



Benefits Administration Committee Agenda

REGULAR MEETING

TUESDAY, SEPTEMBER 11, 2018

TIME: 9:30 A.M.

MEETING LOCATION:

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California 90012-4401

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 473-7169.

Chair: Michael R. Wilkinson
Committee Members: Sandra Lee
Nilza R. Serrano
Manager-Secretary: Neil M. Guglielmo
Executive Assistant: Ani Ghoukassian
Legal Counselor: City Attorney's Office
Retirement Benefits Division

- I. PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION
- II. [APPROVAL OF MINUTES FOR BENEFITS ADMINISTRATION COMMITTEE MEETING OF AUGUST 14, 2018 AND POSSIBLE COMMITTEE ACTION](#)
- III. [PROPOSED RATING SCHEDULE FOR ENHANCED DISABILITY RETIREMENT BENEFITS AND POSSIBLE COMMITTEE ACTION](#)
- IV. OPERATIONAL UPDATE
- V. OTHER BUSINESS
- VI. NEXT MEETING: The next Benefits Administration Committee meeting is not scheduled at this time, and will be announced upon scheduling.
- VII. ADJOURNMENT



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, SEPTEMBER 11, 2018

TIME: 9:30 A.M.

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LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California 90012-4401

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President:	Cynthia M. Ruiz
Vice President:	Elizabeth L. Greenwood
Commissioners:	Elizabeth Lee Sandra Lee Nilza R. Serrano Sung Won Sohn Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Retirement Benefits Division

- I. PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION
- II. APPROVAL OF MINUTES FOR BENEFITS ADMINISTRATION COMMITTEE MEETING OF AUGUST 14, 2018 AND POSSIBLE COMMITTEE ACTION
- III. PROPOSED RATING SCHEDULE FOR ENHANCED DISABILITY RETIREMENT BENEFITS AND POSSIBLE COMMITTEE ACTION
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MINUTES OF THE REGULAR MEETING
BENEFITS ADMINISTRATION COMMITTEE
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

LACERS Boardroom
202 West First Street, Suite 500
Los Angeles, California

August 14, 2018

Agenda of: Sept. 11, 2018

Item No: II

9:02 a.m.

PRESENT:	Chair:	Michael R. Wilkinson
	Committee Members:	Nilza R. Serrano
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counselor:	Miguel Bahamon
ABSENT:	Committee Member:	Sandra Lee

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

I

PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION – Chairperson Wilkinson asked if any persons wished to speak, to which there was no response and no public comment cards were received.

II

APPROVAL OF MINUTES FOR BENEFITS ADMINISTRATION COMMITTEE MEETING OF JULY 19, 2018 AND POSSIBLE COMMITTEE ACTION – The minutes were approved and adopted by the following vote: Ayes, Chair Wilkinson, Committee Member Serrano –2; Nays, None.

III

2019 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE COMMITTEE ACTION – Alex Rabrenovich, Division Manager of Health Benefits Administration and Communications Division and Bordan Darm with Keenan & Associates presented this item to the Committee. This item was approved and adopted by the following vote: Ayes, Chair Wilkinson, Committee Member Serrano –2; Nays, None.

IV

2019 MAXIMUM HEALTH SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE COMMITTEE ACTION - Alex Rabrenovich, Division Manager and Bruce Bernal, Assistant Division

Manager of Health Benefits Administration and Communications Division presented this item to the Committee. This item was approved and adopted by the following vote: Ayes, Chair Wilkinson, Committee Member Serrano –2; Nays, None.

V

AMENDMENT TO THE BENEFITS ADMINISTRATION COMMITTEE CHARTER AND POSSIBLE COMMITTEE ACTION – Alex Rabrenovich, Division Manager of Health Benefits Administration and Communications Division presented this item to the Committee. This item was approved and adopted by the following vote: Ayes, Chair Wilkinson, Committee Member Serrano –2; Nays, None.

VI

OPERATIONAL UPDATE – Lita Payne, Assistant General Manager, reported on the following items:

- 2019 Open Enrollment to be held from October 15 - November 15, 2018. Meetings will be held in six locations from October 16 – November 14, 2018.
- Medicare Workshop and Silver Sneakers/Silver and Fit events will be held in August 2018.
- 276 members on LACERS *Well* Facebook page.

VII

OTHER BUSINESS – There was no other business.

