LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

Board of Administration Agenda
REGULAR MEETING
TUESDAY, OCTOBER 13, 2026
10:00 A.M.
LACERS BOARDROOM
977 N. Broadway
Los Angeles, CA 90012

President:

Janna Sidley

Vice President:

Sung Won Sohn

Commissioners:

Thuy Huynh

Susan Liem

Thomas Moutes

Gaylord "Rusty" Roten

Vacant

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

Legal Counsel:

City Attorney's Office Public Pensions General Counsel Division

ACCESS TO LACERS BOARD AND COMMITTEE MEETING REPORTS

IMPORTANT MESSAGES 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 YouTube streaming at the following link: **LACERS YouTube Livestream Link for Board/Committee meeting audio – only accessible during meetings**.

The Board may take action on any item appearing on this agenda, regardless of whether it is listed as an action item. Cal. Gov. Code § 54954.2.

DISCLAIMER TO PARTICIPANTS

Please be advised that all open session LACERS Board/Committee meetings are recorded.

LACERS WEBSITE ADDRESS/LINK: 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 public record related to an item on the agenda, please call (213) 855-9348 or email at **lacers.board@lacers.org**.

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**.

REQUEST FOR SERVICES

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For additional information, please contact: Board of Administration Office at **(213) 855-9348** and/or email at **lacers.board@lacers.org.**

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. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER
- C. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS 68 AND 75 ACTUARIAL VALUATIONS BASED ON JUNE 30, 2025 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2026
- D. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR SEPTEMBER 2026

IV. COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON OCTOBER 13, 2026

V. CONSENT ITEMS

- A. APPROVAL OF MINUTES FOR THE MEETINGS ON SEPTEMBER 8, 2026 AND SEPTEMBER 22, 2026 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF RAUL CANALES AND POSSIBLE BOARD ACTION

VI. BOARD/DEPARTMENT ADMINISTRATION

A. CHIEF INVESTMENT OFFICER RECRUITMENT PROCESS, AD HOC COMMITTEE FORMATION AND POSSIBLE BOARD ACTION

B. BOARD POLICY REVIEW: CUSTOMER SERVICE POLICY AND POSSIBLE BOARD ACTION

VII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. GENERAL FUND CONSULTANT REQUEST FOR PROPOSAL AND POSSIBLE BOARD ACTION

VIII. LEGAL/LITIGATION

A. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**

B. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)**

IX. OTHER BUSINESS

X. NEXT MEETING: The October 27, 2026, LACERS Regular Board meeting is canceled. The next Regular meeting of the Board is scheduled for November 10, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI. ADJOURNMENT

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT – NOTIFICATION TO THE BOARD

Board Meeting: 10/13/2026
Item III-A

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
OnActuate Consulting US Inc	The Implementation of The Microsoft Dynamics 365 Business Central	N/A	N/A	Fiscal
Korn Ferry	Chief Investment Officer Search	N/A	N/A	Human Resources
Wellington Management Company LLC	Active Emerging Market Debt	December 1, 2020	November 30, 2026	Investments

ACTIVE REQUEST FOR PROPOSALS (RFPs)

Description	Respondents	Inception	Expiration	Division
Chief Investment Officer Search	Bob Murray and Assoc., Korn Ferry, CBIZ, Diversified Search Group, Dore Partnership, Cummings Leadership Search	July 7, 2026	July 17, 2026	Human Resources
Website Development Services and Accessibility Remediation and Captioning Services	Sophyx AI, CivicPlus, LLC, Qlogic LLC, Numeric Technologies Corporation, Think AI Consulting Corporation, Horus Technology, Exemplifi LLC, Ginisis Group, Inc, Concourse Tech Inc., Over-C Inc., Interpersonal Frequency LLC, Aim Technical Group, LLC, New Tech Solutions, Pension X, Capitol Tech Solutions, Inc., Gaia Tech, 24K Designz, V group Inc., Sparient LLC.	July 6, 2026	August 21, 2026	CSRD

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Benefit payments have been approved by the General Manager under the authority delegated by the Board of Administration (Board Rule GMA 1 adopted June 14, 2016):

SERVICE RETIREMENTS

Member Name	Service	Department	Classification
Day, William Theodore	45	PW - Sanitation	WW Treatment Operator
Miranda, Ida Marie	41	Dept. of Bldg. & Safety	Senior Administrative Clerk
Agbonkpolor, Kimberly Denise	41	PW - Admin Div.	Senior Management Analyst
Prieto, Marie Elena	39	Fire & Police Pensions	Secretary
Ruden, Elise A	37	City Attorney's Office	Assistant City Attorney
Dove, Monica Margret	37	Dept. of Transportation	Risk Manager
June, Rodney L	35	LACERS	Chief Investment Officer
Ozuna, Lynda	35	Office of Finance	Tax Compliance Officer
Cardenas, Maximillian G	34	Dept. of Transportation	Traffic Painter And Sign Poster
Yutan, Ana Mae A	31	Dept. of Bldg. & Safety	Deputy Superintendent
Garcia, Miguel R	30	GSD	Custodian
Bilgin, Patricia Carellos	30	City Attorney's Office	Assistant City Attorney
Wong, Alexander Almendras	30	GSD	Supply Services Payment Clerk
Lora, Frank J	30	Police Dept. - Civilian	Senior Detention Officer
Monick, Adam T	28	Dept. of Rec and Parks	Recreation Facility Director
Moreland, Kisha R	28	Personnel Dept.	Workers' Compensation Analyst
Adams, Christine	27	PW - Admin Div.	Senior Administrative Clerk
Guerrero, Maria Magdalena	27	Police Dept. - Civilian	Police Service Representative
Egans, Gerome B	27	Dept. of Airports	Maintenance Laborer
Vaughn, Nanette F	27	Personnel Dept.	Workers' Comp Claims Asst
Currie, Louise	27	PW - Street Services	Maintenance Laborer
Anderson, Thomas M	26	Dept. of Airports	Airport Superintendent
Aldana, Rosalia	26	Library Dept.	Administrative Clerk
Biary, Sohail S	26	GSD	Building Maint District Supv
Ngo, Alexander D	26	PW - Engineering	Architect
Vera, Graciela M	25	Dept. of Airports	Custodian
Marban, Aida	25	GSD	Custodian
Chase, Cheryl Lynn	25	Police Dept. - Civilian	Police Service Representative
Long, Mark Oliver	25	PW - Street Services	Equipment Operator
Chun, Reginald W	25	City Attorney's Office	Deputy City Attorney
Cheng, Francis Juyu	25	ITA	Data Base Architect
Leidig, Fon Cheng	25	LACERS	Benefits Specialist
Ochoa, Mario V	25	Dept. of Animal Svcs.	Animal Care Tech Supv
Clark, Lynn	24	Dept. of Airports	Management Aide
Armstrong, Carol S	24	Zoo Dept.	Environmental Affairs Officer
Kemp, Nicole Ellis	23	Police Dept. - Civilian	Police Service Representative
Gutierrez, Maria P	23	Dept. of Airports	Custodian - Airport

Ascencio, Maria D	23	Dept. of Airports	Custodian - Airport
Henderson, Sharon R	23	Dept. of Animal Svcs.	Administrative Clerk
Miranda, Maria Agnes Ahyong	23	Emergency Preparedness Dept	Management Analyst
Maldonado, Javier	22	Dept. of Airports	Custodian - Airport
Vides, Cristina	21	Dept. of Airports	Custodian - Airport
Taylor, Joseph W	21	Dept. of Bldg. & Safety	Senior Fire Sprinkler Inspector
Monteiro, Elario Rodrigues	20	Dept. of Airports	Financial Analyst
Mateo, Julio Sordo	20	Harbor Dept.	Plumber
Chan, Kimberly Ann	20	Police Dept. - Civilian	Forensic Print Specialist
Vardanian, Hovik	20	Dept. of Airports	Civil Engineering Draft Tech
Cameron, Derrick Scott	18	Police Dept. - Civilian	Security Officer
Hilton, Peter Grant	18	Dept. of Transportation	Transportation Engineering Aide
Nunez, Olga Patricia	17	Police Dept. - Civilian	Police Service Representative
Senior, Tanya Marie	17	Dept. of Airports	Security Officer
Bhatia, Navin J	17	Dept. of Airports	Airport Information Specialist
Hill, Lorenzo Anthony	17	Dept. of Airports	Traffic Painter And Sign Poster
Collins, Beau Parsons	16	Dept. of Bldg. & Safety	Build Mech Inspector
Salomon, Sandra	16	Library Dept.	Library Asst
Phillips, Elbert E	16	Dept. of Transportation	Traffic Painter And Sign Poster
Brady, Steven L	15	LA Housing Dept.	Finance Development Officer
Tio, Rodolfo	14	PW - Sp Proj Constr Div.	Cement Finisher
Varnum, Daniel Lester	11	Dept. of Bldg. & Safety	Senior Building Inspector
Lizarde, Lourdes Alicia	10	Controller's Office	Principal Accountant
Martinez, Jorge L	10	City Attorney's Office	City Attorney Investigator
On, Vinh Vinh	10	Fire & Police Pensions	Systems Administrator
Miller, Edward Critchely	10	Police Dept. - Civilian	Polygraph Examiner
Moberly, Harold J	10	Personnel Dept.	Background Investigator
Reyno, Carmencita Martinez	9	Police Dept. - Civilian	Accountant
Baja, Melvin M	9	Library Dept.	Messenger Clerk
Holsey, Cynthia	8	Library Dept.	Librarian
Gonzalez, Amy E	7	City Attorney's Office	Deputy City Attorney
Avogaro, Carlo Julius	6	Dept. of Airports	Airport Guide
Lopez, Evangelina	6	Dept. of Transportation	Crossing Guard

APPROVED DEATH BENEFIT PAYMENTS – Retired Members/Survivors

Deceased TIER 1	Beneficiary/Payee
Bashar, Aleya	Farouk Darweesh for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bauer, Sara Landahl	Lynne A Bauer for the payment of the Accrued But Unpaid Continuance Allowance
Baynes, Leonard S	Donzell Baynes for the payment of the Burial Allowance
Beardsley, Laurene H	Craig M Beardsley for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bencomo, Eva M	Armando Xavier Bencomo for the payment of the Burial Allowance Clarel Granville for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance Eva Bencomo for the payment of the Burial Allowance
Berry, Bonnie M	Theresa Nicastro for the payment of the Burial Allowance
Bowser, Julieta V	Sonya H Bowser-Solis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Brown, Lawrence	Jacqueline K Gipson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Clydesdale, Sondra Loreen	Laur Munoz-Burkhead for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Contreras, Theresa E	Gilbert Contreras Jr for the payment of the Accrued But Unpaid Continuance Allowance
Dixon, Michael Phillip	Margaret Ann Amato for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Finazzo, John	Cindy Diane Franks for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Deborah A De La Cruz for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Forbes, Daniel C	Kenneth M Forbes for the payment of the Burial Allowance
Galang, Visitacion F	Galang Family Living Trust for the payment of the Accrued But Unpaid Service Retirement Allowance
Gallie, Bernard	Kathleen M Jordison for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Stephen B Gallie for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Garcia, Albert	Mark George Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gordon, Joseph	Melba Gordon for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Graves, Danny L	Dionna M Meyen for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Garrett L Graves for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Greenwald, Fred S	Joan B Greenwald for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Haggerty, Donald V	Shannon Haggerty for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hardin, Johnny Lee	Ellen Renee Hardin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hardy, Orina D.	Ronald W Hardy for the payment of the Accrued But Unpaid Continuance Allowance
Hayes, Gloria Jean	Brittney Coleman for the payment of the Accrued But Unpaid Continuance Allowance
Jackson, Dylan	Jacquelyn Jackson for the payment of the Accrued But Unpaid Larger Annuity Allowance Unused Contributions Larger Annuity
Joe, Kamton M	Edna Lee Joe for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Johnson, Arlyn L	Denise M Smith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Keating, Terry Y	Claire E Keating for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Klemp, Vernell	Janet Campo for the payment of the Accrued But Unpaid Continuance Allowance
Koga, Jim N	Kevin Koga for the payment of the Burial Allowance
Langley, Elaine Marie	Cynthia M Langley for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Longobardo, Virginia	Susan Donoho for the payment of the Accrued But Unpaid Continuance Allowance
Mancuso, Ericka M	Nicholas S Mancuso for the payment of the Unused Contributions Veronica Maxwell for the payment of the Accrued But Unpaid Continuance Allowance
Montague, Richard C	Suzanne Hoffman for the payment of the Accrued But Unpaid Service Retirement Allowance
Ortiz, Ernest	Theresa Nicole Mccann for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Owairu, Patrick	Augusta Nche Owairu for the payment of the Accrued But Unpaid Service Retirement Allowance
Perez, Mario	Mary Lupe Perez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Purvis, Henry	La Tesia Denise Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Reed, Larry L	Wylene D Reed for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Robins, Clark W	Elizabeth M. Robins for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sacro, Benjamin Villa	Daisy Dellota Sacro for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sanchez, Rebecca	Alex Marie Siquenza for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions Jamie Lynn Vasquez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions Jessie Vasquez-Ortiz for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
Slaughter, Clifford L	Casey T Slaughter for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance DRO Life Time Tiffani C Slaughter for the payment of the Accrued But Unpaid Service Retirement Allowance
Smith, Jerome M	Cynthia Lonzel Smith for the payment of the Burial Allowance

Smith, Robert S	Phyllis A Smith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Spillman, Lawrence D	Rhonda Faye Spillman for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Spruille, Genevieve	Eric Spruille for the payment of the Accrued But Unpaid Continuance Allowance
Stith, Thomas Allen	Joan S Stith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sugimoto, Norman Henry	Rebeca Sugimoto for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Taylor, Dorothy	Cyd C. Taylor for the payment of the Accrued But Unpaid Continuance Allowance
Tenbrook, Janice	The Ten Brook Trust for the payment of the Accrued But Unpaid Continuance Allowance
Ulbrich, Dwain K	Ryan Keith Ulbrich for the payment of the Accrued But Unpaid Service Retirement Allowance
Villafana, Henry S	The Henry & Rachel Villafana Living Trust for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wahrhaftig, Claire I	Claire Isaacs Wahrhaftig Trust for the payment of the Burial Allowance

Warren, Robert E	Wendy L Warren for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Watson, Lillie R	Eric D Love for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Yee, Lita	Michael Howard Yee for the payment of the Accrued But Unpaid Continuance Allowance Randall John Yee for the payment of the Accrued But Unpaid Continuance Allowance
Zuniga, Blanca C	Eduardo Morales Rodriguez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

TIER 3
None

APPROVED DEATH BENEFIT PAYMENTS – Active Members

Deceased	Beneficiary/Payee
TIER 1	
Cisneros, Isauro	Angelica Cisneros for the payment of the Accumulated Contributions
Frederick, Lashavon R	Kathryn S Cole for the payment of the Accumulated Contributions Keysean L Smith for the payment of the Accumulated Contributions
Isidro, Larry A	Romeo Isidro for the payment of the Accumulated Contributions
Manning, Robert W	Susan E Manning for the payment of the FDBP Survivor
Trujillo, Nichole Christina	Cesar A Trujillo for the payment of the Limited Pension
Vasquez, Theodore	Nestor Samuel Farias for the payment of the Disability Retirement Survivorship Allowance
Williams, Ronald	Brenda L Johnson for the payment of the Accumulated Contributions

TIER 3
Active

Chung, Sufeng	Yuk Ming Tam for the payment of the Disability Retirement Survivorship Allowance
Hesseltine, Ronnie Wayne	Leticia Orozco for the payment of the Accumulated Contributions
Jamison, Jermaine	Brandi McDaniel for the payment of the Minor Accumulated Contributions Limited Pension Brandi McDaniel for the payment of the Minor Accumulated Contributions Limited Pension Brandi McDaniel for the payment of the Minor Accumulated Contributions Limited Pension
Perez, Manuel	Erika Perez for the payment of the Disability Retirement Survivorship Allowance
Vallery, Rochelle Ann	Valerie Nyeecole Renata Varnado 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
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: III-C

SUBJECT: GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS 68 AND 75 ACTUARIAL VALUATIONS BASED ON JUNE 30, 2025 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2026

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

Recommendation
That the Board receive and file the attached Governmental Accounting Standards Board Statement Nos. 68 (GASB 68) and 75 (GASB 75) Actuarial Valuations for Employer Reporting as of June 30, 2026 (Attachments 1 and 2).

