

## Los Angeles Charter and Administrative Code

## CHAPTER 11 HEALTH AND WELFARE PROGRAM FOR RETIRED CIVILIAN EMPLOYEES

## Article

- 1 Purpose and Administration of Retired Employees Health and Welfare Program
- 2 Authorized Health and Welfare Programs
- 3 Medical Plan Premium Subsidy
- 4 Reimbursement for Medicare Part B
- 5 Dental Plan Premium Subsidy
- 6 Medical Plan Premium Reimbursement Program
- 7 Surviving Spouse Medical Plan Premium Subsidy
- 8 Retiree Health Insurance Reciprocal Subsidy Credit Program (LACERS and LACERA)

### ARTICLE 1 PURPOSE AND ADMINISTRATION OF RETIRED EMPLOYEES HEALTH AND WELFARE PROGRAM

## Section

- 4.1100 Purpose of Program.
- 4.1101 Administration.

**Sec. 4.1100. Purpose of Program.**

It is the purpose of this Chapter to establish Los Angeles City Employees' Retirement System ("LACERS") health and welfare programs, as authorized by the City Council, for employees who are retired pursuant to the provisions of Division 4, Chapter 10 of the Administrative Code and their eligible dependents.

## SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; Chapter and Section In Entirety, Ord. No. 174,365, Eff. 12-14-01.

### **Sec. 4.1101. Administration.**

The Health and Welfare Program plans established by this Chapter shall be administered by the Board of Administration of the Los Angeles City Employees' Retirement System (Board). In furtherance thereof, the Board shall contract for suitable plans as authorized in Article 2 of this Chapter to be made available to former employees retired pursuant to the provisions of Division 4, Chapter 10 of the Administrative Code, and shall have the power to adopt such rules as it deems necessary to administer the Health and Welfare Program.

#### SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01.

## **ARTICLE 2 AUTHORIZED HEALTH AND WELFARE PROGRAMS**

### Section

4.1102.1 Establishment of Medical Plan Program.

4.1102.2 Establishment of Dental Plan Program.

4.1102.3 Discretionary Benefit Changes.

### **Sec. 4.1102.1 Establishment of Medical Plan Program.**

A Medical Plan Program is hereby established. The Board is to administer the Medical Plan Program in accordance with the provisions of Sections 4.1101 and 4.1103 of this Chapter.

#### SECTION HISTORY

Added by Ord. 174,365, Eff. 12-14-01.

### **Sec. 4.1102.2 Establishment of Dental Plan Program.**

A Dental Plan Program is hereby established. The Board is to administer the Dental Plan Program in accordance with the provisions of Sections 4.1101 and 4.1105 of this Chapter.

#### SECTION HISTORY

Added by Ord. 174,365, Eff. 12-14-01.

### **Sec. 4.1102.3 Discretionary Benefit Changes.**

The Board may make discretionary benefit changes as long as they involve cost increases of no more than one-half of one percent in total annual premium cost. The Board may make changes greater than the above level as long as the changes are submitted to the City Council for review. Any increases that are not acted upon by the Council within 30 days after receipt of the report to Council for consideration

of the increase are deemed approved. Should the Council reject the increase approved by the Board, the Council shall determine the amount, if any, by which the benefit shall be increased and shall adopt such change by resolution.

#### SECTION HISTORY

Added by Ord. 174,365, Eff. 12-14-01.

## **ARTICLE 3 MEDICAL PLAN PREMIUM SUBSIDY**

### Section

- 4.1103 Medical Plan Premium Subsidy.
- 4.1103.1 Maximum Medical Plan Premium Subsidy.
- 4.1103.2 Eligibility for a Retired Employee Medical Plan Premium Subsidy.
- 4.1103.3 Verification of Medical Plan Coverage.
- 4.1103.4 Vested Right to Maximum Medical Plan Premium Subsidy Increases.

#### **Sec. 4.1103. Medical Plan Premium Subsidy.**

In order that a medical plan premium subsidy be paid on behalf of a retired employee as hereinafter provided, the retired employee must be enrolled in a medical plan administered by the Board.

The medical plan premium subsidy and administrative costs will be provided solely by the Los Angeles City Employees' Retirement Fund established by Section 1102 of the Charter of the City of Los Angeles, upon the conditions hereinafter set forth in order to lessen or defray part or all of the cost of such medical plan to such eligible employee, as hereinafter defined.

#### SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: Subsec. (c), Ord. No. 157,226, Eff. 12-10-82, Oper. 1-1-83; In Entirety, Ord. No. 165,622, Eff. 4-22-90; Subsec. (g), Added by Ord. No. 171,305, Eff. 10-2-96; Subsecs. (d) and (e), Ord. No. 171,743, Eff. 10-1-97; Subsecs. (a), (b), (c) and (f), Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01.

#### **Sec. 4.1103.1. Maximum Medical Plan Premium Subsidy.**

(a) The maximum monthly medical plan premium subsidy is \$1,190.00. Beginning July 1, 2011, the Board, in its discretion, may change by resolution the maximum monthly amount of the medical plan premium subsidy provided to members retired on or before June 30, 2011, as long as any increase:

- (1) does not exceed the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium; and

(2) the average percentage increase for the first year of the increase and the preceding two years does not exceed the average assumed actuarial medical trend rates for the same period.

No increases in the maximum monthly medical plan premium subsidy shall be provided to members retired on or after July 1, 2011. Notwithstanding all of the foregoing, increases in the monthly medical plan premium subsidy provided to retired members subject to Section 4.1103.4 shall be governed by the provisions of that Section, regardless of the date of retirement.

(b) Any change made by the Board which exceeds the limits in (a)(1) or (a)(2) herein must be submitted for Council review accompanied by an actuarial report. Any increases that are not acted upon by the Council within 30 days after receipt of the report to Council for consideration of the increase are deemed approved. Should the Council reject the subsidy set by the Board, the Council shall determine the amount, if any, by which the subsidy shall be increased and shall adopt such change by resolution.

(c) With regard to the medical plan premium subsidy increase recommended by the Board to be effective January 1, 2002, such change shall forthwith be submitted to the Council for review as provided in (b) herein.

#### SECTION HISTORY

Added by Ord. No. 159,915, Eff. 7-5-85.

Amended by: In Entirety, Ord. No. 165,622, Eff. 4-22-90; Subsecs. (a), (b), (d), (e), Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Subsec. (a), Ord. No. 181,746, Eff. 6-20-11.

### **Sec. 4.1103.2. Eligibility for a Retired Employee Medical Plan Premium Subsidy.**

Upon written application by eligible retired employees and verification that the applicant is, and remains enrolled, to the extent of the retiree's entitlement, in Part A or Part B or Part A and Part B of Medicare, the following medical plan premium subsidy shall be paid:

(a) Those retired employees who are receiving an allowance pursuant to Administrative Code Section 4.1020 or 4.1055, other than under a compulsory retirement as provided in former Section 508A of the Charter of the City of Los Angeles, who do not qualify for benefits under Part A of Medicare, who have at least ten (10) years of City Service as members of the Los Angeles City Employees' Retirement System including those years for which they acquired additional retirement service credits from said System, but excluding service credit secured under the provisions of Section 4.1052.1 of the Los Angeles Administrative Code, and who are age fifty-five (55) years or older, shall have paid to their approved medical plan carrier on their behalf the following amount:

**Basic Monthly Subsidy:** For ten (10) years of City Service as defined in Section 4.1001, 40% of the maximum monthly medical plan premium subsidy amount established pursuant to the provisions of Section 4.1103.1 or Section 4.1103.4, as applicable.

**Additional Monthly Subsidy:** For more than ten (10) years of City Service as defined in Section 4.1001, add to the Basic Monthly Subsidy 4% of the maximum monthly medical plan premium subsidy for each whole year of City Service in excess of ten (10) years.

**Maximum Monthly Subsidy:** No retired employee shall have paid to his or her medical plan carrier an amount exceeding the maximum monthly amount established pursuant to Section 4.1103.1 or Section 4.1103.4, as applicable, or receive an amount in excess of the premium of the plan in which they are enrolled.

**Dependent Monthly Subsidy:** Monthly medical plan premium subsidy shall be applied first to the retiree's medical plan coverage with any balance applied toward the coverage of the retiree's dependent(s) under the same medical plan.