VIII

NEXT MEETING: Chairperson Wilkinson announced that the next Benefits Administration Committee Meeting is not scheduled at this time, and will be announced upon scheduling.

IX

ADJOURNMENT – There being no further business before the Committee, Chairperson Wilkinson adjourned the Meeting at 9:53 a.m.

Michael R. Wilkinson
Chairperson

Neil M. Guglielmo
Manager-Secretary



Report to Benefits Administration Committee

Agenda of: **SEPTEMBER 11, 2018**

Karen Freire
From: Karen Freire, Chief Benefits Analyst

ITEM: **III**

SUBJECT: PROPOSED RATING SCHEDULE FOR ENHANCED DISABILITY RETIREMENT BENEFITS AND POSSIBLE COMMITTEE ACTION

Recommendation

That the Committee review, provide comments, and recommend to the Board to approve and adopt the proposed Disability Rating Schedule for Enhanced Disability Retirement Benefits.

Discussion

On January 7, 2018, Los Angeles Administrative Code (LAAC) Section 4.1008.1, pursuant to Ordinance No. 184853 establishing LACERS' Tier 1 Enhanced Benefits for sworn Airport Peace Officers, went into effect. Included in LAAC Section 4.1008.1(d) is a provision that requires the Board of Administration to adopt a Disability Rating Schedule for sworn disability retirement awards. Unlike the civilian disability retirement benefits, which provide a flat 33 percent disability benefit of the Member's Final Average Compensation and makes no distinction between duty-related and nonduty-related disabling conditions, the Enhanced Benefit for sworn personnel does. Under the Enhanced Disability Retirement Benefit, the allowance awards could range from 30 to 50 percent of the Member's Final Compensation for a nonservice-connected disability and 30 to 90 percent of the Member's Final Compensation for a service-connected disability. In addition, the Service-connected disability retirement awards may also qualify for tax exclusion for both the Member and eligible survivor(s).

The attached proposed Rating Schedule is the same schedule currently utilized by Los Angeles Fire and Police Pensions (LAFPP) and was developed with input and feedback from the unions representing the sworn Members of LAFPP to ensure fair and consistent treatment of disability retirement applicants. The schedule is designed to aid the Board in assessing the degree of disability of an applicant based on the supporting medical evidence. The degrees of disability are divided into categories and are assigned a score/numerical range based on the level of limitations: Minimal Limitations have a rating of up to 35 percent; Moderate Limitations have a rating of up to 53 percent; Serious Limitations have a rating of up to 71 percent; Severe Limitations have a rating of up to 89 percent; and, a finding of Complete Disability has a rating of 90 percent.

In addition to the Disability Rating Schedule, it should be noted that approved Service-connected applicants will receive a minimum award based on their years of Service. The degree to which the

Board assesses the duty-relatedness of the applicant's disability will also be used to determine the apportionment of tax exclusion. If the Board's rating is less than the minimum required benefit, the applicant's award will not be subject to tax exclusion.

Summary

Staff recommends adoption of the proposed Disability Rating Schedule. The Tier 1 LACERS' Enhanced Benefits for Airport Peace Officers are based on the benefits received by LAFPP Tier 6 Members. Adoption of the proposed Rating Schedule will provide consistent application of disability retirement assessment guidelines for all City sworn personnel.

Strategic Plan Impact Statement

Adoption of the Disability Rating Schedule conforms to the Benefit Delivery goal of ensuring accurate and timely delivery of Member benefits. The Rating Schedule ensures fair and consistent review of enhanced disability retirement applications and benefit awards.

This report was prepared by Ferralyn Sneed, Sr. Management Analyst of the Retirement Services Division.

KF:FS

Attachment:

- 1) Proposed Rating Schedule
- 2) Proposed Resolution

DISABILITY RATING SCHEDULE AND WORKSHEET

Applicant / Pensioner:

Based upon objective evidence, assign a number within a category that most closely reflects the individual's medical limitations.