Executive Summary
The Governmental Accounting Standards Board requires pension plan sponsors to report certain pension information in their financial statements. The attached valuation reports, prepared by LACERS' independent actuary, Segal, based on the June 30, 2025, LACERS actuarial valuations, provide the City, the Department of Airports, and the Harbor Department with the necessary pension information for reporting in their respective financial statements as of June 30, 2026. LACERS' external auditor, Baker Tilly, has performed audit procedures and issued unmodified opinions on the allocation schedules presented in the GASB 68 and GASB 75 valuation reports (Attachment 3).

Discussion
The attached GASB 68 and GASB 75 valuation reports, prepared by Segal, present the proportional shares of the net pension and net OPEB liabilities, along with other information required for disclosure in the City's, the Department of Airports', and the Harbor Department's June 30, 2026, financial statements. Key findings from the Segal valuation report, based on the June 30, 2025, measurement date, include:

- The Net Pension Liability (NPL), which represents the difference between the

Total Pension Liability (TPL) and the Retirement Plan Fiduciary Net Position, decreased from $7.35 billion to $6.54 billion. This decrease was primarily attributable to the retirement plan's asset market value return of 11.35% during Fiscal Year 2024-25, which exceeded the assumed investment rate of 7.00%, resulting in a gain of approximately $842.20 million. The $6.54 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, 2026, as follows:

City	Airports	Harbor	Total
$ 5,560,498,762	$ 742,660,482	$ 232,424,758	$ 6,535,584,002

- The Net OPEB Liability (NOL), representing the difference between the Total OPEB Liability (TOL) and the OPEB Plan Fiduciary Net Position, changed from ($226.02) million to ($318.32) million (an increase in surplus position). This change was primarily attributable to the postemployment healthcare plan's asset market value return of 12.73% during Fiscal Year 2024-25, which exceeded the assumed investment rate of 7.00% and resulted in a gain of approximately $217.40 million. This gain was partially offset by higher healthcare trend assumptions, which increased the liability by approximately $117.40 million. The ($318.32) million Net OPEB Liability is allocated based on OPEB contributions to LACERS and will be reflected in the plan sponsors' Statements of Net Position/Balance Sheets as of June 30, 2026, as follows:

City	Airports	Harbor	Total
$ (272,983,132)	$ (34,150,682)	$ (11,183,297)	$ (318,317,111)

Prepared By:
Jo Ann Peralta, Departmental Chief Accountant IV

TB:EA:JP

ATTACHMENT(S): 1. GASB 68 Actuarial Valuation for June 30, 2026 Employer Reporting Issued by Segal
2. GASB 75 Actuarial Valuation for June 30, 2026 Employer Reporting Issued by Segal
3. Baker Tilly's Independent Auditor's Report

BOARD MEETING: OCTOBER 13, 2026
ITEM: III-C
ATTACHMENT: 1

Los Angeles City Employees' Retirement System (LACERS)

Governmental Accounting Standards Board Statement No. 68 (GASB 68) Actuarial Valuation of Retirement Benefits as of June 30, 2025 for Employer Reporting as of June 30, 2026



This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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Segal

Segal

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segalco.com
T 415.263.8200

May 5, 2026

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 Board Statement No. 68 (GASB 68) Actuarial Valuation based on a June 30, 2025 measurement date for employer reporting as of June 30, 2026. 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 GASB 68. Please refer to the funding Actuarial Valuation and Review of Pension (or Retirement) Benefits as of June 30, 2025 for the data, assumptions, and plan of benefits underlying these calculations.

This report was prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration (the Board), based upon information provided by the staff of the Plan and the Plan's other service providers.

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; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

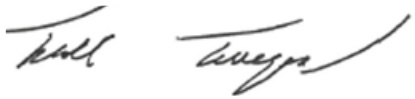
The actuarial calculations were completed under the supervision of Emily Klare, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Plan and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

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

Sincerely,

Segal



Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary



Emily Klare, ASA, MAAA, EA
Senior Actuary

DNA/jl

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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 Board Statement No. 68 (GASB 68) as of June 30, 2025 for employer reporting as of June 30, 2026. The results used in preparing this GASB 68 report are comparable to those used in preparing the Governmental Accounting Standards Board Statement No. 67 (GASB 67) report for the Plan based on a reporting date and a measurement date as of June 30, 2025. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This report is based on:

- The benefit provisions of the Pension (or Retirement) Plan, as administered by the Board of Administration;[1]
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2025, provided by LACERS;
- The assets of the Plan as of June 30, 2025, provided by LACERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2025 funding valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2025 funding valuation.

General observations on a GASB 68 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, they do not apply to contribution amounts for pension funding purposes. Employers and plans should continue to develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) 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 service cost for financial reporting shown in this report and the normal cost component of the annual plan cost for funding.

[1] Please refer to page 15 of this report for additional discussion regarding Plan Provisions not included in the TPL calculation in this valuation.

3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan Fiduciary Net Position (FNP). The Plan FNP is equal to the fair value of assets and therefore, the NPL measure is very similar to the unfunded actuarial accrued liability (UAAL) calculated on a market value basis.

Highlights of the valuation

1. The reporting date for the employer is June 30, 2026 and the NPL was measured as of June 30, 2025. The TPL was determined based upon the actuarial valuation as of June 30, 2025 and the Plan FNP was also valued as of the measurement date.
2. The NPL decreased from $7.348 billion as of June 30, 2024 to $6.536 billion as of June 30, 2025 primarily due to the return on the market value of retirement plan assets of 11.35%[2] during fiscal year 2024-2025 that was more than the assumption of 7.00% used in the June 30, 2024 valuation (a gain of about $842.2 million). Changes in these values during the last two fiscal years can be found in *Section 2, Exhibit 3 – Schedule of changes in Net Pension Liability* on page 20.
3. There was a decrease in the total employer pension expense from $975.5 million calculated last year to $523.0 million calculated this year. The primary cause of the decrease was amortization experience. In particular, liability, assumption, and investment loss bases from 2020 became fully recognized and an investment gain base was added for 2025.
4. The discount rate used to measure the TPL and NPL as of June 30, 2025 was 7.00% following the same assumption used by LACERS in the actuarial funding valuation as of June 30, 2025. The detailed calculations used in the derivation of the 7.00% discount rate 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, 2025 are allocated based on the actual employer contributions made during 2024/2025. 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, Exhibit 5 – Determination of proportionate share* on page 24.
6. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2025. The employer should consult with their auditor to determine the deferred outflow that should be created for these contributions.

[2] For the June 30, 2025 valuation, the investment return calculated for the Retirement Plan was 11.35% (net of investment expenses only) which is lower than the 12.73% investment return calculated for the OPEB Plan. (We note that for the June 30, 2024 valuation, the investment return calculated for the Retirement Plan was 8.29% while the investment return for the OPEB Plan was 9.09%.) 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.

Summary of key valuation results[3]

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68[4]	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Disclosure elements		
Service cost[5]	$496,465,290	$461,843,826
Total Pension Liability	27,613,228,652	26,492,518,234
Plan Fiduciary Net Position	21,077,644,650	19,144,037,018
Net Pension Liability	6,535,584,002	7,348,481,216
Pension expense	523,027,616	975,518,133
Schedule of contributions		
Actuarially determined contributions	$803,985,029	$714,338,215
Actual contributions	803,985,029	714,338,215
Contribution deficiency / (excess)	0	0
Demographic data		
Number of retired members and beneficiaries	22,915	22,763
Number of inactive members[6]	12,265	11,839
Number of active members	27,000	26,782
Key assumptions		
Investment rate of return	7.00%	7.00%
Inflation rate	2.50%	2.50%
"Across-the-board" salary increase	0.50%	0.50%
Projected salary increases[7]	9.00% to 4.00%	9.00% to 4.00%
Cost-of-living adjustments	Tier 1: 2.75% Tier 3: 2.00%	Tier 1: 2.75% Tier 3: 2.00%

[3] 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.

[4] The reporting date and measurement date for the **Plan** are June 30, 2025 and June 30, 2024 for the current and prior years, respectively.

[5] The service cost is based on the previous year's valuation, meaning the June 30, 2025 and June 30, 2024 measurement date values are based on the valuations as of June 30, 2024 and June 30, 2023, respectively. Both service costs have been calculated using the assumptions shown in the Prior Year column, as there had been no changes in the actuarial assumptions between the June 30, 2023 and June 30, 2024 valuations.

[6] Includes inactive members due a refund of member contributions.

[7] Includes inflation at 2.50% plus "across-the-board" salary increase of 0.50%, plus merit and promotion increases that vary by service.

Important information about actuarial valuations

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

Input Item	Description
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 our report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Member information	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.
Financial information	This valuation is based on the fair value of assets as of the valuation date, as provided by LACERS.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members 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 members 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 (if any). 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.
Actuarial 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. Deterministic cost projections are based on a proprietary forecasting model. 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.

Section 1: Actuarial Valuation Summary

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. 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 a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measures, except where otherwise noted.
- If LACERS 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 and is not acting as a fiduciary to the Plan. This valuation is based on Segal's 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 LACERS upon delivery and review. LACERS should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB 68 Information

General information about the pension plan

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; and
- One shall be a retired member of the System elected by the retired members of the System.

Plan membership

At June 30, 2025, pension plan membership consisted of the following:

Membership	Count
Retired members and beneficiaries	22,915
Inactive members[8]	12,265
Active members	27,000
Total	**62,180**

[8] Includes inactive members due a refund of member 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. A member of Tier 1 of the Retirement System who while a City employee and on their retirement date, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31 is designated as a sworn Public Safety Officer (PSO) member. Sworn PSO members shall also include those who elected not to make a one-time lump sum payment of $5,700 on or before January 8, 2019 in exchange for the enhanced benefits provided by Section 4.1007(a), 4.1008.1 and 4.1010.1 as set forth in Section 4.1002(e)(2). 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).

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit, and tier.

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) for Tier 1 and Tier 1 Enhanced and 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) for Tier 3. For purposes of calculating the pre-retirement death and disability benefits for Sworn PSO members, except for the service retirement component of such benefits for current Tier 3 members, final average compensation is the equivalent of monthly average salary of the highest continuous 12 months (one year) and includes base salary plus regularly assigned pensionable bonuses or premium pay. For purposes of calculating the service retirement component of the disability benefits for current Tier 3 Sworn PSO members, final average compensation is the equivalent of monthly average salary of the highest continuous 36 months (three years) and is 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.

The maximum monthly retirement allowance is 100% of the final average monthly compensation for Tier 1 and Tier 1 Enhanced and is 80% of the final average monthly compensation for Tier 3 (except when the benefit is based solely on the annuity component funded by the member's contributions).

The member may elect an unmodified retirement allowance or choose an optional retirement allowance (the unmodified option provides the highest monthly benefit). For Tier 1 and Tier 3, the unmodified option provides a 50% continuance to an eligible surviving spouse or domestic partner. For Tier 1 Enhanced and PSO members, the unmodified option provides an 80% continuance to an eligible surviving spouse or domestic partner for members who retired for a service-connected disability. For Tier 1 Enhanced members, the unmodified option provides a 70% continuance for members who retired for service or for a nonservice-connected disability. For PSO members, the unmodified option provides a 70% continuance for members who retired for a nonservice-connected disability. 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.

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 annual average 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.

Tier 1 and Tier 1 Enhanced member benefits

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

Tier 1 members are eligible to retire for disability once they have 5 or more years of continuous service. Tier 1 Enhanced members and PSO 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.

Tier 3 member benefits

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 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.

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

Tier 3 members are eligible to retire for disability once they have 5 or more years of continuous service.

Contributions

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, 2025 was 29.92% of compensation.[9]

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.

[9] Based on the June 30, 2023 funding valuation which established funding requirements for fiscal year 2024/2025. The schedule of contributions in Section 2 of this report provides details on how this rate was calculated.

Exhibit 1 – Net Pension Liability

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of the Net Pension Liability		
Total Pension Liability	$27,613,228,652	$26,492,518,234
Plan Fiduciary Net Position	(21,077,644,650)	(19,144,037,018)
Net Pension Liability (Surplus)	**$6,535,584,002**	**$7,348,481,216**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability[10]	76.33%	72.26%

The NPL for the Plan in this valuation was measured as of June 30, 2025. The Plan FNP was valued as of the measurement date and the TPL was determined based upon the results of the actuarial valuation as of June 30, 2025.

Plan provisions

The plan provisions used in the measurement of the NPL as of June 30, 2025 are the same as those used in LACERS' actuarial funding valuation as of June 30, 2025. This includes enhanced pre-retirement death and disability benefits for certain Sworn Public Safety Officers (PSO) who chose to remain in LACERS.

We note that certain LACERS members were allowed to transfer to the City of Los Angeles Fire and Police Pension Plan (LAFPP), as permitted under Measure FF. However, as the elections to be made by the eligible members were not yet available to us as of the drafting of the June 30, 2025 GASB 67 valuation report for Pension Plan reporting, we did not reflect the financial impact of the transfers in that June 30, 2025 GASB 67 report nor in this June 30, 2025 measurement date GASB 68 report for employer reporting.

Actuarial assumptions

The TPL as of June 30, 2025 uses the same actuarial assumptions as the actuarial funding valuation as of June 30, 2025. The actuarial assumptions used in that funding valuation were based on the results of an experience study for the period July 1, 2019 through June 30, 2022. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

[10] These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Section 2: GASB 68 Information

Assumption Type	Assumption
Investment rate of return	7.00%, net of pension plan investment expense and including inflation
Inflation rate	2.50%
“Across-the-board” salary increase	0.50%
Projected salary increases	9.00% to 4.00% The above salary increases vary by service and include inflation and “across-the-board” salary increase.
Cost-of-living adjustments	Tier 1: 2.75% Tier 3: 2.00% For Tier 1 members who have COLA banks, we assume they receive up to 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.
Other assumptions	See analysis of actuarial experience during the period July 1, 2019 through June 30, 2022.