(b) Those retired employees who were compulsorily retired pursuant to former Section 508A of the Charter of the City of Los Angeles and who do not qualify for benefits under Part A of Medicare shall have paid to their medical plan carrier on their behalf 4% of the maximum monthly subsidy for each whole year of City Service as defined in Section 4.1001 not to exceed the maximum monthly subsidy provided under Section 4.1103.1 or Section 4.1103.4, as applicable.

(c) Those retired employees with at least ten (10) years of City Service as defined in Section 4.1001, or those compulsorily retired under the provisions of former Section 508A of the Charter of the City of Los Angeles, who are receiving an allowance pursuant to Chapter 10 of the Los Angeles Administrative Code and who qualify for benefits under Part A and Part B of Medicare, shall have paid to the medical plan carrier providing them with a plan supplemental to Medicare coverage the following amount: For ten (10) years but less than fifteen (15) years of City Service, 75% of the monthly premium of the approved medical plan supplemental to Medicare coverage in which the retired employee is enrolled. For fifteen (15) years or more but less than twenty (20) years of City Service, 90% of the monthly premium of the approved medical plan supplemental to Medicare coverage which the retired employee is enrolled. For twenty (20) or more years of City Service, 100% of the monthly premium of the approved medical plan supplemental to Medicare coverage in which the retired employee is enrolled.

The amount of medical plan premium subsidy which is applied toward the coverage of the dependents of a retiree enrolled in both Part A and Part B of Medicare shall not exceed that amount which may be applied toward the coverage of the dependent(s) of a retiree not enrolled in both Part A and Part B of Medicare and covered by the same medical plan and with the same years of City Service.

For those compulsorily retired employees herein above referred to with less than ten (10) years of City Service, 75% of the monthly premium of the approved medical plan supplemental to Medicare coverage in which the retired employee is enrolled.

Effective July 1, 2011, no increases in the amounts paid to the medical plan carriers under this Subsection (c) shall be provided on behalf of members retired on or after July 1, 2011, or their dependents. Notwithstanding all of the foregoing, increases in the amounts paid to medical plan carriers provided on behalf of retired members subject to Section 4.1103.4 shall be governed by the provision of this Subsection (c), regardless of the date of retirement.

(d) In no event shall the subsidy provided in this section, when added to any other medical plan premium subsidy paid from the funds of the Department of Water and Power Retirement Plan and the Fire and Police Pension Systems, exceed the maximum amount established in Section 4.1103.1 or Section 4.1103.4, as applicable.

(e) To the extent that this section effectuates a different calculation of medical plan

premium subsidies for retired employees whose service credit is based on periods of part-time and less than full-time employment, it is the intent of this section that the method of calculating the service credit herein established shall, as to such persons, be applicable only with respect to retired employees who became members of the Los Angeles City Employees' Retirement System after April 22, 1990.

(f) Any member who retires pursuant to Section 4.1056.2 (c) of the Los Angeles Administrative Code shall be eligible to receive the medical plan premium subsidy as provided under Section 4.1103.2 of the Los Angeles Administrative Code.

#### SECTION HISTORY

Added by Ord. No. 170,748, Eff. 12-3-95, Oper. 12-3-95.

Amended by: Subsecs. (c) and (e), Ord. No. 171,743, Eff. 10-1-97; Subsecs. (a), (b) and (c), Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Subsecs. (a), (b) and (d), Ord. No. 181,734, Eff. 6-8-11; Last Para. of Subsec. (c) Added, Ord. No. 181,746, Eff. 6-20-11.

### **Sec. 4.1103.3. Verification of Medical Plan Coverage.**

Retired employees who are receiving a medical plan premium subsidy payable to their medical plan carrier pursuant to the provisions of this Chapter may be required from time to time to provide evidence satisfactory to the Board that their medical plan coverage or Medicare or other federal or state funded medical plan is in full force and effect.

#### SECTION HISTORY

Added by Ord. No. 171,305, Eff. 10-2-96.

Amended by: Subsec. (e), Ord. No. 171,854, Eff. 12-18-97; In Entirety, Ord. No. 174,365, Eff. 12-14-01.

### **Sec. 4.1103.4. Vested Right to Maximum Medical Plan Premium Subsidy Increases.**

Notwithstanding the provisions of Section 4.1031.1, any retiree who at any time prior to retirement made additional contributions to the Retirement Fund as provided in Section 4.1031.2(c) of this Code shall obtain a vested right to, and the Board by resolution shall set, the increase in the maximum medical plan subsidy provided to such members at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium.

