Impact of the 2018 Data Breach Notification Act" - Alabama State Bar Annual Meeting
- March 8, 2019: “Hot Topics in Privacy and Cybersecurity Law” - Birmingham Bar Association Membership Forum
- November 30, 2018: “Data Breach/Privacy Issues for Employment Lawyers” - CLE Alabama Employment Law Update
- October 24, 2018: "Understanding and Combating Cyber Fraud: Trends and Techniques" - Alabama Women in Public Finance
- June 2018: “Privacy and Data Security Law: an Overview” - Alabama State Bar Annual Meeting
- May 19, 2018: “Cybersecurity: Best Practices for Attorneys and their Clients” - Alabama State Bar Young Lawyers’ Section Annual CLE
- April 18, 2018: “Data Privacy and Security Laws: Their Broad Reach and Enforcement” - Birmingham Bar Association’s Women Lawyers Section CLE
- February 21, 2018: "Trending Issues in Government Enforcement" - Cyber Huntsville

Insights

Contributing author, "Technology in Construction Law - A Legal Guide", ABA Forum on Construction Law (book published 2023)

Edward A. Hosp, Starr T. Drum, and S. , The Alabama Data Breach Notification Act of 2018, The Alabama Lawyer, September 2018, Vol. 79, No. 5.

John Thomas A. Malatesta III and S. , A Clear and Present Danger: Mitigating the Data Security Risk Vendor Pose to Businesses, The Sedona Conference Journal, Vol. 17, No. 2 (2016).

09.01.2018
The Alabama Data Breach Notification Act Of 2018

Blog Posts

ALABAMA ENACTS DATA BREACH NOTIFICATION LAW
Blog, 04.10.2018

Podcasts

08.29.2023 | **Taking the Pulse: A Health Care & Life Sciences Video Podcast - Episode 157: , Maynard Nexsen Cybersecurity Attorney**

EXHIBIT F

FOLEY
FOLEY & LARDNER LLP

Michael P. Calabrese

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Michael Calabrese is a corporate lawyer providing counsel to institutional investors and government agencies, particularly pension funds. He is a partner in the firm’s Fund Formation & Investment Management Practice, regularly counseling both governmental clients and private sector clients who have dealings with the public sector, helping them navigate challenges specific to the public sector.

Prior to joining Foley, Michael was the chief counsel for San Bernardino County Employees Retirement Association, where he served as the general counsel to the more than 30,000-member pension system. He also served as the chief deputy county counsel and pension fund general counsel for the County of Merced, and as chief deputy city attorney for the City of San Diego. He gained experience as an associate attorney at three law firms in California and Michigan after graduating from law school.

Michael leverages his extensive experience as a public servant and in-house counsel for pension funds and other government agencies to bring these types of clients a unique perspective. Because he lived the duties of a public official and pension fund fiduciary for almost a decade, he understands the day-to-day needs, operations, and dynamics of a public pension fund to a depth that does not come from merely knowing the law or providing outside advice and services. In addition, because of his years as a public official, he has learned the operational, governance, and legal workings of government agencies with a particular breadth and depth.

Recognition

- Foley & Lardner Pro Bono Champion, 2022

Speaking Engagements and Publications

- Quoted, "Wall Street fights back against new SEC reforms in scathing lawsuit," The Hill, September 1, 2023
- Presenter, "Private Market Investments," interview to discuss private market investments. (December 7, 2022)
- Co-Author, "A Summary of Certain Recent Enforcement and Non-Enforcement Actions" Investment Management Update (April 4, 2019)
- Co-Author, "Strategic Relationship Agreements: Better Returns through Better Relationships, Journal of Securities Operations & Custody, Volume 12, Number 3 (February 4, 2020)
- Frequent speaker at various national and regional conferences for public pension attorneys, including NAPPA, CalAPRS, and SACRS.

Education

- Michigan State University College of Law (J.D., summa cum laude, 1999)
    - Ranked second in the class
    - Recipient of the Dean Charles H. King full scholarship
    - Received two best oralist awards at national moot courts competitions and five Jurisprudence Achievement Awards
    - Externed with Michigan Supreme Court Justice Clifford Taylor
- University of Michigan (A.B., with high honors, 1990)

Professional Memberships

- American Bar Association
- California State Bar
- National Association of Public Pension Attorneys (NAPPA)
- State Association of County Retirement Systems (SACRS)

Admissions

- California

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Claire Marblestone

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Claire Marblestone's practice focuses on transactional and health care regulatory matters, with an emphasis on data privacy, corporate practice of medicine, health care mergers and acquisitions, and joint ventures. She is a partner in the firm's Health Care Transactional and Health Care Regulatory Practices, and a member of the Health Care & Life Sciences Sector.

Claire advises hospitals, health systems, physician groups, digital health providers, and health care businesses on a range of regulatory and compliance issues. Claire also provides regulatory and transactional counsel to companies specializing in women's health care.

Claire has been recognized by *Chambers USA*: America's Leading Business Lawyers:

"*Claire is very knowledgeable and client-focused. She has a very good bead on what I need and packages it in a way that can be used effectively. She is also very responsive*."

"Claire's strengths include her ability to understand our needs and solve issues with our clients accordingly. Claire is polite, extremely diplomatic but firm during negotiations. She is also extremely responsive and understands the law better than anyone we've encountered."

Claire is "outstanding, extremely responsive and efficient," adding: "She is an excellent communicator and negotiator."

Transactional Counsel

Claire provides transactional counsel to health care organizations, hospitals, physician groups, and other health care providers. She has drafted and negotiated documents relating to hospital acquisitions, joint ventures, health care provider mergers, service agreements, professional services arrangements, and management agreements. She conducts health regulatory due diligence and advises on health care company acquisitions and investments.