Detailed information regarding all actuarial assumptions can be found in the June 30, 2025 Actuarial Valuation and Review of Retirement Benefits.

Exhibit 2 – Discount rate

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments[11] was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation and, beginning with June 30, 2023, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2023 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2023, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (after deducting inflation and applicable investment management expenses), are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of June 30, 2025. This information will be subject to change every three years based on the results of an actuarial experience study.

[11] Note that the investment return assumption for funding purposes was developed net of both investment and administrative expenses; however, the same investment return assumption was used for financial reporting purposes, where it is considered gross of administrative expenses. This results in an increase in the margin for adverse deviation when using that investment return assumption for financial reporting.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return[12]
Large cap U.S. equity	15.00%	6.00%
Small/mid cap U.S. equity	6.00%	6.65%
Developed international large cap equity	15.00%	7.01%
Developed international small cap equity	3.00%	7.34%
Emerging markets equity	6.67%	8.80%
Core bonds	11.25%	1.97%
High yield bonds	1.50%	4.63%
Bank loans	1.50%	4.07%
TIPS	3.60%	1.77%
Emerging market external debt	2.00%	4.72%
Emerging market local currency debt	2.00%	4.53%
Real estate – core	4.20%	3.86%
Cash and equivalents	1.00%	0.63%
Private equity	16.00%	9.84%
Private credit (private debt)	5.75%	6.47%
Emerging market small-cap equity	1.33%	11.10%
REIT	1.40%	6.80%
Real estate – non core	2.80%	5.40%
Total	**100.00%**	**6.27%**

Discount rate

The discount rate used to measure the TPL was 7.00% as of June 30, 2025.

[12] Arithmetic real rates of return are net of inflation.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates.[13] 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 Plan FNP 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 June 30, 2025.

Discount rate sensitivity

The following presents the NPL of LACERS as of June 30, 2025, calculated using the current discount rate of 7.00%, as well as what LACERS' NPL 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:

Employer Category	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City	$8,624,206,755	$5,560,498,762	$3,026,073,524
Airports	1,151,849,468	742,660,482	404,162,525
Harbor	360,485,498	232,424,758	126,487,647
Total for all Employer Categories	**$10,136,541,721**	**$6,535,584,002**	**$3,556,723,696**

[13] For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Exhibit 3 – Schedule of changes in Net Pension Liability

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Total Pension Liability		
Service cost	$496,465,290	$461,843,826
Interest	1,842,758,455	1,758,841,808
Change of benefit terms[14]	295,356	0
Differences between expected and actual experience	108,916,785	242,434,296
Changes of assumptions	0	0
Benefit payments, including refunds of member contributions	(1,327,725,468)	(1,270,138,814)
Net change in Total Pension Liability	**$1,120,710,418**	**$1,192,981,116**
Total Pension Liability — beginning	26,492,518,234	25,299,537,118
Total Pension Liability — ending	**$27,613,228,652**	**$26,492,518,234**
Plan Fiduciary Net Position		
Contributions — employer	$803,985,029	$714,338,215
Contributions — member	301,884,951	275,717,240
Net investment income[15]	2,198,638,920	1,503,281,316
Benefit payments, including refunds of member contributions	(1,327,725,468)	(1,270,138,814)
Administrative expense	(38,349,252)	(32,453,506)
Other[16]	(4,826,548)	0
Net change in Plan Fiduciary Net Position	**$1,933,607,632**	**$1,190,744,451**
Plan Fiduciary Net Position — beginning	19,144,037,018	17,953,292,567
Plan Fiduciary Net Position — ending	**$21,077,644,650**	**$19,144,037,018**
Net Pension Liability — ending	**$6,535,584,002**	**$7,348,481,216**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	76.33%	72.26%
Covered payroll[17]	$2,687,403,814	$2,460,394,012
Net Pension Liability as percentage of covered payroll	243.19%	298.67%

[14] Enhanced pre-retirement death and disability benefits for certain Sworn Public Safety Officers (PSO).
[15] Includes building lease and other income.
[16] Prior period adjustment resulting from the implementation of GASB 101 – Compensated Absences, effective fiscal year 2024/2025 (adjustment made to beginning of year assets in order to match the June 30, 2024 Plan Fiduciary Net Position restated by LACERS after the completion of the June 30, 2024 GASB 67 valuation report).
[17] Covered payroll represents payroll on which contributions to the pension plan are based.

Exhibit 4 – Schedule of employer contributions

Total for All Employer Categories

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[18]	Contributions as a Percentage of Covered Payroll
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%
2023	669,391,196	669,391,196	0	2,307,335,751	29.01%
2024	714,338,215	714,338,215	0	2,460,394,012	29.03%
2025	803,985,029	803,985,029	0	2,687,403,814	29.92%

See accompanying notes to this schedule on the next page.

[18] Covered payroll represents payroll on which contributions to the pension plan are based.

Methods and assumptions used to establish the actuarially determined contribution for the year ended June 30, 2025

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 (the June 30, 2023 valuation sets the rates for the 2024-2025 fiscal year).

Actuarial cost method

Entry Age Cost Method (individual basis)

Amortization method

Level percent of payroll

Remaining 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

The actuarial value of assets is equal to the market value (or fair value) of assets less unrecognized returns from each of the last seven years. The unrecognized return each year is equal to the difference between the actual and expected returns on the market value of assets, recognized over a seven-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market value of assets.

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Actuarial assumptions

The actuarially determined contribution for the year ended June 30, 2025 is based on the results of LACERS' June 30, 2023 Actuarial Valuation and Review of Retirement Benefits. The actuarial assumptions used in that valuation are as follows:

Assumption Type	Assumptions Used in the June 30, 2023 Valuation
Investment rate of return	7.00%, net of administrative and investment expense, including inflation
Inflation rate	2.50%
"Across-the-board" salary increase	0.50%
Projected salary increases	9.00% to 4.00% The above salary increases vary by service and include inflation and "across-the-board" salary increase.
Cost-of-living adjustments	Tier 1: 2.75% Tier 3: 2.00% For Tier 1 members who have COLA banks, we assume they receive up to 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.
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-2021. **Disabled:** Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Other assumptions	Same as those used in the funding actuarial valuation as of June 30, 2023.

Exhibit 5 – Determination of proportionate share

Allocation of June 30, 2024 Net Pension Liability

Employer Category	Actual Employer Contributions July 1, 2023 to June 30, 2024	Percentage[19] of Total Employer Contributions	Net Pension Liability
City	$608,102,881	85.128%	$6,255,625,843
Airports	80,556,367	11.277%	828,692,820
Harbor	25,678,967	3.595%	264,162,553
Total for all Employer Categories	**$714,338,215**	**100.000%**	**$7,348,481,216**

Allocation of June 30, 2025 Net Pension Liability

Employer Category	Actual Employer Contributions July 1, 2024 to June 30, 2025	Percentage[19] of Total Employer Contributions	Net Pension Liability
City	$684,033,402	85.081%	$5,560,498,762
Airports	91,359,534	11.363%	742,660,482
Harbor	28,592,093	3.556%	232,424,758
Total for all Employer Categories	**$803,985,029**	**100.000%**	**$6,535,584,002**

Notes

The Net Pension Liability (NPL) is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (plan assets).

The employer's share of the total NPL is the ratio of the employer's contributions to the Plan's total employer contributions. Actual employer contributions were provided by LACERS.

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

Notes

For purposes of the above June 30, 2025 NPL allocation results, the reporting date for the employer under GASB 68 is June 30, 2026. The reporting date and measurement date for the Plan under GASB 67 are June 30, 2025. Consistent with the provisions of GASB 68, the assets and liabilities measured as of June 30, 2025 are **not** adjusted or rolled forward to the June 30, 2026 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. 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

Exhibit 6 – Pension expense

Total for All Employer Categories

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Pension Expense		
Service cost	$496,465,290	$461,843,826
Interest on the Total Pension Liability	1,842,758,455	1,758,841,808
Expensed portion of current-period changes in proportion[20]	0	0
Benefit changes	295,356	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	22,503,468	50,507,145
Expensed portion of current-period changes of assumptions or other inputs	0	0
Member contributions	(301,884,951)	(275,717,240)
Projected earnings on plan investments	(1,356,432,087)	(1,268,710,040)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(168,441,367)	(46,914,255)
Administrative expense	38,349,252	32,453,506
Other expense	4,826,548	0
Recognition of beginning of year deferred outflows of resources as pension expense	724,935,038	996,646,515
Recognition of beginning of year deferred inflows of resources as pension expense	(780,347,386)	(733,433,132)
Net amortization of deferred amounts from changes in proportion[20]	0	0
Pension expense	**$523,027,616**	**$975,518,133**

[20] Includes differences between employer's contributions and proportionate share of contributions, if any.

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City

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Pension Expense		
Service cost	$422,394,481	$393,159,088
Interest on the Total Pension Liability	1,567,825,631	1,497,269,428
Expensed portion of current-period changes in proportion[21]	(665,033)	7,995,936
Benefit changes	251,290	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	19,146,033	42,995,797
Expensed portion of current-period changes of assumptions or other inputs	0	0
Member contributions	(256,844,820)	(234,712,976)
Projected earnings on plan investments	(1,154,057,379)	(1,080,029,340)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(143,310,531)	(39,937,236)
Administrative expense	32,627,684	27,627,068
Other expense	4,106,445	0
Recognition of beginning of year deferred outflows of resources as pension expense	616,777,380	848,426,704
Recognition of beginning of year deferred inflows of resources as pension expense	(663,922,409)	(624,358,030)
Net amortization of deferred amounts from changes in proportion[21]	28,994,500	24,211,466
Pension expense	**$473,323,272**	**$862,647,905**

[21] Includes differences between employer's contributions and proportionate share of contributions, if any.

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Airports

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Pension Expense		
Service cost	$56,415,029	$52,082,419
Interest on the Total Pension Liability	209,398,866	198,345,690
Expensed portion of current-period changes in proportion[22]	1,200,815	(6,507,683)
Benefit changes	33,562	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	2,557,145	5,695,722
Expensed portion of current-period changes of assumptions or other inputs	0	0
Member contributions	(34,304,206)	(31,092,805)
Projected earnings on plan investments	(154,135,959)	(143,073,224)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(19,140,561)	(5,290,550)
Administrative expense	4,357,755	3,659,802
Other expense	548,457	0
Recognition of beginning of year deferred outflows of resources as pension expense	82,376,817	112,392,450
Recognition of beginning of year deferred inflows of resources as pension expense	(88,673,509)	(82,709,713)
Net amortization of deferred amounts from changes in proportion[22]	(27,764,113)	(24,262,803)
Pension expense	**$32,870,098**	**$79,239,305**

[22] Includes differences between employer's contributions and proportionate share of contributions, if any.

Harbor

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Pension Expense		
Service cost	$17,655,780	$16,602,319
Interest on the Total Pension Liability	65,533,958	63,226,690
Expensed portion of current-period changes in proportion[23]	(535,782)	(1,488,253)
Benefit changes	10,504	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	800,290	1,815,626
Expensed portion of current-period changes of assumptions or other inputs	0	0
Member contributions	(10,735,925)	(9,911,459)
Projected earnings on plan investments	(48,238,749)	(45,607,476)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(5,990,275)	(1,686,469)
Administrative expense	1,363,813	1,166,636
Other expense	171,646	0
Recognition of beginning of year deferred outflows of resources as pension expense	25,780,841	35,827,361
Recognition of beginning of year deferred inflows of resources as pension expense	(27,751,468)	(26,365,389)
Net amortization of deferred amounts from changes in proportion[23]	(1,230,387)	51,337
Pension expense	**$16,834,246**	**$33,630,923**

[23] Includes differences between employer's contributions and proportionate share of contributions, if any.

Notes

In determining the pension expense:

- Any differences between projected and actual investment earnings on pension plan investments are recognized over a period of five years beginning with the year in which they occur.
- Current period differences between expected and actual experience as well as changes of assumptions or other inputs (if any) are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period differences between expected and actual experience as well as changes of assumptions or other inputs continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.
- Current-period plan changes are recognized immediately.

In addition, there have been changes in each employer category's proportionate share of the collective NPL during the measurement period ended June 30, 2025. The net effect of that change on the employer category's proportionate share of the collective NPL and collective deferred outflows and deferred inflows of resources, as well as any differences between actual employer contributions[24] and the proportionate share of employer contributions, are recognized as follows:

- Current period changes in proportion and differences between employer's contributions and proportionate share of contributions are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period changes in proportion and differences between employer's contributions and proportionate share of contributions continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.

The average of the expected remaining service lives of all employees that are provided with pensions through LACERS is 4.84 years determined as of June 30, 2024 (the beginning of the measurement period ended June 30, 2025). The average expected remaining service lives of all employees was 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 employees, nonactive and retired members.

[24] Actual employer contributions are reported to us by LACERS for each active employer category.

Exhibit 7 – Deferred outflows and deferred inflows of resources

Total for All Employer Categories

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Deferred Outflows of Resources		
Changes in proportion[25]	$47,148,879	$73,737,576
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on Pension Plan investments (if any)	0	279,496,048
Difference between actual and expected experience in the Total Pension Liability	397,533,639	461,451,182
Total Deferred Outflows	**$444,682,518**	**$814,684,806**
Deferred Inflows of Resources		
Changes in proportion[25]	$47,148,879	$73,737,576
Changes of assumptions or other inputs	40,764,068	64,742,932
Net difference between actual and projected earnings on Pension Plan investments (if any)	263,868,400	0
Difference between expected and actual experience in the Total Pension Liability	12,877,748	64,241,074
Total Deferred Inflows	**$364,659,095**	**$202,721,582**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer		
2026	N/A	$(55,412,348)
2027	$483,244,098	629,181,997
2028	(101,235,784)	44,702,115
2029	(152,446,439)	(6,508,540)
2030	(149,538,452)	0
2031	0	0
Thereafter	0	0

[25] Includes differences between employer's contributions and proportionate share of contributions, if any.

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City

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Deferred Outflows of Resources		
Changes in proportion[26]	$42,414,426	$71,408,926
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on Pension Plan investments (if any)	0	237,929,805
Difference between actual and expected experience in the Total Pension Liability	338,223,073	392,824,838
Total Deferred Outflows	**$380,637,499**	**$702,163,569**
Deferred Inflows of Resources		
Changes in proportion[26]	$2,553,724	$0
Changes of assumptions or other inputs	34,682,218	55,114,458
Net difference between actual and projected earnings on Pension Plan investments (if any)	224,500,198	0
Difference between expected and actual experience in the Total Pension Liability	10,956,435	54,687,236
Total Deferred Inflows	**$272,692,575**	**$109,801,694**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer		
2026	N/A	$(18,177,005)
2027	$430,508,531	555,638,690
2028	(70,806,849)	54,044,041
2029	(123,970,272)	856,149
2030	(127,786,486)	0
2031	0	0
Thereafter	0	0

[26] Includes differences between employer's contributions and proportionate share of contributions, if any.