#### SECTION HISTORY

Added by Ord. No. 181,734, Eff. 6-8-11.

## **ARTICLE 4 REIMBURSEMENT FOR MEDICARE PART B**

### Section

4.1104 Reimbursement for Medicare Part B.

4.1104.1 Verification of Eligibility for Medicare Part B Reimbursement.

### **Sec. 4.1104. Reimbursement for Medicare Part B.**

In order that Medicare Part B reimbursement be paid on behalf of a retired employee as hereinafter provided, the retired employee must be enrolled in Medicare Parts A and B and enrolled in a medical plan administered by the Board or a participant in the Board's Medical Plan Premium Reimbursement Program.

The Medicare Part B reimbursement and administrative costs will be provided solely by the Los Angeles City Employees' Retirement Fund established by Section 1102 of the Charter of the City of Los Angeles, upon the conditions hereinafter set forth in order to reimburse the cost of Medicare Part B to such eligible employee, as hereinafter defined.

#### SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: In Entirety, Ord. No. 174,365, Eff. 12-14-01.

### **Sec. 4.1104.1. Verification of Eligibility for Medicare Part B Reimbursement.**

Reimbursement shall be paid to such retiree for Medicare Part B basic premium (Medical Insurance) for an insured or covered period beginning on or after January 1, 1978, when sufficient proof of the retiree's enrollment and coverage and of the premium's payment has been made as required by the Board.

#### SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.

## **ARTICLE 5 DENTAL PLAN PREMIUM SUBSIDY**

#### Section

- 4.1105 Eligibility for a Retired Employee Dental Plan Premium Subsidy.
- 4.1105.1 Maximum Dental Plan Premium Subsidy.
- 4.1105.2 Eligibility for a Retired Employee Dental Plan Premium Subsidy.

### **Sec. 4.1105. Eligibility for a Retired Employee Dental Plan Premium Subsidy.**

In order that a dental plan premium subsidy be paid on behalf of a retired employee as hereinafter provided, the retired employee must be enrolled in a dental plan administered by the Board.

The dental plan premium subsidy and administrative costs will be provided solely by the Los Angeles City Employees' Retirement Fund established by Section 1154 of the Charter of the City of Los Angeles, upon the conditions hereinafter set forth in order to lessen or defray part or all of the cost of such dental plan to such eligible employee, as hereinafter defined.

## SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01.

### **Sec. 4.1105.1. Maximum Dental Plan Premium Subsidy.**

The maximum subsidy shall be the amount provided by the Council for active employees. The Board, in its discretion, may by resolution, increase or decrease the monthly amount of dental subsidy to reflect changes in the subsidy provided by the City for active employees, or to offset any increases or decreases in the level of benefits or the cost thereof, as the result of changes in existing benefits or the addition of newly created benefits by federal or state funded programs.

## SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.

### **Sec. 4.1105.2. Eligibility for a Retired Employee Dental Plan Premium Subsidy.**

(a) Those retired employees who are receiving an allowance pursuant to Chapter 10 of Division 4 of the Los Angeles Administrative Code, other than under a compulsory retirement as provided in former Section 508A of the Charter, and who have at least ten (10) years of City Service as members of the Los Angeles City Employees' Retirement System including those years for which they acquired additional retirement service credits from said System, but excluding service credit secured under the provisions of Section 4.1052.1 of the Los Angeles Administrative Code, and who are age fifty-five (55) years or older, shall have paid to their approved dental plan carrier on their behalf the following amounts:

**Basic Monthly Subsidy:** For ten (10) years of City Service as defined in Section 4.1001, 40% of the maximum monthly dental subsidy amount established pursuant to 4.1105.1.

**Additional Monthly Subsidy:** For more than ten (10) years of City Service as defined in Section 4.1001, add to the Basic Monthly Subsidy 4% of the maximum monthly dental subsidy for each whole year of City Service in excess of ten (10) years.

**Maximum Monthly Subsidy:** No retired employee shall have paid to his or her dental plan carrier an amount exceeding the maximum monthly amount established pursuant to the provisions of Section 4.1105.1 of this Chapter or receive an amount in excess of the premium of the plan in which they are enrolled.