Regulatory Compliance

Claire works with clients on state licensure regulatory compliance issues, as well as compliance with Medicare and Medicaid rules and regulations. She has extensive experience assisting digital health clients with complex health care privacy compliance issues and advising on potential fraud and abuse concerns. Claire also provides regulatory advice to health plans and risk bearing organizations on compliance with various state and federal health insurance laws and regulations, including the Knox-Keene Act.

Experience

- Represented a California regional health care system in the acquisition of several physician practices.
- Advised multiple health care providers on reproductive health care compliance issues.
- Represented a California hospital on joint venture with an orthopedic hospital.
- Represented a California county in the acquisition of a rural medical practice.
- Represented a multistate women's health care practice on several joint venture affiliations with regional health systems.
- Assisted a national digital health provider with the restructuring of its virtual care service line.
- Advised multiple providers and hospital system clients in connection with physician alignment models and strategies, including leasing, professional services, and employment arrangements.
- Negotiates physician and provider employment agreements on behalf of a multispecialty physician group.
- Counsels health care providers on general corporate and regulatory compliance matters, including California licensure compliance, professional scope of practice issues, and marketing compliance.
- Assisted hospitals, physicians, and other health care providers which establishing concierge medical practices.
- Advised a California nonprofit hospital system on licensing and change of ownership issues in connection with management arrangement with a strategic buyer.
- Represented a California county in the creation of a public hospital authority and transition of ownership of the public hospital from the county to the hospital authority.
- Negotiates business associate agreements for covered entities, business associates, and subcontractors.
- Assists clients in responding to HIPAA data breaches and security incidents.
- Advises on data privacy issues, including compliance with HIPAA, 42 C.F.R Part 2, and state privacy laws such as California's Confidentiality of Medical Information Act.
- Represented the selling shareholders of a Medi-Cal managed care plan in the sale of the plan.

Education

- The University of California, Hastings College of the Law (J.D., 2011)
    - Executive note editor, *Hastings Constitutional Law Quarterly*
    - Judicial extern to the Honorable Richard Seeborg in the U.S. District Court for the Northern District of California
    - Graduate legal research fellow, UCSF/UC Hastings Consortium on Law, Science and Health Policy
- The University of California, Santa Barbara (B.A., magna cum laude, 2008)
    - Major: History

Awards and Recognitions

- Los Angeles Business Journal, Health Care Leadership Awards, Trusted Advisor of the Year (2023)
- Recognized, *Chambers USA*, Healthcare (2020-2023)
- California Super Lawyers – Rising Stars® list (2019-2021), which recognizes the top 2.5 percent of California lawyers under 40

Affiliations

- Member, Healthcare Law Section of the Los Angeles County Bar Association
- Member, California Society for Healthcare Attorneys
- Member, American Health Lawyers Association
- Claire serves on Foley’s National Women's Network

Presentations and Publications

- Co-author, “California: Proposed Regulations Impacting the M&A Market in California,” *Health Care Law Today* (August 28, 2023)
- Co-author, “California: Health Care M&A Market Heats up as New Regulator Takes a Closer Look,” *Health Care Law Today* (December 8, 2022)
- Speaker, “Hot Button Issues in Privacy – CCPA and HIPAA,” ACC Health Law Network Webinar (May 3, 2022)
- Speaker, “Considerations for Structuring Physician Group Acquisitions,” American Health Law Association (April 25-27, 2022)
- Co-author, “Compliance Issues in Hospital and Health System Sports Sponsorships,” *Health Care Law Today*(February 9, 2022)
- Speaker, “Whose Medical Practice is it Anyway? A Discussion of California’s Prohibition on the Corporate Practice of Medicine,” California Society for Healthcare Attorneys (November 19, 2021)
- Co-author, “CMS Requires COVID-19 Vaccination for Health Care Facility Staff,” Health Care Law Today (November 8, 2021)
- Author, “California Expands Use of Telehealth to Involuntary Commitment Evaluations,” *Health Care Law Today*(March 2, 2021)

- Speaker, “Hot Button Issues in Privacy – CCPA and HIPAA,” ACC Health Law Network Webinar (March 3, 2020)
- Co-author, “FQHCs: Practical Impacts of Governance Requirements,” *Health Care Law Today* (January 8, 2020)
- Co-author, “Proposed Changes to Part 2 Rules Ease Substance-Use Disorder Record Sharing,” *Health Care Law Today* (August 27, 2019)
- Author, “Changes to California’s Knox-Keene Act Potentially Impact California Health Care Providers,” *Health Care Law Today* (June 27, 2019)
- Speaker, “340B Program Updates,” Southern California HFMA Summer Program (July 20, 2017)
- Co-author, “California’s End of Life Option Act: Key Requirements and Considerations,” *Health Care Law Today*(June 1, 2016)
- Speaker, “Telemedicine Privacy and Security: Safeguarding Protected Health information and Minimizing Risks of Disclosure,” Strafford Webinar (August 13, 2015)
- Co-author, “OIG Releases Compliance Guidance for Health Care Governing Boards,” *Health Care Law Today* (April 30, 2015)
- Co-author, “Privacy Issues in the Sharing of Genetic Information,” *Foley & Lardner White Paper* (September 18, 2014)
- Author, “A Matter of Conscience: United States v. Seeger and the Supreme Court’s Historical Failure to Define Conscientious Objector Status Under the First Amendment,” *Hastings Constitutional Law Quarterly* (Fall 2010)

Admissions

- California