Airports

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Deferred Outflows of Resources		
Changes in proportion[27]	$4,648,017	$81,330
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on Pension Plan investments (if any)	0	31,518,944
Difference between actual and expected experience in the Total Pension Liability	45,173,090	52,038,138
Total Deferred Outflows	**$49,821,107**	**$83,638,412**
Deferred Inflows of Resources		
Changes in proportion[27]	$35,425,933	$63,234,488
Changes of assumptions or other inputs	4,632,159	7,301,101
Net difference between actual and projected earnings on Pension Plan investments (if any)	29,984,258	0
Difference between expected and actual experience in the Total Pension Liability	1,463,342	7,244,506
Total Deferred Inflows	**$71,505,692**	**$77,780,095**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer		
2026	N/A	$(34,012,998)
2027	$39,333,842	54,173,615
2028	(23,706,215)	(8,362,181)
2029	(21,328,336)	(5,940,119)
2030	(15,983,876)	0
2031	0	0
Thereafter	0	0

[27] Includes differences between employer's contributions and proportionate share of contributions, if any.

Harbor

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Deferred Outflows of Resources		
Changes in proportion[28]	$86,436	$2,247,320
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on Pension Plan investments (if any)	0	10,047,299
Difference between actual and expected experience in the Total Pension Liability	14,137,476	16,588,206
Total Deferred Outflows	**$14,223,912**	**$28,882,825**
Deferred Inflows of Resources		
Changes in proportion[28]	$9,169,222	$10,503,088
Changes of assumptions or other inputs	1,449,691	2,327,373
Net difference between actual and projected earnings on Pension Plan investments (if any)	9,383,944	0
Difference between expected and actual experience in the Total Pension Liability	457,971	2,309,332
Total Deferred Inflows	**$20,460,828**	**$15,139,793**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer		
2026	N/A	$(3,222,345)
2027	$13,401,725	19,369,692
2028	(6,722,720)	(979,745)
2029	(7,147,831)	(1,424,570)
2030	(5,768,090)	0
2031	0	0
Thereafter	0	0

[28] Includes differences between employer's contributions and proportionate share of contributions, if any.

Exhibit 8 – Reconciliation of Net Pension Liability

Total for All Employer Categories

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Net Pension Liability		
Beginning Net Pension Liability	$7,348,481,216	$7,346,244,551
• Pension expense	523,027,616	975,518,133
• Employer contributions	(803,985,029)	(714,338,215)
• New net deferred outflows/(inflows)	(587,352,149)	4,270,130
• Change in allocation of prior deferred outflows/(inflows)	0	0
• New net deferred flows due to change in proportion[29]	0	0
• Recognition of prior deferred outflows/(inflows)	55,412,348	(263,213,383)
• Recognition of prior deferred flows due to change in proportion[29]	0	0
Ending Net Pension Liability	**$6,535,584,002**	**$7,348,481,216**

[29] Includes differences between employer contributions and proportionate share of contributions, if any.

City

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Net Pension Liability		
Beginning Net Pension Liability	$6,255,625,843	$6,210,179,300
• Pension expense	473,323,272	862,647,905
• Employer contributions	(684,033,402)	(608,102,881)
• New net deferred outflows/(inflows)	(499,721,355)	3,635,084
• Change in allocation of prior deferred outflows/(inflows)	(292,401)	5,162,019
• New net deferred flows due to change in proportion[30]	(2,553,724)	30,384,556
• Recognition of prior deferred outflows/(inflows)	47,145,029	(224,068,674)
• Recognition of prior deferred flows due to change in proportion[30]	(28,994,500)	(24,211,466)
Ending Net Pension Liability	**$5,560,498,762**	**$6,255,625,843**

[30] Includes differences between employer contributions and proportionate share of contributions, if any.

Airports

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Net Pension Liability		
Beginning Net Pension Liability	$828,692,820	$863,878,701
• Pension expense	32,870,098	79,239,305
• Employer contributions	(91,359,534)	(80,556,367)
• New net deferred outflows/(inflows)	(66,742,809)	481,543
• Change in allocation of prior deferred outflows/(inflows)	527,973	(4,201,232)
• New net deferred flows due to change in proportion[31]	4,611,129	(24,729,196)
• Recognition of prior deferred outflows/(inflows)	6,296,692	(29,682,737)
• Recognition of prior deferred flows due to change in proportion[31]	27,764,113	24,262,803
Ending Net Pension Liability	**$742,660,482**	**$828,692,820**

[31] Includes differences between employer contributions and proportionate share of contributions, if any.

Harbor

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	June 30, 2026	June 30, 2025
Measurement date for employer under GASB 68	June 30, 2025	June 30, 2024
Components of Net Pension Liability		
Beginning Net Pension Liability	$264,162,553	$272,186,550
• Pension expense	16,834,246	33,630,923
• Employer contributions	(28,592,093)	(25,678,967)
• New net deferred outflows/(inflows)	(20,887,985)	153,503
• Change in allocation of prior deferred outflows/(inflows)	(235,572)	(960,787)
• New net deferred flows due to change in proportion[32]	(2,057,405)	(5,655,360)
• Recognition of prior deferred outflows/(inflows)	1,970,627	(9,461,972)
• Recognition of prior deferred flows due to change in proportion[32]	1,230,387	(51,337)
Ending Net Pension Liability	**$232,424,758**	**$264,162,553**

[32] Includes differences between employer contributions and proportionate share of contributions, if any.

Exhibit 9 – Schedule of proportionate share of Net Pension Liability

Total for All Employer Categories

Reporting Date for Employer as of June 30	Proportion of NPL	Proportionate Share of NPL	Covered Payroll[33]	Proportionate Share of NPL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TPL
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%
2024	100.000%	7,346,244,551	2,307,335,751	318.39%	70.96%
2025	100.000%	7,348,481,216	2,460,394,012	298.67%	72.26%
2026	100.000%	6,535,584,002	2,687,403,814	243.19%	76.33%

[33] Covered payroll represents payroll on which contributions to the pension plan are based.

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City

Reporting Date for Employer as of June 30	Proportion of NPL	Proportionate Share of NPL	Covered Payroll[34]	Proportionate Share of NPL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TPL
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%
2024	84.536%	6,210,179,300	1,964,398,935	316.14%	70.96%
2025	85.128%	6,255,625,843	2,107,400,045	296.84%	72.26%
2026	85.081%	5,560,498,762	2,298,634,484	241.90%	76.33%

[34] Covered payroll represents payroll on which contributions to the pension plan are based.

Airports

Reporting Date for Employer as of June 30	Proportion of NPL	Proportionate Share of NPL	Covered Payroll[35]	Proportionate Share of NPL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TPL
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%
2024	11.759%	863,878,701	258,018,846	334.81%	70.96%
2025	11.277%	828,692,820	264,680,483	313.09%	72.26%
2026	11.363%	742,660,482	293,040,586	253.43%	76.33%

[35] Covered payroll represents payroll on which contributions to the pension plan are based.

Harbor

Reporting Date for Employer as of June 30	Proportion of NPL	Proportionate Share of NPL	Covered Payroll[36]	Proportionate Share of NPL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TPL
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%
2024	3.705%	272,186,550	84,917,970	320.53%	70.96%
2025	3.595%	264,162,553	88,313,484	299.12%	72.26%
2026	3.556%	232,424,758	95,728,744	242.80%	76.33%

[36] Covered payroll represents payroll on which contributions to the pension plan are based.

Exhibit 10 – Schedule of recognition of changes in Net Pension Liability

The following tables present the increase/(decrease) in pension expense due to various changes in Net Pension Liability.

Differences between Expected and Actual Experience on Total Pension Liability

Recognition by Reporting Date for Employer as of June 30

Reporting Date for Employer as of June 30	Total Change	Recognition Period	2025	2026	2027	2028	2029	2030	Thereafter
2021[37]	$308,183,796	4.99	$61,142,676	$0	$0	$0	$0	$0	$0
2022[37]	(189,821,814)	5.04	(37,663,058)	(37,663,058)	(1,506,524)	0	0	0	0
2023[37]	(66,172,296)	4.83	(13,700,268)	(13,700,268)	(11,371,224)	0	0	0	0
2024[37]	469,171,461	4.70	99,823,715	99,823,715	99,823,715	69,876,601	0	0	0
2025	242,434,296	4.80	50,507,145	50,507,145	50,507,145	50,507,145	40,405,716	0	0
2026	108,916,785	4.84	N/A	22,503,468	22,503,468	22,503,468	22,503,468	18,902,913	0
Total	**N/A**	**N/A**	**$160,110,210**	**$121,471,002**	**$159,956,580**	**$142,887,214**	**$62,909,184**	**$18,902,913**	**$0**

As described in *Section 2, Exhibit 6 – Pension expense*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through LACERS (active and inactive members) determined as of June 30, 2024 (the beginning of the measurement period ending June 30, 2025) is 4.84 years.

[37] The amortization amounts prior to June 30, 2025 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Assumption Changes or Other Inputs

Recognition by Reporting Date for Employer as of June 30

Reporting Date for Employer as of June 30	Total Change	Recognition Period	2025	2026	2027	2028	2029	2030	Thereafter
2021[38]	$530,720,225	4.99	$105,293,189	$0	$0	$0	$0	$0	$0
2022[38]	0	5.04	0	0	0	0	0	0	0
2023[38]	0	4.83	0	0	0	0	0	0	0
2024[38]	(112,700,600)	4.70	(23,978,864)	(23,978,864)	(23,978,864)	(16,785,204)	0	0	0
2025	0	4.80	0	0	0	0	0	0	0
2026	0	4.84	N/A	0	0	0	0	0	0
Total	**N/A**	**N/A**	**$81,314,325**	**$(23,978,864)**	**$(23,978,864)**	**$(16,785,204)**	**$0**	**$0**	**$0**

As described in *Section 2, Exhibit 6 – Pension expense*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through LACERS (active and inactive members) determined as of June 30, 2024 (the beginning of the measurement period ending June 30, 2025) is 4.84 years.

[38] The amortization amounts prior to June 30, 2025 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Differences between Projected and Actual Earnings on Pension Plan Investments

Recognition by Reporting Date for Employer as of June 30

Reporting Date for Employer as of June 30	Total Change	Recognition Period	2025	2026	2027	2028	2029	2030	Thereafter
2021[39]	$778,913,781	5.00	$155,782,757	$0	$0	$0	$0	$0	$0
2022[39]	(3,230,543,839)	5.00	(646,108,768)	(646,108,767)	0	0	0	0	0
2023[39]	2,873,020,890	5.00	574,604,178	574,604,178	574,604,178	0	0	0	0
2024[39]	(59,910,868)	5.00	(11,982,174)	(11,982,174)	(11,982,174)	(11,982,172)	0	0	0
2025	(234,571,276)	5.00	(46,914,255)	(46,914,255)	(46,914,255)	(46,914,255)	(46,914,256)	0	0
2026	(842,206,833)	5.00	N/A	(168,441,367)	(168,441,367)	(168,441,367)	(168,441,367)	(168,441,365)	0
Total	**N/A**	**N/A**	**$25,381,738**	**$(298,842,385)**	**$347,266,382**	**$(227,337,794)**	**$(215,355,623)**	**$(168,441,365)**	**$0**

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

[39] The amortization amounts prior to June 30, 2025 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Total Increase (Decrease) in Pension Expense

Recognition by Reporting Date for Employer as of June 30

Reporting Date for Employer as of June 30	Total Change	Recognition Period	2025	2026	2027	2028	2029	2030	Thereafter
2021[40]	$1,617,817,802	N/A	$322,218,622	$0	$0	$0	$0	$0	$0
2022[40]	(3,420,365,653)	N/A	(683,771,826)	(683,771,825)	(1,506,524)	0	0	0	0
2023[40]	2,806,848,594	N/A	560,903,910	560,903,910	563,232,954	0	0	0	0
2024[40]	296,559,933	N/A	63,862,677	63,862,677	63,862,677	41,109,225	0	0	0
2025	7,863,020	N/A	3,592,890	3,592,890	3,592,890	3,592,890	(6,508,540)	0	0
2026	(733,290,048)	N/A	N/A	(145,937,899)	(145,937,899)	(145,937,899)	(145,937,899)	(149,538,452)	0
Total	**N/A**	**N/A**	**$266,806,273**	**$(201,350,247)**	**$483,244,098**	**$(101,235,784)**	**$(152,446,439)**	**$(149,538,452)**	**$0**

[40] The amortization amounts prior to June 30, 2025 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Exhibit 11 – Schedule of recognition of changes in proportionate share

In addition to the amounts shown in *Section 2, Exhibit 10 – Schedule of recognition of changes in Net Pension Liability*, there are changes in each employer's proportionate share of the total NPL during the measurement period ending on June 30, 2025.

The net effect of the change in the employer's proportionate share of the collective NPL and collective deferred outflows of resources and deferred inflows of resources along with the difference between the actual employer contributions and the proportionate share of the employer contributions is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through LACERS as shown earlier.

The scheduled increase/(decrease) in pension expense due to the change in proportion and difference in employer contributions during the measurement period ending June 30, 2025 is shown in the following table, with the corresponding amount for the measurement periods ending each June 30 beginning in 2019 shown on the following pages. While these amounts are different for each employer category, they sum to zero over the entire LACERS.

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2025

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	2026	2027	2028	2029	2030	2031
City	$(3,218,757)	4.84	$(665,033)	$(665,033)	$(665,033)	$(665,033)	$(558,625)	$0
Airports	5,811,944	4.84	1,200,815	1,200,815	1,200,815	1,200,815	1,008,684	0
Harbor	(2,593,187)	4.84	(535,782)	(535,782)	(535,782)	(535,782)	(450,059)	0
Total	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2024

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	2025	2026	2027	2028	2029	2030
City	$38,380,492	4.80	$7,995,936	$7,995,936	$7,995,936	$7,995,936	$6,396,748	$0
Airports	(31,236,879)	4.80	(6,507,683)	(6,507,683)	(6,507,683)	(6,507,683)	(5,206,147)	0
Harbor	(7,143,613)	4.80	(1,488,253)	(1,488,253)	(1,488,253)	(1,488,253)	(1,190,601)	0
Total	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2023

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	2024	2025	2026	2027	2028	2029
City	$53,674,179	4.70	$11,420,039	$11,420,039	$11,420,039	$11,420,039	$7,994,023	$0
Airports	(46,298,927)	4.70	(9,850,836)	(9,850,836)	(9,850,836)	(9,850,836)	(6,895,583)	0
Harbor	(7,375,252)	4.70	(1,569,203)	(1,569,203)	(1,569,203)	(1,569,203)	(1,098,440)	0
Total	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2022

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	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	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2021

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	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	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2020

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	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	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2019

Recognition by Reporting Date for Employer as of June 30

Employer Category	Total Change to be Recognized	Recognition Period	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	**$0**	**N/A**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Section 3: Actuarial Valuation Basis

The following presents the actuarial assumptions and methods used in the June 30, 2025 measurement date for employer reporting as of June 30, 2026.

Actuarial assumptions

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, 2019 through June 30, 2022 Actuarial Experience Study dated June 21, 2023. 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.