**Dependent Monthly Subsidy:** There is no dental plan premium subsidy for dependents.

(b) Persons who were compulsorily retired pursuant to former Section 508A of the Charter shall have paid to their dental plan carrier, on their behalf, 4% of the maximum monthly subsidy for each whole year of City Service as defined in Section 4.1001 not to exceed the maximum monthly dental plan premium subsidy provided in Section 4.1105.1.

(c) In no event shall the subsidy provided in this section, when added to any other dental plan premium subsidy paid from the funds of the Department of Water and Power or the Fire and Police Pension Systems, exceed the maximum subsidy established in Section 4.1105.1.

(d) To the extent that this section effectuates a different calculation of dental plan premium subsidies for retired employees whose service credit is based on periods of part-time and less than full-time employment, it is the intent of this section that the method of calculating the service credit herein established shall, as to such persons, be applicable only with respect to retired employees who became members of the Los Angeles City Employees' Retirement System after April 22, 1990.

(e) Any member who retires pursuant to Section 4.1056.2 (c) of the Los Angeles Administrative Code shall be eligible to receive the dental plan premium subsidy as provided under Section 4.1103.2 of the Los Angeles Administrative Code.

#### SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.

## **ARTICLE 6 MEDICAL PLAN PREMIUM REIMBURSEMENT PROGRAM**

### Section

4.1106 Eligibility for Medical Plan Premium Reimbursement Program.

#### **Sec. 4.1106. Eligibility for Medical Plan Premium Reimbursement Program.**

(a) Upon written application and verification, as required by the Board, those retired employees who are receiving an allowance pursuant to Chapter 10 of Division 4 of this Code, other than under a compulsory retirement as provided in former Section 508A of the Charter, and who have at least ten years of City Service as members of the Los Angeles City Employees' Retirement System including those years for which they acquired additional retirement service credits from that System, but excluding service credit secured under the provisions of Section 4.1052.1 of this Code, who are age fifty-five years or older, and reside more than three months of the year:

- (1) outside the state of California; or
- (2) in the state of California, but not within a LACERS administered HMO medical plan zip code service area,

and are enrolled in a federally qualified HMO or a state regulated health insurance plan, shall be eligible for the medical plan premium reimbursement, as follows:

#### 1. **NON-MEDICARE ELIGIBLE**

**A. Basic Monthly Reimbursement:** For ten years of City Service as defined in Section 4.1001 of this Code, 40% of the maximum monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (c) below.

**B. Additional Monthly Reimbursement:** For more than ten years of City Service as defined in Section 4.1001 of this Code, 4% of the maximum monthly medical plan premium reimbursement for each whole year of City Service in excess of ten years shall be added to the Basic Monthly Reimbursement.

## 2. **MEDICARE ELIGIBLE**

A. **Basic Monthly Reimbursement:** For ten years or more, but less than 15 years of City Service, 75% of the monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (d) below.

B. **Additional Monthly Reimbursement:** For 15 years or more but less than 20 years of City Service, 90% of the monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (d) below. For 20 or more years of City Service, 100% of the monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (d) below.

(b) Persons who were compulsorily retired pursuant to former Section 508A of the Charter shall be reimbursed 4% of the maximum monthly medical plan premium reimbursement for each whole year of City Service as defined in Section 4.1001 of this Code, not to exceed the maximum monthly reimbursement provided under either Subsection (c) for Non-Medicare eligible retirees or Subsection (d) for Medicare eligible retirees.

(c) The Board shall set the maximum medical plan premium reimbursement for non-Medicare eligible retirees in the same manner as in Section 4.1103.1 or Section 4.1103.4, as applicable.

(d) Effective January 1, 2001, the maximum monthly medical plan premium reimbursement for Medicare eligible retirees shall be \$261.57. The Board, in its discretion, may by resolution increase the monthly amount of medical plan premium reimbursement of Medicare eligible retirees.

Effective July 1, 2011, no increases in the maximum reimbursement amount paid to retired members under this Subsection (d) shall be provided to members retired on or after July 1, 2011. Notwithstanding all of the foregoing, increases in the reimbursement amount provided to retired members subject to Section 4.1103.4 shall be governed by the provisions of this Subsection (d) regardless of the date of the member's retirement.