No Limitations	0
<p>Minimal Limitations</p> <p>GENERAL: Can perform most activities with minor limitations. Pain is an annoyance but does not significantly limit the activity causing the pain.</p> <p>ORTHO / NEURO (Back, Neck, Upper & Lower Extremities): Can perform ordinary, normal jobs not requiring extreme levels of physical activity. Can lift, carry, push or pull 26 or more lbs. Must use caution when walking on uneven surfaces. Can hold position, sit, stand, walk or drive as needed up to 60 minutes without a break. Can use stairs or climb ladders.</p> <p>INTERNAL (Cardio, Gastro, Pulm, Oncol): Symptoms can be controlled with modified diet or lifestyle, OTC medication or exercise program. Can handle normal physical / emotional occupational stress. Can control bowel & bladder functions. No end organ damage present.</p> <p>PSYCHIATRIC: Can follow directions, perform normal tasks & assignments, capable of self-initiating, planning & decision making activities. Therapy required on an as-needed basis. Does not require psychotropic medication. Can meet the public, work alone or with others. Requires normal supervision. Can handle normal personal or occupational stress.</p>	01-35
<p>Moderate Limitations</p> <p>GENERAL: Can perform most activities with some limitation of endurance or physical ability. Pain is tolerated but causes some diminished levels of performance of the activity that causes the pain.</p> <p>ORTHO / NEURO: Can perform semi sedentary jobs not requiring prolonged physical activity. Can lift, carry, push or pull 21 – 25 lbs. Should avoid walking on uneven surfaces. Can hold position, sit, stand, walk or drive as needed up to 45 minutes without a break. Limited use of stairs or climbing ladders. No altercations. Can squat, kneel, crawl or work above shoulder level for limited periods of time.</p> <p>INTERNAL: Symptoms can be controlled with prescriptions medication. Limit exposure to environmental irritants i.e. dust or fumes. No unusual or prolonged physical / emotional occupational stress. Requires restroom to be readily available. Avoid abdominal constricting activities. Early stages of end organ damage present.</p> <p>PSYCHIATRIC: Can follow directions, perform simple tasks & assignments. No planning or decision making responsibility. Therapy required at least twice per month. Requires psychotropic medication on an as-needed basis. No public contact. Requires close supervision. Has difficulty handling normal personal or occupational stress.</p>	36-53
<p>Serious Limitations</p> <p>GENERAL: Can perform most activities, but may require occasional assistance. Pain is tolerated but causes significantly reduced performance levels in the activity causing the pain.</p> <p>ORTHO / NEURO: Can perform semi sedentary jobs with limited physical activity. Can lift, carry, push or pull 11 – 20 lbs. No walking on uneven surfaces. Can hold position, sit, stand, walk or drive as needed up to 30 minutes without a break. No climbing stairs or ladders. Can work with a telephone or computer. No above shoulder work.</p> <p>INTERNAL : Symptoms only partially controllable with prescription medication. No sudden demands for physical / emotional occupational stress. Requires restrooms in close proximity to workstation. No environmental irritants i.e. dust or fumes. Significant end organ damage present.</p> <p>PSYCHIATRIC: Can follow only simple directions, performing one task at a time. Therapy required weekly. Requires psychotropic medication daily. Can handle very low levels of personal or occupational stress. Requires constant supervision.</p>	54-71

Severe Limitations		
GENERAL: Cannot perform most activities without assistance. Extremely limited endurance and physical ability. Pain precludes the activity causing the pain.		72-89
ORTHO / NEURO: Can perform sedentary jobs requiring very limited physical activity. No lifting, carrying, pushing or pulling more than 10 lbs. Can hold position, sit, stand, walk or drive as needed up to 15 minutes without a break.		
INTERNAL: Symptoms uncontrollable. No physical / emotional occupational stress. Immediate access to restroom required. Extensive end organ damage present.		
PSYCHIATRIC: Requires daily therapy or institutionalization. Is a danger to self and others.		
Completely Disabled		90
	RATING	

**APPROVAL OF DISABILITY RATING SCHEDULE
FOR ENHANCED DISABILITY RETIREMENT BENEFIT**

PROPOSED RESOLUTION

WHEREAS, Los Angeles Administrative Code (LAAC) Section 4.1008.1 pursuant to Ordinance No. 184853, establishes LACERS' Tier 1 Enhanced Benefits for sworn Airport Peace Officers who comply with the eligibility requirements under the plan;

WHEREAS, LAAC Section 4.1008.1(d) requires the Board of Administration to adopt a Disability Rating Schedule to assist in standardizing sworn Service-connected disability retirement awards;

WHEREAS, after review and discussion of the proposed Rating Schedule, the Board determined the schedule guidelines met the criteria for providing consistent standardized disability retirement awards;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the Service-connected Disability Retirement Rating Schedule as required pursuant to LAAC Section 4.1008.1(d).