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 2.50% is used to approximate that crediting rate in this valuation.

Cost-of-Living Adjustment (COLA)

Retiree COLA increases of 2.75% per year for Tier 1 and 2.00% per year for Tier 3. For Tier 1 members with COLA banks, withdrawals from the bank are assumed to increase the retiree COLA up to 3.00% per year until their COLA banks are exhausted.

Payroll growth

Inflation of 2.50% 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 2.50% per year from the valuation date.

Salary increases

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- "Across-the-board" salary increase of 0.50% per year, plus
- Merit and promotion increase based on years of service:

Merit and Promotion Increases (%)

Years of Service	Rate
Less than 1	6.00
1–2	5.90
2–3	5.40
3–4	4.20
4–5	3.50
5–6	2.80
6–7	2.50
7–8	2.10
8–9	1.80
9–10	1.60
10–11	1.50
11–12	1.40
12–13	1.30
13–14	1.20
14–15	1.10
15 and over	1.00

Post-retirement mortality rates

The Pub-2010 mortality tables and adjustments as shown below 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.

Healthy

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-2021.

Disabled

Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Beneficiary

- **Beneficiaries not currently in pay status**
  - 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-2021.
- **Beneficiaries currently in pay status**
  - Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males and increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-retirement mortality rates

Pub-2010 General Employee 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-2021.

Pre-Retirement Mortality Rates (%) — Before Generational Projection from 2010

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 and Sworn PSO, 100% of pre-retirement death benefits are assumed to be service-connected.

Disability incidence

Disability Incidence Rates (%)

Age	Rate
25	0.01
30	0.02
35	0.03
40	0.05
45	0.10
50	0.14
55	0.15
60	0.16
65	0.20

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

Service-connected Disability Benefits

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 and Sworn PSO, 10% of disability retirements are assumed to be nonservice-connected with nonservice-connected disability benefits equal to 40% of Final Average Monthly Compensation.

Termination

Termination Rates (%)

Years of Service	Rate
Less than 1	10.50
1–2	10.00
2–3	9.00
3–4	7.75
4–5	6.25
5–6	5.25
6–7	5.00
7–8	4.75
8–9	4.50
9–10	4.25
10–11	4.00
11–12	3.75
12–13	3.50
13–14	3.00
14–15	2.75
15 and over	2.50

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

Retirement rates

Retirement Rates (%)

Age	Tier 1: Non-55/30	Tier 1: 55/30	Tier 1 Enhanced: Non-55/30	Tier 1 Enhanced: 55/30	Tier 3: Non-55/30	Tier 3: 55/30
50	5.0	0.0	6.0	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	18.0	0.0	17.0	0.0
55	6.0	27.0	10.0	30.0	0.0[41]	26.0
56	6.0	18.0	10.0	22.0	0.0[41]	17.0
57	6.0	18.0	10.0	22.0	0.0[41]	17.0
58	6.0	18.0	10.0	22.0	0.0[41]	17.0
59	6.0	18.0	10.0	22.0	0.0[41]	17.0
60	9.0	18.0	11.0	22.0	8.0	17.0
61	9.0	18.0	11.0	22.0	8.0	17.0
62	9.0	18.0	11.0	22.0	8.0	17.0
63	9.0	18.0	11.0	22.0	8.0	17.0
64	9.0	18.0	11.0	22.0	8.0	17.0
65	16.0	21.0	20.0	26.0	15.0	20.0
66	16.0	21.0	20.0	26.0	15.0	20.0
67	16.0	21.0	20.0	26.0	15.0	20.0
68	16.0	21.0	20.0	26.0	15.0	20.0
69	16.0	21.0	20.0	26.0	15.0	20.0
70 and over	100.0	100.0	100.0	100.0	100.0	100.0

[41] 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 members

Pension benefit paid at the later of age 60 or the current attained age for members retiring from deferred status and at the later of age 59 and the current attained age for members retiring from reciprocal status. For reciprocals, 4.00% compensation increases per annum.

Other reciprocal service

5% of future inactive members will work at a reciprocal system.

Service

Benefit service is used for benefit calculation purposes. For eligibility determination purposes, employment service is used for currently active members and vesting service is used for currently inactive members.

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. For Sworn PSO, the continuance percentage is 70% for 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 benefit service rounded down to the number of completed years. 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:

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

Justification for change in actuarial assumptions or methods

There have been no changes in actuarial assumptions or methods since the prior valuation.

Appendix A: Projection of Plan Fiduciary Net Position

Projection of Plan Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2025 ($ in millions)

Year Beginning July 1	Beginning Plan Fiduciary Net Position (a)	Total Contributions (b)	Benefit Payments (c)	Administrative Expenses (d)	Investment Earnings (e)	Ending Plan Fiduciary Net Position (a) + (b) – (c) – (d) + (e)
2024	$19,144	$1,106	$1,328	$38	$2,194[42]	$21,078
2025	21,078	1,087	1,549	42	1,448	22,022
2026	22,022	1,084	1,530	44	1,515	23,048
2027	23,048	1,071	1,599	46	1,584	24,057
2028	24,057	1,085	1,665	48	1,652	25,081
2029	25,081	1,108	1,734	50	1,722	26,127
2030	26,127	1,128	1,808	52	1,792	27,187
2031	27,187	1,163	1,886	54	1,865	28,274
2032	28,274	1,187	1,967	57	1,938	29,375
2033	29,375	1,175	2,048	59	2,011	30,456
2051	35,508	231[43]	3,003	71	2,368	35,033
2052	35,033	219[43]	3,029	70	2,333	34,486
2053	34,486	207[43]	3,052	69	2,294	33,866
2054	33,866	194[43]	3,072	68	2,249	33,169
2117	1	0[43,44]	1	0	0	1
2118	1	0[43,44]	0[44]	0	0	0
2119	0	0[43,44]	0[44]	0	0	0
2120	0	0[43,44]	0[44]	0	0	0
2121	0	0[43,44]	0[44]	0	0	0
2122	0	0[43,44]	0[44]	0	0	0
2123	0	0[43,44]	0[44]	0	0	0

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.

[42] Includes prior period adjustment resulting from the implementation of GASB 101 – Compensated Absences, effective fiscal year 2024/2025, of $(4.8) M.
[43] Mainly attributable to employer contributions to fund each year's annual administrative expenses.
[44] Less than $1 million, when rounded.

Appendix A: Projection of Plan Fiduciary Net Position

Notes

1. Amounts may not total exactly due to rounding.
2. Amounts shown in the year beginning July 1, 2024 row are actual amounts, based on the unaudited financial statements provided by LACERS.
3. Various years have been omitted from this table.
4. **Column (a):** None of the Plan FNP amounts shown have been adjusted for the time value of money.
5. **Column (b):** Projected total contributions include member and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2025); plus employer contributions to the UAAL, plus employer 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 and retired members and beneficiaries as of June 30, 2025. The projected benefit payments reflect the cost-of-living increase assumptions used in the June 30, 2025 funding valuation report. Benefit payments are assumed to occur halfway through the year, on average.
7. **Column (d):** Projected administrative expenses are calculated as approximately 0.20% of the beginning Plan FNP. The 0.20% was based on the actual fiscal year 2024-2025 administrative expenses as a percentage of the beginning Plan FNP as of July 1, 2024. 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 and reflect the assumed timing of cashflows, as noted above.
9. As illustrated in this appendix, the Plan FNP 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 TPL as of June 30, 2025 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

Appendix B: Definition of Terms

Definitions of certain terms as they are used in GASB Statement No. 68. The terms may have different meanings in other contexts.

Term	Definition
Active employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual contributions	Cash contributions recognized as additions to the Plan Fiduciary Net Position.
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.
Agent employer	An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.
Agent multiple-employer defined benefit pension plan (agent pension plan)	A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
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).

Appendix B: Definition of Terms

Term	Definition
Closed period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Collective deferred outflows of resources and deferred inflows of resources related to pensions	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
Collective Net Pension Liability	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
Collective pension expense	Pension expense arising from certain changes in the collective Net Pension Liability.
Contributions	Additions to the Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-sharing employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
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.
Deferred retirement option program (DROP)	A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.
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 GASB Statement No. 68.)
Defined contribution pension plans	Pension plans that are used to provide defined contribution pensions.

Appendix B: Definition of Terms

Term	Definition
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 Plan Fiduciary Net Position is projected (under the requirements of GASB Statement No. 68) 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.
Measurement period	The period between the prior and the current measurement dates.
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.

Appendix B: Definition of Terms

Term	Definition
Non-employer contributing entities	Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities.
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	An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.
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.

Appendix B: Definition of Terms

Term	Definition
Special funding situations	Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists: 1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions. 2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.
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 GASB Statement No. 68.

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BOARD MEETING: OCTOBER 13, 2026
ITEM: III-C
ATTACHMENT: 2

Los Angeles City Employees' Retirement System (LACERS)

Governmental Accounting Standards Board Statement No. 75 (GASB 75) Actuarial Valuation of Other Postemployment Benefits (OPEB) as of June 30, 2025 for Employer Reporting as of June 30, 2026

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May 4, 2026

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 Board Statement No. 75 (GASB 75) Actuarial Valuation of Other Postemployment Benefits (OPEB) based on a June 30, 2025 measurement date for employer reporting as of June 30, 2026. 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 GASB 75.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration (the Board). The actuarial valuation is based on the plan of benefits verified by LACERS and reliance on participant, premium, claims and expense data provided by LACERS or from vendors employed by LACERS. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

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: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

Board of Administration
Los Angeles City Employees' Retirement System
May 4, 2026

The actuarial calculations were completed under the supervision of Mehdi Riazi, FSA, FCA, MAAA, EA. The undersigned are members of the American Academy of Actuaries and 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. The assumptions used in this actuarial valuation were selected by LACERS based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Los Angeles City Employees' Retirement System and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

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

Sincerely,

Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary

Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

Emily Klare, ASA, MAAA, EA
Senior Actuary

Segal

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of the Los Angeles City Employees' Retirement System ("LACERS") OPEB plan based on June 30, 2025 measurement date for employer reporting as of June 30, 2026, required by Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. 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, retired members and surviving spouses as of June 30, 2025, provided by LACERS;
- The assets of the Plan as of June 30, 2025, 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, 2025 valuation.

General observations on GASB 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 Fiduciary Net Position. The Plan Fiduciary Net Position is equal to the fair 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, 2026 and 2025. The Net OPEB Liability (NOL) was measured as of June 30, 2025 and 2024, and determined based upon the results of the actuarial valuations as of June 30, 2025 and 2024, respectively. The Plan Fiduciary Net Position (plan assets) and the Total OPEB Liability (TOL) were valued as of the measurement dates. Consistent with the provisions of GASB 75, the assets and liabilities measured as of June 30, 2025 and 2024 were not adjusted or rolled forward to the June 30, 2026 and 2025 reporting dates, respectively.
2. The NOL decreased from a surplus of ($226.0) million as of June 30, 2024 to a surplus of ($318.3) million as of June 30, 2025. The improved surplus position was mainly due to the investment gain from actual returns of 12.73%, which exceeded the 7.00% assumed rate by 5.73% or $217.4 million. These reductions in NOL were partially offset by the impact of the new Part B Medicare premium trend assumptions and updated initial year healthcare costs, which combined to increase the TOL by 3.13% or $117.4 million.
3. There was a decrease in the total employer OPEB expense from $(43.7) million, an OPEB income, calculated last year to an OPEB income of $(86.1) million calculated this year. The decrease was driven by a combination of (1) the new amortization bases related to this year's favorable investment and demographic experience, (2) the expiration of amortization bases related to prior deferred outflows, and (3) a larger credit from projected earnings on beginning of year plan investments. A breakdown of the OPEB expenses for this year and last year can be found in *Section 2, Exhibit 7 – OPEB Expense*.
4. The investment return calculated for the OPEB Plan was 12.73% (net of investment expenses only). This is higher than the 11.35% investment return calculated for the Retirement Plan.[1] 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.
5. The discount rates used in the valuations for financial disclosure purposes as of June 30, 2025 and 2024 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 GASB 75, are expected to be sufficient to make all benefit payments to current members.

[1] We note that for the June 30, 2024 valuation, the investment return calculated for the OPEB Plan was 9.09% while the investment return calculated for the Retirement Plan was 8.29%.

Section 1: Actuarial Valuation Summary

6. The NOLs for the three employer categories in LACERS (i.e., the City, Airports, and Harbor) as of June 30, 2024 and June 30, 2025 are allocated based on the actual employer contributions made during 2023/2024 and 2024/2025, respectively.
7. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2025. Employers should consult with their auditors to determine any deferred outflow that should be created for these contributions.

Summary of key valuation results[2]

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75[3]	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Disclosure elements		
Total OPEB Liability	$3,868,232,808	$3,570,147,657
Plan Fiduciary Net Position (Assets)	4,186,549,919	3,796,164,817
Net OPEB Liability	(318,317,111)	(226,017,160)
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	108.23%	106.33%
OPEB expense	(86,086,502)	(43,678,612)
Service cost at beginning of year[4]	105,747,585	96,467,041
Schedule of contributions		
Actuarially Determined Contributions	$90,168,079	$97,093,393
Actual contributions	90,168,079	97,093,393
Contribution deficiency / (excess)	0	0
Demographic data		
Number of retired members or beneficiaries currently receiving benefits[5]	18,004	17,909
Number of vested terminated members entitled to but not yet receiving benefits	1,623	1,651
Number of retired members and surviving spouses entitled but not yet eligible for health benefits	108	113
Number of active members	27,000	26,782

[2] The assets and liabilities throughout this report are for the OPEB Plan only, and exclude amounts for the Retirement, Family Death benefit and Larger Annuity Plans.
[3] The reporting date and measurement date for the Plan are June 30, 2025 and June 30, 2024 for the current and prior years, respectively.
[4] The service cost is based on the previous year's valuation, meaning the June 30, 2025 and 2024 measurement date values are based on the valuations as of June 30, 2024 and June 30, 2023, respectively.
[5] The total number of participants, including married dependents, receiving benefits is 23,846 as of June 30, 2025 and 23,769 as of June 30, 2024.

Section 1: Actuarial Valuation Summary

Line Description	Current Year	Prior Year
Key assumptions		
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 6.87% to ultimate 4.50% over 10 years	Actual premium increase in first year, then 3.76%, then graded from 6.87% to ultimate 4.50% over 10 years
• Dental	Actual premium increase in first year, then 3.00%	Actual premium increase in first year, then 3.00%
• Medicare Part B	Actual premium increase in first year then 6.75% for the following 8 years, then graded down to ultimate 4.50%	Actual premium increase in first year then 6.20% for the following 9 years, then graded down to ultimate 4.50%

Note to footnote 4 from prior page

The June 30, 2024 service cost has been calculated using the following assumptions as of June 30, 2023:

- Discount Rate: 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
  - Medicare medical plan: Actual premium increase in first year, then graded from 6.37% to ultimate 4.50% over 8 years
  - Dental: Actual premium increase in first year, then 3.00%
  - Medicare Part B: Actual premium increase in first year, then 4.50%

Important information about actuarial valuations

An actuarial valuation is a tool to measure future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

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

Input Item	Description
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. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for LACERS to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
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 not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, 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 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. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. 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 or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). 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 the actuary selects 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 necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. 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.