(e) In no event shall the subsidy provided in this section, when added to any other medical plan subsidy paid from the funds of the Department of Water and Power Retirement Plan and the Fire and Police Pension Systems, exceed the maximum amount established in Subsection (c) above.

(f) Any member who retires pursuant to Section 4.1056.2 (c) of the Los Angeles Administrative Code shall be eligible to receive the medical plan premium reimbursement subsidy as provided under Section 4.1103.2 of the Los Angeles Administrative Code.

### SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: In Entirety, Ord. No. 174,365, Eff. 12-14-01; Subsec. (a), Ord. No. 175,224, Eff. 5-22-03; Subsec. (c), Ord. No. 181,734, Eff. 6-8-11; Last Para. of Subsec. (d) Added, Ord. No. 181,746, Eff. 6-20-11.

## **ARTICLE 7**

### **SURVIVING SPOUSE MEDICAL PLAN PREMIUM SUBSIDY**

Section

4.1107 Surviving Spouse's Eligibility for Medical Plan Premium Subsidy.

4.1107.1 Domestic Partner Eligibility for Medical Plan Premium Subsidy.

**Sec. 4.1107. Surviving Spouse's Eligibility for Medical Plan Premium Subsidy.**

(a) A surviving spouse of a deceased retired member shall be entitled to a medical plan subsidy if at the time of the member's death the member was eligible to receive the medical plan premium subsidy.

If the retired member dies prior to receiving the medical plan premium subsidy, the surviving spouse shall be eligible to receive a medical plan premium subsidy upon the date when the member would have become eligible, as provided in Section 4.1103.2, to receive the medical plan premium subsidy.

In order that a medical plan premium subsidy be paid on behalf of a surviving spouse as herein provided, the surviving spouse must be enrolled in a medical plan administered by the Board.

(b) The medical plan premium subsidy for a surviving spouse who is under age 65 or over 65 and only eligible for Medicare Part B shall be:

**Basic Monthly Subsidy:** For ten (10) years of the member's City Service as defined in Section 4.1001, 40% of the maximum monthly medical plan premium subsidy.

**Additional Monthly Subsidy:** For more than ten (10) years of the member's City Service as defined in Section 4.1001, add to the Basic Monthly Subsidy 4% of the maximum monthly medical plan premium subsidy for each whole year of City Service in excess of ten (10) years.

**Maximum Monthly Subsidy:** The maximum monthly medical plan premium subsidy shall be the Kaiser single-party premium for members without Medicare Parts A and B.

(c) The medical plan premium subsidy for a surviving spouse who is age 65 and older with both Parts A and B of Medicare shall be:

For ten (10) years but less than fifteen (15) years of the member's City Service, 75% of the single-party premium for a retired member with Parts A and B of Medicare in the plan in which the member is enrolled.

For fifteen (15) years but less than twenty (20) years of the member's City Service, 90% of the single-party premium for retired members with Parts A and B of Medicare in the plan in which the member is enrolled.

For twenty (20) or more years of the member's City Service, 100 % of the single party premium for retired members with Parts A and B of Medicare in the plan in which the member is enrolled.

(d) A surviving spouse who is age 65 or older must enroll in Medicare to the full extent of his or her entitlement.

(e) This medical plan premium subsidy will be provided to: (1) surviving spouses of current active

and retired members and (2) current surviving spouses of deceased members as of the effective date of this section.

(f) Effective July 1, 2011, no increase in the amounts paid to the medical plan carriers under Subsections (b) or (c) of this Section shall be provided on behalf of survivors of members retired on or after July 1, 2011. Notwithstanding all of the foregoing, increases in the amounts paid to medical plan carriers provided on behalf of survivors or retired members subject to Section 4.1103.4 shall be governed by the provisions of Subsections (b) and (c) of this Section, as applicable, regardless of the date of the member's retirement.

#### SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.

Amended by: Subsec. (f) Added, Ord. No. 181,746, Eff. 6-20-11.

### **Sec. 4.1107.1. Domestic Partner Eligibility for Medical Plan Premium Subsidy.**

Domestic Partners who are provided a continuance pursuant to Section 4.1044.4 of the Los Angeles Administrative Code shall be entitled to the medical plan premium subsidy provided under Section 4.1107 of the Los Angeles Administrative Code.

#### SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.

## **ARTICLE 8 RETIREE HEALTH INSURANCE RECIPROCAL SUBSIDY CREDIT PROGRAM (LACERS AND LACERA)**

Section

4.1108 Reciprocal Subsidy Credit Program.

### **Sec. 4.1108. Reciprocal Subsidy Credit Program.**

(a) The City of Los Angeles (CITY) and County of Los Angeles (COUNTY) have agreed to enter into an "Agreement For Retiree Health Insurance Reciprocal Subsidy Credit for County General and City Civilian Retirement Members" (Agreement) that is subject to amendment or termination as specified in the Agreement. The Agreement provides a reciprocal health insurance subsidy credit for retiree health insurance for certain retirees of the Los Angeles City Employees' Retirement System (LACERS) and the Los Angeles County Employees Retirement Association (LACERA). Accordingly, the following provisions, substantially as contained in the Agreement, are incorporated in the CITY's Reciprocal Subsidy Credit Program;

(1) COUNTY agrees that all general members of LACERA who retire from COUNTY service on or after the effective date of the Agreement may receive reciprocal health insurance subsidy credit for eligible retirement service with the CITY in calculating the amount of the COUNTY contribution toward the premium for the COUNTY health insurance program for retired general members (or their eligible dependents or survivors) administered by LACERA

pursuant to an agreement between COUNTY and LACERA dated April 20, 1982, as amended, provided such LACERA general members:

(A) were previously employed by CITY;

(B) were members of LACERS;

(C) receive full or limited reciprocal retirement benefits as defined below in (E)(i) and (ii) of this subdivision through agreement with the California Public Employees' Retirement System (PERS) from LACERA based on such prior CITY employment,

(D) meet the requirements set forth in subdivisions (3) through (5) below, and

(E) for purposes of this subdivision:

(i) "full reciprocal retirement benefits" applies to persons who transferred within six months from the CITY to the COUNTY on or after July 14, 1997;

(ii) "limited reciprocal retirement benefits" applies to persons who transferred within six months from the CITY to the COUNTY prior to July 14, 1997; and

(iii) "eligible retirement service" with the CITY shall be limited to service otherwise recognized by the CITY under the CITY's retiree health insurance subsidy credit program.

(2) CITY agrees that all members of LACERS who retire from CITY service on or after the effective date of the Agreement may receive reciprocal health insurance subsidy credit for eligible retirement service with the COUNTY in calculating the amount of the CITY contribution toward the premium for the CITY health insurance program for retired members (or their eligible dependents or survivors) administered by LACERS, provided such LACERS members:

(A) were previously employed by COUNTY;

(B) were general members of LACERA;

(C) receive full or limited reciprocal retirement benefits as defined below in (E)(i) and (ii) of this subdivision through agreement with PERS from LACERS based on such prior COUNTY employment,

(D) meet the requirements set forth in subdivisions (3) through (5) below; and

(E) for purposes of this subdivision:

(i) "full reciprocal retirement benefits" applies to persons who transferred within six months from the COUNTY to the CITY on or after July 14, 1997;

(ii) "limited reciprocal retirement benefits" applies to persons who transferred within six months from the COUNTY to the CITY prior to July 14,

1997; and

(iii) "eligible retirement service" with the COUNTY shall be limited to service otherwise recognized by the COUNTY under the COUNTY'S retiree health insurance subsidy credit program.

(3) The Agreement shall apply to each COUNTY and CITY retiree who is eligible for reciprocal health insurance subsidy credit for retiree health insurance under the Agreement if, at the time of retirement, such retiree has eligible retirement service with the CITY and eligible retirement service with the COUNTY that, in the aggregate, totals at least ten (10) years.

(4) A retiree receiving reciprocal health insurance subsidy credit for retiree health insurance under the Agreement must elect the health insurance program of the party (COUNTY or CITY) with which the retiree has the most eligible retirement service. The retiree may, instead, elect to receive health insurance benefits from LACERA if the retiree has a minimum of eight (8) years of uncombined eligible retirement service with the COUNTY or from LACERS if the retiree has a minimum of eight (8) years of uncombined eligible retirement service with the CITY. The retiree's election shall be irrevocable and is binding upon the retiree's eligible dependents or survivor.