Section 1: Actuarial Valuation Summary

Input Item	Description
Models	Segal valuation results are based on proprietary actuarial modeling software. The valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising 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 blended discount rate used for calculating Total OPEB Liability is based on a model developed by our Actuarial Technology and Systems unit. 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. Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations 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 paid claims, 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 actuarial valuation is prepared for use by LACERS. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If LACERS 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.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. 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.
- 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.

Section 1: Actuarial Valuation Summary

- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's 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 LACERS upon delivery and review. LACERS should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB 75 Information

General information about the OPEB plan

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, 2025, OPEB plan membership consisted of the following:

Membership	Count
Retired members or surviving spouses currently receiving benefits[6]	18,004
Vested terminated members entitled to, but not yet receiving benefits	1,623
Retired members and surviving spouses entitled but not yet eligible for health benefits	108
Active members	27,000
Total	**46,735**

[6] The total number of participants, including married dependents, receiving benefits is 23,846.

Benefits provided

LACERS provides benefits to eligible retirees and beneficiaries under the following terms and conditions.

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, 2025, the maximum health subsidy is $2,318.58 per month and will be $2,407.84 per month as of January 1, 2026. 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
10–14	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 4.00% or 4.50% 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.

Dental subsidy for members

Tier 1 (§4.1111(b)) and Tier 3 (§4.1129(b))

The System will pay 4.00% 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, 2025, the maximum dental subsidy is $42.93 per month and will remain unchanged for calendar year 2026.

There is no subsidy available to dental plan dependents or surviving spouses/domestic partners. There is also no reimbursement for dental plans not sponsored by the System.

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 credit. 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.

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. LACERS does not reimburse survivors or dependents any part of their 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 ($1,117.28 as of July 1, 2025 and will be $1,161.91 per month as of January 1, 2026).

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
10–14	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.

Exhibit 1 – Net OPEB Liability

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of the Net OPEB Liability		
Total OPEB Liability	$3,868,232,808	$3,570,147,657
Plan Fiduciary Net Position	(4,186,549,919)	(3,796,164,817)
Net OPEB Liability	**$(318,317,111)**	**$(226,017,160)**
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	108.23%	106.33%

The NOL was measured as of June 30, 2025 and 2024. The Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates, and the TOL was determined from actuarial valuations using data as of June 30, 2025 and 2024, respectively.

Plan provisions

The plan provisions used in the measurement of the NOL as of June 30, 2025 are the same as those used in LACERS' actuarial funding valuation as of June 30, 2025.

We note that certain LACERS members were allowed to transfer to the City of Los Angeles Fire and Police Pension Plan (LAFPP), as permitted under Measure FF. However, as the elections to be made by the eligible members were not yet available to us as of the drafting of the June 30, 2025 GASB 74 valuation report for OPEB Plan reporting, we did not reflect the financial impact of the transfers in that June 30, 2025 GASB 74 report nor in this June 30, 2025 measurement date GASB 75 report for employer reporting.

Actuarial assumptions

The TOL was measured by an actuarial valuation as of June 30, 2025. The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an experience study for the period from July 1, 2019 through June 30, 2022, dated June 21, 2023, and retiree health assumptions letter dated September 16, 2025. They are the same as the assumptions used in the June 30, 2025 funding actuarial valuation for LACERS. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Section 2: GASB 75 Information

Assumption Type	Assumption
Inflation	2.50%
Salary increases	Ranges from 9.00% to 4.00% based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and including inflation
Healthcare cost trend rates	
• Non-Medicare medical plan	Actual premium increase in first year, then graded from 7.12% to ultimate 4.50% over 11 years
• Medicare medical plan	Actual premium increase in first year, then graded from 6.87% to ultimate 4.50% over 10 years
• Dental, administrative costs	Actual premium increase in first year, then 3.00%
• Medicare Part B	Actual premium increase in the first year then 6.75% for the following 8 years, then graded down to ultimate 4.50%
Other assumptions	Same as those used in the June 30, 2025 funding valuation

Exhibit 2 – Determination of discount rate and investment rates of return

The long-term expected rate of return on plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation and, beginning with June 30, 2023, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2023 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2023, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation and projected arithmetic real rates of return for each major asset class (after deducting inflation and applicable investment management expenses) are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption in the June 30, 2025 actuarial valuation. This information will change every three years based on the actuarial experience study.

Section 2: GASB 75 Information

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return[7]
Large Cap U.S. Equity	15.00%	6.00%
Small/Mid Cap U.S. Equity	6.00%	6.65%
Developed International Large Cap Equity	15.00%	7.01%
Developed International Small Cap Equity	3.00%	7.34%
Emerging Markets Equity	6.67%	8.80%
Core Bonds	11.25%	1.97%
High Yield Bonds	1.50%	4.63%
Bank Loans	1.50%	4.07%
TIPS	3.60%	1.77%
Emerging Market External Debt	2.00%	4.72%
Emerging Market Local Currency Debt	2.00%	4.53%
Real Estate — Core	4.20%	3.86%
Cash & Equivalents	1.00%	0.63%
Private Equity	16.00%	9.84%
Private Credit (Private Debt)	5.75%	6.47%
Emerging Market Small-Cap Equity	1.33%	11.10%
REIT	1.40%	6.80%
Real Estate — Non Core	2.80%	5.40%
Total	**100.00%**	**6.27%**

The discount rates used to measure the TOL was 7.00% as of June 30, 2025 and June 30, 2024. 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 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 OPEB Plan Fiduciary Net Position (FNP) 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, 2025 and June 30, 2024.

[7] Arithmetic real rates of return are net of inflation.

Exhibit 3 – Sensitivity

The following presents the NOL of LACERS as well as what the NOL 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. Also, shown is the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates.

Employer	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City	$178,536,534	$(272,983,132)	$(645,470,564)
Airports	22,335,242	(34,150,682)	(80,749,531)
Harbor	7,314,104	(11,183,297)	(26,442,985)
Total for all employer categories	**$208,185,880**	**$(318,317,111)**	**$(752,663,080)**

Employer	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates[8]	1% Increase in Health Care Cost Trend Rates
City	$(681,378,458)	$(272,983,132)	$233,048,733
Airports	(85,241,673)	(34,150,682)	29,154,817
Harbor	(27,914,024)	(11,183,297)	9,547,305
Total for all employer categories	**$(794,534,155)**	**$(318,317,111)**	**$271,750,855**

[8] Current trend rates: Actual premium increase in first year, then graded from 7.12% to ultimate 4.50% over 11 years for Non-Medicare medical plan costs and actual premium increase in first year, then graded from 6.87% to ultimate 4.50% over 10 years for Medicare medical plan costs. Actual premium increase in first year, then 3.00% thereafter for Dental. Actual premium increase in the first year then 6.75% for the following 8 years, then graded down to ultimate 4.50% for Medicare Part B subsidy cost.

Exhibit 4 – Schedule of changes in Net OPEB Liability

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Total OPEB Liability		
Service cost[9]	$105,747,585	$96,467,041
Interest	251,426,042	239,772,144
Change of benefit terms	0	0
Differences between expected and actual experience	(5,448,386)	(38,374,265)
Changes of assumptions	117,442,733	22,295,905
Benefit payments, including refunds of member contributions	(171,082,823)	(155,101,696)
Net change in Total OPEB Liability	**$298,085,151**	**$165,059,129**
Total OPEB Liability – beginning	3,570,147,657	3,405,088,528
Total OPEB Liability – ending	**$3,868,232,808**	**$3,570,147,657**
Plan Fiduciary Net Position		
Contributions – employer	$90,168,079	$97,093,393
Contributions – employee	0	0
Net investment income[10]	482,746,505	322,657,796
Benefit payments, including refunds of member contributions	(171,082,823)	(155,101,696)
Administrative expense	(10,321,965)	(8,870,788)
Other[11]	(1,124,694)	0
Net change in Plan Fiduciary Net Position	**$390,385,102**	**$255,778,705**
Plan Fiduciary Net Position – beginning	3,796,164,817	3,540,386,112
Plan Fiduciary Net Position – ending	**$4,186,549,919**	**$3,796,164,817**
Net OPEB Liability		
Net OPEB Liability – ending	$(318,317,111)	$(226,017,160)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	108.23%	106.33%
Covered payroll[12]	$2,687,403,814	$2,460,394,012
Plan Net OPEB Liability as percentage of covered payroll	-11.84%	-9.19%

[9] The service cost is based on the previous year's valuation, meaning the June 30, 2025 and 2024 values are based on the valuations as of June 30, 2024 and June 30, 2023, respectively.
[10] Includes building lease and other income.
[11] Adjustment to beginning of year assets.
[12] Covered payroll is the payroll on which contributions to an OPEB plan are based.

Notes to schedule

Benefit changes: None.

Assumption changes:

- The trend assumptions applicable to future Medicare Part B premiums were updated. This change increased the TOL.
- The initial year healthcare costs and maximum subsidies were updated. This change increased the TOL.

Exhibit 5 – Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll[13]	Contributions as a Percentage of Covered Payroll
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%
2023	90,580,892	90,580,892	0	2,307,335,751	3.93%
2024	97,093,393	97,093,393	0	2,460,394,012	3.95%
2025	90,168,079	90,168,079	0	2,687,403,814	3.36%

See accompanying notes to this schedule on next page.

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

Methods and assumptions used to establish the actuarially determined contribution for year ended June 30, 2025

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 (the June 30, 2023 valuation sets the rates for the 2024–2025 fiscal year).

Actuarial cost method

Entry Age Cost Method (individual basis)

Amortization method

Level percent of payroll

Remaining amortization period

Multiple layers, closed amortization periods. 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. Any actuarial surplus is amortized over 30 years on an open (non-decreasing) basis.

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

The actuarially determined contribution for the year ended June 30, 2025 is based on the results of LACERS' June 30, 2023 Actuarial Valuation of Other Postemployment Benefits.

Assumption Type	Assumptions Used in the June 30, 2023 Valuation
Investment rate of return	7.00%, net of administrative and investment expenses, including inflation
Inflation rate	2.50%
Real across-the-board salary increase	0.50%
Projected salary increases[14]	Ranges from 9.00% to 4.00% based on years of service, including inflation
Healthcare cost trend rates	
• Non-Medicare medical plan	Actual premium increase in first year and then 7.12% graded to ultimate 4.50% over 11 years
• Medicare medical plan	Actual premium increase in first year and then 6.37% graded to ultimate 4.50% over 8 years
• Dental/Vision	Actual premium increase in first year, then 3.00%
• Medicare Part B	Actual premium increase in first year, then 4.50%
Other assumptions	Same as those used in the June 30, 2023 funding valuation

[14] Includes inflation at 2.50% plus across the board salary increases of 0.50% plus merit and promotional increases.

Exhibit 6 – Determination of proportionate share

Allocation of June 30, 2024 Net OPEB Liability

Employer Category	Actual Employer Contributions July 1, 2023 to June 30, 2024	Percentage[15] of Total Employer Contributions	Net OPEB Liability
City	$83,478,248	85.977%	$(194,323,384)
Airports	10,189,686	10.495%	(23,719,881)
Harbor	3,425,459	3.528%	(7,973,895)
Total for all Employers	**$97,093,393**	**100.000%**	**$(226,017,160)**

Allocation of June 30, 2025 Net OPEB Liability

Employer Category	Actual Employer Contributions July 1, 2024 to June 30, 2025	Percentage[15] of Total Employer Contributions	Net OPEB Liability
City	$77,326,552	85.758%	$(272,983,132)
Airports	9,673,691	10.729%	(34,150,682)
Harbor	3,167,836	3.513%	(11,183,297)
Total for all Employers	**$90,168,079**	**100.000%**	**$(318,317,111)**

Notes:

The Net OPEB Liability (NOL) is the Total OPEB Liability (TOL) minus the Plan Fiduciary Net Position (plan assets).

The employer's share of the total NOL is the ratio of the employer's contributions to the plan's total employer contributions. Actual employer contributions were provided by LACERS.

[15] The unrounded percentages are used in the allocation of the NOL amongst employers.

Section 2: GASB 75 Information

For purposes of the above results, the reporting date for the employer under GASB 75 is June 30, 2026. The reporting date and measurement date for the Plan under GASB 74 are June 30, 2025. Consistent with the provisions of GASB 75, the assets and liabilities measured as of June 30, 2025 are not adjusted or rolled forward to the June 30, 2026 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

Exhibit 7 – OPEB expense

Total for All Employer Categories

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of OPEB Expense		
Service cost	$105,747,585	$96,467,041
Interest on the Total OPEB Liability	251,426,042	239,772,144
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(852,643)	(6,100,837)
Expensed portion of current-period changes of assumptions or other inputs	18,379,144	3,544,659
Member contributions	0	0
Projected earnings on plan investments	(265,352,416)	(248,601,339)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(43,478,817)	(14,811,293)
Administrative expense	10,321,965	8,870,788
Other[16]	1,124,694	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	146,866,263	184,173,750
Recognition of beginning of year deferred inflows of resources as OPEB expense	(310,268,319)	(306,993,525)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
OPEB expense	**$(86,086,502)**	**$(43,678,612)**

[16] Adjustment to beginning of year assets.

Section 2: GASB 75 Information

City

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of OPEB Expense		
Service cost	$90,687,261	$82,939,728
Interest on the Total OPEB Liability	215,618,533	206,149,542
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(44,777)	254,209
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(731,211)	(5,245,333)
Expensed portion of current-period changes of assumptions or other inputs	15,761,630	3,047,601
Member contributions	0	0
Projected earnings on plan investments	(227,561,546)	(213,740,643)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(37,286,666)	(12,734,345)
Administrative expense	8,851,935	7,626,861
Other[17]	964,518	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	125,949,913	158,347,561
Recognition of beginning of year deferred inflows of resources as OPEB expense	(266,080,631)	(263,944,649)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	2,184,591	2,395,721
OPEB expense	**$(71,686,450)**	**$(34,903,747)**

[17] Adjustment to beginning of year assets.

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Airports

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of OPEB Expense		
Service cost	$11,345,140	$10,123,952
Interest on the Total OPEB Liability	26,974,267	25,163,431
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	47,792	(210,740)
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(91,476)	(640,266)
Expensed portion of current-period changes of assumptions or other inputs	1,971,808	372,002
Member contributions	0	0
Projected earnings on plan investments	(28,468,359)	(26,090,030)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(4,664,629)	(1,554,405)
Administrative expense	1,107,393	930,965
Other[18]	120,663	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	15,756,561	19,328,531
Recognition of beginning of year deferred inflows of resources as OPEB expense	(33,287,166)	(32,218,131)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(2,146,946)	(2,262,428)
OPEB expense	**$(11,334,952)**	**$(7,057,119)**

[18] Adjustment to beginning of year assets.

Harbor

Line Description	Current Year	Prior Year
Reporting and Measurement Dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of OPEB Expense		
Service cost	$3,715,184	$3,403,361
Interest on the Total OPEB Liability	8,833,242	8,459,171
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(3,015)	(43,469)
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(29,956)	(215,238)
Expensed portion of current-period changes of assumptions or other inputs	645,706	125,056
Member contributions	0	0
Projected earnings on plan investments	(9,322,511)	(8,770,666)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(1,527,522)	(522,543)
Administrative expense	362,637	312,962
Other[19]	39,513	0
Recognition of beginning of year deferred outflows of resources as OPEB expense	5,159,789	6,497,658
Recognition of beginning of year deferred inflows of resources as OPEB expense	(10,900,522)	(10,830,745)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	(37,645)	(133,293)
OPEB expense	**$(3,065,100)**	**$(1,717,746)**

[19] Adjustment to beginning of year assets.

Notes:

In determining the OPEB expense:

- Any differences between projected and actual investment earnings on OPEB plan investments are recognized over a period of five years beginning with the year in which they occur.
- Current period differences between expected and actual experience as well as changes of assumptions or other inputs (if any) are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period differences between expected and actual experience as well as changes of assumptions or other inputs continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.
- Current-period plan changes are recognized immediately.

In addition, there have been changes in each employer category's proportionate share of the collective NOL during the measurement period ended June 30, 2025. The net effect of that change on the employer category's proportionate share of the collective NOL and collective deferred outflows and deferred inflows of resources, as well as any differences between actual employer contributions[20] and the proportionate share of employer contributions, are recognized as follows:

- Current period changes in proportion and differences between employer's contributions and proportionate share of contributions are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period changes in proportion and differences between employer's contributions and proportionate share of contributions continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.

The average of the expected remaining service lives of all employees that are provided with benefits through LACERS is 6.39 years[21] determined as of June 30, 2024 (the beginning of the measurement period ended June 30, 2025). The average expected remaining service lives of all employees was 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 employees, nonactive and retired members.

[20] Actual employer contributions are reported to us by LACERS for each active employer category.

[21] The remaining service lives of all employees of 6.39 years used here for GASB 75 is different from the 4.84 years used for GASB 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.

Exhibit 8 – Deferred outflows and deferred inflows of resources

Total for All Employer Categories

Line Description		Current Year	Prior Year
Reporting and Measurement Dates			
Reporting Date for Employer under GASB 75		June 30, 2026	June 30, 2025
Measurement Date		June 30, 2025	June 30, 2024
Deferred Outflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[22]		$4,801,948	$7,030,468
Changes of assumptions or other inputs		118,260,574	39,237,046
Net difference between projected and actual earnings on OPEB plan investments		0	13,517,328
Difference between expected and actual experience in the Total OPEB Liability		2,268,826	3,949,440
Total Deferred Outflows of Resources		**$125,331,348**	**$63,734,282**
Deferred Inflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[22]		$4,801,948	$7,030,468
Changes of assumptions or other inputs		243,330,280	340,934,858
Net difference between actual and projected earnings on OPEB plan investments		107,225,829	0
Difference between expected and actual experience in the Total OPEB Liability		42,667,791	72,418,086
Total Deferred Inflows of Resources		**$398,025,848**	**$420,383,412**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer			
	2026	N/A	$(163,402,056)
	2027	$(24,787,373)	1,164,944
	2028	(133,245,178)	(107,292,861)
	2029	(103,506,667)	(77,554,350)
	2030	(34,775,832)	(8,823,515)
	2031	16,785,209	(741,292)
	Thereafter	6,835,341	0

[22] Calculated in accordance with Paragraphs 64 and 65 of GASB 75.

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City

Line Description		Current Year	Prior Year
Reporting and Measurement Dates			
Reporting Date for Employer under GASB 75		June 30, 2026	June 30, 2025
Measurement Date		June 30, 2025	June 30, 2024
Deferred Outflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[23]		$4,165,798	$6,419,419
Changes of assumptions or other inputs		101,418,180	33,734,941
Net difference between projected and actual earnings on OPEB plan investments		0	11,621,830
Difference between expected and actual experience in the Total OPEB Liability		1,945,705	3,395,621
Total Deferred Outflows of Resources		**$107,529,683**	**$55,171,811**
Deferred Inflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[23]		$391,836	$219,515
Changes of assumptions or other inputs		208,675,751	293,126,481
Net difference between actual and projected earnings on OPEB plan investments		91,954,976	0
Difference between expected and actual experience in the Total OPEB Liability		36,591,144	62,263,093
Total Deferred Inflows of Resources		**$337,613,707**	**$355,609,089**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer			
Reporting Date for Employer under GASB 75 Year Ended June 30:			
	2026	N/A	$(138,304,035)
	2027	$(19,553,459)	2,750,118
	2028	(113,252,307)	(91,186,291)
	2029	(87,995,610)	(65,864,456)
	2030	(29,550,693)	(7,268,993)
	2031	14,423,643	(563,621)
	Thereafter	5,844,402	0

[23] Calculated in accordance with Paragraphs 64 and 65 of GASB 75.

Airports

Line Description		Current Year	Prior Year
Reporting and Measurement Dates			
Reporting Date for Employer under GASB 75		June 30, 2026	June 30, 2025
Measurement Date		June 30, 2025	June 30, 2024
Deferred Outflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[24]		$427,463	$247,780
Changes of assumptions or other inputs		12,687,597	4,117,821
Net difference between projected and actual earnings on OPEB plan investments		0	1,418,606
Difference between expected and actual experience in the Total OPEB Liability		243,411	414,483
Total Deferred Outflows of Resources		**$13,358,471**	**$6,198,690**
Deferred Inflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[24]		$3,919,685	$6,144,549
Changes of assumptions or other inputs		26,105,712	35,780,181
Net difference between actual and projected earnings on OPEB plan investments		11,503,734	0
Difference between expected and actual experience in the Total OPEB Liability		4,577,618	7,600,080
Total Deferred Inflows of Resources		**$46,106,749**	**$49,524,810**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer			
Reporting Date for Employer under GASB 75 Year Ended June 30:			
	2026	N/A	$(19,295,545)
	2027	$(4,369,820)	(1,636,038)
	2028	(15,227,014)	(12,239,676)
	2029	(11,743,172)	(8,825,358)
	2030	(3,947,726)	(1,190,594)
	2031	1,787,483	(138,909)
	Thereafter	751,971	0

[24] Calculated in accordance with Paragraphs 64 and 65 of GASB 75.

Harbor

Line Description		Current Year	Prior Year
Reporting and Measurement Dates			
Reporting Date for Employer under GASB 75		June 30, 2026	June 30, 2025
Measurement Date		June 30, 2025	June 30, 2024
Deferred Outflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[25]		$208,687	$363,269
Changes of assumptions or other inputs		4,154,797	1,384,284
Net difference between projected and actual earnings on OPEB plan investments		0	476,892
Difference between expected and actual experience in the Total OPEB Liability		79,710	139,336
Total Deferred Outflows of Resources		**$4,443,194**	**$2,363,781**
Deferred Inflows of Resources			
Changes in proportion and differences between employer's contributions and proportionate share of contributions[25]		$490,427	$666,404
Changes of assumptions or other inputs		8,548,817	12,028,196
Net difference between actual and projected earnings on OPEB plan investments		3,767,119	0
Difference between expected and actual experience in the Total OPEB Liability		1,499,029	2,554,913
Total Deferred Inflows of Resources		**$14,305,392**	**$15,249,513**
Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer			
Reporting Date for Employer under GASB 75 Year Ended June 30:			
	2026	N/A	$(5,802,476)
	2027	$(864,094)	50,864
	2028	(4,765,857)	(3,866,894)
	2029	(3,767,885)	(2,864,536)
	2030	(1,277,413)	(363,928)
	2031	574,083	(38,762)
	Thereafter	238,968	0

[25] Calculated in accordance with Paragraphs 64 and 65 of GASB 75.

Exhibit 9 – Reconciliation of Net OPEB Liability

Total for All Employers

Line Description	Current Year	Prior Year
Reporting and measurement dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of Net OPEB Liability		
Beginning Net OPEB Liability	$(226,017,160)	$(135,297,584)
• OPEB expense	(86,086,502)	(43,678,612)
• Employer contributions	(90,168,079)	(97,093,393)
• New net deferred inflows/outflows	(79,447,426)	(72,767,346)
• Change in allocation of prior deferred inflows/outflows	0	0
• New net deferred inflows/outflows due to change in proportion	0	0
• Recognition of prior deferred inflows/outflows	163,402,056	122,819,775
• Recognition of prior deferred inflows/outflows due to change in proportion	0	0
Ending Net OPEB Liability	**$(318,317,111)**	**$(226,017,160)**

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Line Description	Current Year	Prior Year
Reporting and measurement dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of Net OPEB Liability		
Beginning Net OPEB Liability	$(194,323,384)	$(115,528,064)
• OPEB expense	(71,686,450)	(34,903,747)
• Employer contributions	(77,326,552)	(83,478,248)
• New net deferred inflows/outflows	(68,132,710)	(62,563,378)
• Change in allocation of prior deferred inflows/outflows	781,188	(2,396,080)
• New net deferred inflows/outflows due to change in proportion	(241,351)	1,344,766
• Recognition of prior deferred inflows/outflows	140,130,718	105,597,088
• Recognition of prior deferred inflows/outflows due to change in proportion	(2,184,591)	(2,395,721)
Ending Net OPEB Liability	**$(272,983,132)**	**$(194,323,384)**

Airports

Line Description	Current Year	Prior Year
Reporting and measurement dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of Net OPEB Liability		
Beginning Net OPEB Liability	$(23,719,881)	$(14,859,912)
• OPEB expense	(11,334,952)	(7,057,119)
• Employer contributions	(9,673,691)	(10,189,686)
• New net deferred inflows/outflows	(8,523,525)	(7,636,733)
• Change in allocation of prior deferred inflows/outflows	(833,785)	1,986,353
• New net deferred inflows/outflows due to change in proportion	257,601	(1,114,812)
• Recognition of prior deferred inflows/outflows	17,530,605	12,889,600
• Recognition of prior deferred inflows/outflows due to change in proportion	2,146,946	2,262,428
Ending Net OPEB Liability	**$(34,150,682)**	**$(23,719,881)**

Harbor

Line Description	Current Year	Prior Year
Reporting and measurement dates		
Reporting date for employer under GASB 75	June 30, 2026	June 30, 2025
Measurement date	June 30, 2025	June 30, 2024
Components of Net OPEB Liability		
Beginning Net OPEB Liability	$(7,973,895)	$(4,909,608)
• OPEB expense	(3,065,100)	(1,717,746)
• Employer contributions	(3,167,836)	(3,425,459)
• New net deferred inflows/outflows	(2,791,191)	(2,567,235)
• Change in allocation of prior deferred inflows/outflows	52,597	409,727
• New net deferred inflows/outflows due to change in proportion	(16,250)	(229,954)
• Recognition of prior deferred inflows/outflows	5,740,733	4,333,087
• Recognition of prior deferred inflows/outflows due to change in proportion	37,645	133,293
Ending Net OPEB Liability	**$(11,183,297)**	**$(7,973,895)**

Exhibit 10 – Schedule of proportionate share of the Net OPEB Liability

Total for All Employers

Reporting Date for Employer as of June 30	Proportion of the NOL	Proportionate Share of NOL	Covered Payroll[26]	Proportionate Share of the NOL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TOL
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	100.000%	232,924,938	2,155,005,471	10.81%	93.49%
2024	100.000%	(135,297,584)	2,307,335,751	(5.86)%	103.97%
2025	100.000%	(226,017,160)	2,460,394,012	(9.19)%	106.33%
2026	100.000%	(318,317,111)	2,687,403,814	(11.84)%	108.23%

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

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Reporting Date for Employer as of June 30	Proportion of the NOL	Proportionate Share of NOL	Covered Payroll[27]	Proportionate Share of the NOL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TOL
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%
2024	85.388%	(115,528,064)	1,964,398,935	(5.88)%	103.97%
2025	85.977%	(194,323,384)	2,107,400,045	(9.22)%	106.33%
2026	85.758%	(272,983,132)	2,298,634,484	(11.88)%	108.23%

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

Airports

Reporting Date for Employer as of June 30	Proportion of the NOL	Proportionate Share of NOL	Covered Payroll[28]	Proportionate Share of the NOL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TOL
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%
2024	10.983%	(14,859,912)	258,018,846	(5.76)%	103.97%
2025	10.495%	(23,719,881)	264,680,483	(8.96)%	106.33%
2026	10.729%	(34,150,682)	293,040,586	(11.65)%	108.23%

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

Harbor

Reporting Date for Employer as of June 30	Proportion of the NOL	Proportionate Share of NOL	Covered Payroll[29]	Proportionate Share of the NOL as a Percentage of Covered Payroll	Plan FNP as a Percentage of TOL
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%
2024	3.629%	(4,909,608)	84,917,970	(5.78)%	103.97%
2025	3.528%	(7,973,895)	88,313,484	(9.03)%	106.33%
2026	3.513%	(11,183,297)	95,728,744	(11.68)%	108.23%

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

Exhibit 11 – Schedule of recognition of change in total Net OPEB Liability

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

Reporting Date for Employer as of June 30	Differences between Expected and Actual Experience	Recognition Period	2025	2026	2027	2028	2029	2030	2031	Thereafter
2020	$(134,052,778)	6.21	$(21,586,599)	$(4,533,184)	$0	$0	$0	$0	$0	$0
2021	(135,719,690)	6.26	(21,680,462)	(21,680,462)	(5,636,918)	0	0	0	0	0
2022	10,671,896	6.35	1,680,614	1,680,614	1,680,614	588,212	0	0	0	0
2023	(369,459)	6.18	(59,783)	(59,783)	(59,783)	(59,783)	(10,761)	0	0	0
2024	(12,047,528)	6.11	(1,971,772)	(1,971,772)	(1,971,772)	(1,971,772)	(1,971,772)	(216,896)	0	0
2025	(38,374,265)	6.29	(6,100,837)	(6,100,837)	(6,100,837)	(6,100,837)	(6,100,837)	(6,100,837)	(1,769,243)	0
2026	(5,448,386)	6.39	N/A	(852,643)	(852,643)	(852,643)	(852,643)	(852,643)	(852,643)	(332,528)
Total			**N/A**	**$(33,518,067)**	**$(12,941,339)**	**$(8,396,823)**	**$(8,936,013)**	**$(7,170,376)**	**$(2,621,886)**	**$(332,528)**

As described in *Section 2, Exhibit 8 – 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, 2024 (the beginning of the measurement period ending June 30, 2025) is 6.39 years.

The amortization amounts prior to June 30, 2025 have been omitted from this Schedule. Those amounts can be found in prior years' GASB 75 reports.