(5) An eligible survivor of a deceased active member shall be entitled to elect to receive reciprocal health insurance subsidy credit for retiree health insurance under the Agreement at such time as the member would have become eligible to receive reciprocal health insurance subsidy credit for retiree health insurance under the Agreement.

(6) Each COUNTY or CITY retiree or eligible survivor of a retiree or deceased active member retains the right to elect health insurance benefits otherwise provided by LACERA or LACERS in lieu of electing reciprocal health insurance subsidy credit for retiree health insurance under the Agreement. Such election shall be irrevocable.

(7) In no event shall a COUNTY or CITY retiree (or his or her eligible dependents or survivor) be entitled to participate in both COUNTY and CITY health insurance programs provided by LACERA or LACERS based on the provisions of the Agreement, or to receive duplicate health insurance subsidy credit for service recognized by the COUNTY or CITY. Nothing in the Agreement shall be construed to confer benefits to any person who does not qualify for health insurance provided by LACERA or LACERS.

(8) The Agreement shall not extend reciprocal health insurance subsidy credit for retiree health insurance to safety members of LACERA or to members of any CITY retirement systems other than LACERS.

(9) The provisions of the Agreement shall be applicable commencing the later of:

(A) the date the Agreement is executed;

(B) the date the retiree meets the conditions set forth in the Agreement; or

(C) the date the retiree or eligible survivor of a deceased active member makes application to LACERA for the reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement, or to LACERS for the reciprocal health

insurance subsidy credit for retiree health insurance provided for in the Agreement.

(10) In no event shall the Agreement be construed to require any expenditure on the part of COUNTY or CITY for any period prior to the date a retiring employee or eligible survivor of a deceased active member makes application to LACERA or LACERS for the reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement.

(11) The COUNTY and CITY agree that the cost of reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement will be reassessed at least every five (5) years. The cost of these valuations will be borne equally by the COUNTY and CITY. The Agreement may be amended at any time upon mutual consent of the COUNTY and CITY to maintain a de minimis cost to both COUNTY and CITY.

(12) The Agreement may be terminated by either the COUNTY or CITY, in its sole discretion, at any time upon serving the other party with written notification. The effective date of termination shall be one year from the date of the termination letter.

(13) In the event of amendment or termination of the Agreement, each retiree or eligible survivor currently receiving reciprocal health insurance subsidy credit for retiree health insurance under the Agreement as of the date of such amendment or termination will continue to receive the same subsidy credit in calculating the amount of the COUNTY or CITY contribution toward the retiree's or eligible survivor's health insurance premium.

(14) In the event of amendment or termination of the Agreement, COUNTY or CITY employees in active service as of the date of such amendment or termination shall be eligible upon retirement to receive reciprocal health insurance subsidy credit for retiree health insurance under the Agreement as provided as of the earliest date of membership in either LACERA or LACERS, provided that:

(A) such employee has eligible retirement service with COUNTY and with CITY as of the date the program is amended or terminated, and

(B) such employee meets all other requirements of the Agreement, or of the Agreement as amended, as of the date the employee retires.

(b) The Board of Administration of the Los Angeles City Employees' Retirement System shall administer the Reciprocal Subsidy Credit Program for the CITY and shall make any changes to the Reciprocal Subsidy Credit Program that are necessitated due to Los Angeles City Council approved amendments or termination of the Agreement between the CITY and the COUNTY.

#### SECTION HISTORY

Added by Ord. No. 176,350, Eff. 12-27-04.

#### Disclaimer:

This Code of Ordinances and/or any other documents that appear on this site may not reflect the most current legislation adopted by the Municipality. American Legal Publishing Corporation provides these documents for informational purposes only. These documents should not be relied upon as the definitive authority for local legislation. Additionally, the formatting and pagination of the posted documents varies from the formatting and pagination of the official copy. The official printed copy of a Code of Ordinances should be consulted prior to any action being taken.

For further information regarding the official version of any of this Code of Ordinances or other documents posted on this site, please contact the Municipality directly or contact American Legal Publishing toll-free at 800-445-5588.

© 2011 American Legal Publishing Corporation  
[techsupport@amlegal.com](mailto:techsupport@amlegal.com)  
1.800.445.5588.