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

Reporting Date for Employer as of June 30	Assumption Changes	Recognition Period	2025	2026	2027	2028	2029	2030	2031	Thereafter
2020	$33,939,702	6.21	$5,465,330	$1,147,722	$0	$0	$0	$0	$0	$0
2021	96,076,478	6.26	15,347,680	15,347,680	3,990,398	0	0	0	0	0
2022	(157,613,496)	6.35	(24,821,023)	(24,821,023)	(24,821,023)	(8,687,358)	0	0	0	0
2023	(109,877,440)	6.18	(17,779,521)	(17,779,521)	(17,779,521)	(17,779,521)	(3,200,314)	0	0	0
2024	(336,074,645)	6.11	(55,004,034)	(55,004,034)	(55,004,034)	(55,004,034)	(55,004,034)	(6,050,441)	0	0
2025	22,295,905	6.29	3,544,659	3,544,659	3,544,659	3,544,659	3,544,659	3,544,659	1,027,951	0
2026	117,442,733	6.39	N/A	18,379,144	18,379,144	18,379,144	18,379,144	18,379,144	18,379,144	7,167,869
Total			**N/A**	**$(59,185,373)**	**$(71,690,377)**	**$(59,547,110)**	**$(36,280,545)**	**$15,873,362**	**$19,407,095**	**$7,167,869**

As described in *Section 2, Exhibit 8 – 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, 2024 (the beginning of the measurement period ending June 30, 2025) is 6.39 years.

The amortization amounts prior to June 30, 2025 have been omitted from this Schedule. Those amounts can be found in prior years' GASB 75 reports.

Section 2: GASB 75 Information

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

Reporting Date for Employer as of June 30	Differences between Projected and Actual Earnings	Recognition Period	2025	2026	2027	2028	2029	2030	2031	Thereafter
2020	$30,039,319	5.00	$0	$0	$0	$0	$0	$0	$0	$0
2021	145,914,731	5.00	29,182,947	0	0	0	0	0	0	0
2022	(782,476,379)	5.00	(156,495,276)	(156,495,276)	0	0	0	0	0	0
2023	625,727,938	5.00	125,145,588	125,145,588	125,145,588	0	0	0	0	0
2024	(35,055,680)	5.00	(7,011,136)	(7,011,136)	(7,011,136)	(7,011,136)	0	0	0	0
2025	(74,056,457)	5.00	(14,811,293)	(14,811,291)	(14,811,291)	(14,811,291)	(14,811,291)	0	0	0
2026	(217,354,724)	5.00	N/A	(43,478,817)	(43,478,818)	(43,478,818)	(43,478,818)	(43,478,818)	0	0
Total			**N/A**	**$(96,650,932)**	**$59,844,343**	**$(65,301,245)**	**$(58,290,109)**	**$(43,478,818)**	**$0**	**$0**

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

The amortization amounts prior to June 30, 2025 have been omitted from this Schedule. Those amounts can be found in prior years' GASB 75 reports.

Section 2: GASB 75 Information

Total Increase (Decrease) in OPEB Expense

Reporting Date for Employer as of June 30	Assumption Changes	Recognition Period	2025	2026	2027	2028	2029	2030	2031	Thereafter
2020	$(70,073,757)	6.21	$(16,121,269)	$(3,385,462)	$0	$0	$0	$0	$0	$0
2021	106,271,519	6.26	22,850,165	(6,332,782)	(1,646,520)	0	0	0	0	0
2022	(929,417,979)	6.35	(179,635,685)	(179,635,685)	(23,140,409)	(8,099,146)	0	0	0	0
2023	515,481,039	6.18	107,306,284	107,306,284	107,306,284	(17,839,304)	(3,211,075)	0	0	0
2024	(383,177,853)	6.11	(63,986,942)	(63,986,942)	(63,986,942)	(63,986,942)	(56,975,806)	(6,267,337)	0	0
2025	(90,134,817)	6.29	(17,367,471)	(17,367,469)	(17,367,469)	(17,367,469)	(17,367,469)	(2,556,178)	(741,292)	0
2026	(105,399,742)	6.39	N/A	(25,952,316)	(25,952,317)	(25,952,317)	(25,952,317)	(25,952,317)	17,526,501	6,835,341
Total			**N/A**	**$(189,354,372)**	**$(24,787,373)**	**$(133,245,178)**	**$(103,506,667)**	**$(34,775,832)**	**$16,785,209**	**$6,835,341**

The amortization amounts prior to June 30, 2025 have been omitted from this Schedule. Those amounts can be found in prior years' GASB 75 reports.

Exhibit 12 – Schedule of recognition of change in proportionate share

In addition to the amounts shown in *Section 2, Exhibit 11 – 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, 2025. 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, 2025 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, 2025

Employer	Total Change to be Recognized	Recognition Period (Years)	2026	2027	2028	2029	2030	2031	2032
City	$(286,128)	6.39	$(44,777)	$(44,777)	$(44,777)	$(44,777)	$(44,777)	$(44,777)	$(17,466)
Airports	305,393	6.39	47,792	47,792	47,792	47,792	47,792	47,792	18,641
Harbor	(19,265)	6.39	(3,015)	(3,015)	(3,015)	(3,015)	(3,015)	(3,015)	(1,175)
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, 2024

Employer	Total Change to be Recognized	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	2031
City	$1,598,975	6.29	$254,209	$254,209	$254,209	$254,209	$254,209	$254,209	$73,721
Airports	(1,325,552)	6.29	(210,740)	(210,740)	(210,740)	(210,740)	(210,740)	(210,740)	(61,112)
Harbor	(273,423)	6.29	(43,469)	(43,469)	(43,469)	(43,469)	(43,469)	(43,469)	(12,609)
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, 2023

Employer	Total Change to be Recognized	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030
City	$3,500,247	6.11	$572,872	$572,872	$572,872	$572,872	$572,872	$572,872	$63,015
Airports	(2,991,012)	6.11	(489,527)	(489,527)	(489,527)	(489,527)	(489,527)	(489,527)	(53,850)
Harbor	(509,235)	6.11	(83,345)	(83,345)	(83,345)	(83,345)	(83,345)	(83,345)	(9,165)
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

Employer	Total Change to be Recognized	Recognition Period (Years)	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, 2021

Employer	Total Change to be Recognized	Recognition Period (Years)	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**

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

Employer	Total Change to be Recognized	Recognition Period (Years)	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, 2019

Employer	Total Change to be Recognized	Recognition Period (Years)	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**

Section 3: Supporting Information

The following presents the actuarial assumptions, methods and models used in the June 30, 2025 measurement date for employer reporting as of June 30, 2026.

Actuarial assumptions and actuarial cost method

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, 2019 through June 30, 2022 Actuarial Experience Study dated June 21, 2023 and retiree health assumptions letter dated September 16, 2025. 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 OPEB Plan investment expense.

Payroll growth

Inflation of 2.50% per year plus “across the board” real salary increases of 0.50% per year, used to amortize the Unfunded Actuarial Accrued Liability as a level percentage of payroll.

Section 3: Supporting Information

Salary increases

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- "Across the board" salary increases of 0.50% per year, plus
- The following merit and promotion increases:

Years of Service	Rate (%)
Less than 1	6.00
1–2	5.90
2–3	5.40
3–4	4.20
4–5	3.50
5–6	2.80
6–7	2.50
7–8	2.10
8–9	1.80
9–10	1.60
10–11	1.50
11–12	1.40
12–13	1.30
13–14	1.20
14–15	1.10
15 & Over	1.00

Demographic assumptions

Mortality rates — post-retirement

Healthy

Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Disabled

Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table (separate tables for males and females), with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Beneficiary

Not in Pay Status as of Valuation: Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

In Pay Status as of Valuation: Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), with rates increased by 5% for males and increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Note: 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.

Section 3: Supporting Information

Mortality rates — pre-retirement

Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Age	Male Rate (%)	Female Rate (%)
20	0.04	0.02
25	0.04	0.02
30	0.05	0.03
35	0.08	0.04
40	0.10	0.05
45	0.11	0.06
50	0.14	0.08
55	0.21	0.13
60	0.33	0.20
65	0.46	0.29

Generational projections to the valuation date for each age reflected in the above mortality rates.

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

Disability incidence

Age	Rate (%)
25	0.01
30	0.02
35	0.03
40	0.05
45	0.10
50	0.14
55	0.15
60	0.16

Age	Rate (%)
65	0.20

Termination

Years of Service	Rate (%)
Less than 1	10.50%
1–2	10.00%
2–3	9.00%
3–4	7.75%
4–5	6.25%
5–6	5.25%
6–7	5.00%
7–8	4.75%
8–9	4.50%
9–10	4.25%
10–11	4.00%
11–12	3.75%
12–13	3.50%
13–14	3.00%
14–15	2.75%
15 and over	2.50%

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

Section 3: Supporting Information

Retirement rates (%)

Age	Tier 1: Non-55/30	Tier 1: 55/30	Tier 1 Enhanced: Non-55/30	Tier 1 Enhanced: 55/30	Tier 3: Non-55/30	Tier 3: 55/30
50	5.0	0.0	6.0	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	18.0	0.0	17.0	0.0
55	6.0	27.0	10.0	30.0	0.0[30]	26.0
56	6.0	18.0	10.0	22.0	0.0[30]	17.0
57	6.0	18.0	10.0	22.0	0.0[30]	17.0
58	6.0	18.0	10.0	22.0	0.0[30]	17.0
59	6.0	18.0	10.0	22.0	0.0[30]	17.0
60	9.0	18.0	11.0	22.0	8.0	17.0
61	9.0	18.0	11.0	22.0	8.0	17.0
62	9.0	18.0	11.0	22.0	8.0	17.0
63	9.0	18.0	11.0	22.0	8.0	17.0
64	9.0	18.0	11.0	22.0	8.0	17.0
65	16.0	21.0	20.0	26.0	15.0	20.0
66	16.0	21.0	20.0	26.0	15.0	20.0
67	16.0	21.0	20.0	26.0	15.0	20.0
68	16.0	21.0	20.0	26.0	15.0	20.0
69	16.0	21.0	20.0	26.0	15.0	20.0
70 and over	100.0	100.0	100.0	100.0	100.0	100.0

[30] 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

Assume retiree health benefit will be paid at the later of age 59 or the current attained age.

Future benefit accruals

1.0 year of service credit per year.

Service

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

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

Carrier	Election Percent (%)	Monthly 2025/2026 Fiscal Year Subsidy
Delta Dental PPO	83.0	$42.93
DeltaCare USA	17.0	15.70

Section 3: Supporting Information

Per capita cost development — Medicare Part B premium subsidy

Category	Single Monthly Premium
Actual monthly premium for calendar year 2025	$185.00
Projected monthly premium for calendar year 2026[31]	206.50
Projected average monthly premium for plan year 2025/2026	195.75

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 for those reported in the data with Medicare Part B premium. 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.

[31] Based on calendar year 2025 premium adjusted to 2026 by assumed trend rate of 11.60%.

Section 3: Supporting Information

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

2024–2025 Fiscal Year Carrier	Observed & Assumed Election Rate (%)[32]	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/With Domestic Partner Monthly Premium	Married/With Domestic Partner Maximum Subsidy	Married/With Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Kaiser HMO	59.8	$1,139.60	$2,363.21	$1,139.60	$2,279.19	$2,363.21	$2,279.19	$1,139.60	$1,139.60	$1,139.60
Anthem Blue Cross PPO	23.2	1,797.51	2,363.21	1,797.51	3,589.99	2,363.21	2,363.21	1,797.51	1,139.60	1,139.60
Anthem Blue Cross HMO	17.0	1,435.57	2,363.21	1,435.57	2,866.10	2,363.21	2,363.21	1,435.57	1,139.60	1,139.60

Participant Eligible for Medicare A&B

2024–2025 Fiscal Year Carrier	Observed & Assumed Election Rate (%)[32]	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/With Domestic Partner Monthly Premium	Married/With Domestic Partner Maximum Subsidy	Married/With Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Kaiser Senior Advantage HMO	55.3	$263.23	$263.23	$263.23	$526.45	$526.45	$526.45	$263.23	$263.23	$263.23
Anthem Medicare Preferred (PPO)	33.2	437.70	437.70	437.70	870.36	870.36	870.36	437.70	437.70	437.70
UHC California Medicare Advantage Plan	5.3	364.61	364.61	364.61	724.19	724.19	724.19	364.61	364.61	364.61
SCAN Medicare Advantage Plan	4.1	226.93	226.93	226.93	448.83	448.83	448.83	226.93	226.93	226.93
Anthem Medicare Supplemental	2.1	607.32	607.32	607.32	1,209.61	1,162.25	1,162.25	607.32	607.32	607.32

[32] The observed election percentages are based on raw census data as of June 30, 2025.

Section 3: Supporting Information

The monthly premiums provided above include vision premiums and are the plan's member rates, which do not necessarily equal the rates charged by the carriers. For valuation purposes, the retirees with UHC Medicare Advantage HMO for Arizona and Nevada (1.1% of total enrollment) are assumed to have the same costs as the UHC California Medicare Advantage Plan. These grouping simplifications have a *de-minimis* impact on the valuation results.

Per capita cost development — Medical subsidy

Tier 1 Subject to Retiree Medical Subsidy Cap.

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	$253.68	$203.27
• Anthem Medicare Preferred (PPO)[33]	478.43	478.43[34]	478.43
• UHC California Medicare Adv. HMO	219.09	433.93	219.09
• SCAN Medicare Advantage Plan[35]	223.88	447.76	223.88

Per capita cost development — Medical subsidy

Per capita costs were based on the premiums for the valuation year. Actuarial factors were applied to the premiums to estimate individual retiree and spouse costs by age and by gender in accordance with ASOP 6.

[33] We have assumed the same $478.43 maximum subsidy for retirees who elect the Anthem Medicare Supplement.
[34] The reason the subsidy is only at the single-party amount is that there is no excess subsidy to cover a dependent.
[35] We have assumed the two-party maximum for SCAN to be twice the single party SCAN maximum.

Section 3: Supporting Information

Health care cost subsidy trend rates

Trend rates are applied to average premiums for the respective fiscal year to calculate the following fiscal year's projected premiums. The first fiscal year is July 1, 2025 through June 30, 2026 and reflects actual 2026 calendar year premiums.

Fiscal Year	Kaiser HMO, Under Age 65	Anthem PPO, Under Age 65	Anthem HMO, Under Age 65	Kaiser Senior Advantage	Anthem Preferred PPO Medicare Advantage	UHC CA Medicare Advantage	SCAN	Anthem Medicare Supplement
2025–2026	5.65%	8.06%	8.06%	3.80%	4.08%	21.24%	3.50%	7.89%

The fiscal year trend rates are based on the following calendar year trend rates:

Fiscal Year	Approximate Trend Rate (%) Non-Medicare	Approximate Trend Rate (%) Medicare	Calendar Year	Trend Applied to Calculate Following Year Premium Rate (%) Non-Medicare	Trend Applied to Calculate Following Year Premium Rate (%) Medicare	Trend Applied to Calculate Following Year Premium Rate (%) Medicare Part B
2026–2027	7.12	6.87	2026	7.25[36]	7.00	6.75
2027–2028	6.87	6.62	2027	7.00	6.75	6.75
2028–2029	6.62	6.37	2028	6.75	6.50	6.75
2029–2030	6.37	6.12	2029	6.50	6.25	6.75
2030–2031	6.12	5.87	2030	6.25	6.00	6.75
2031–2032	5.87	5.62	2031	6.00	5.75	6.75
2032–2033	5.62	5.37	2032	5.75	5.50	6.75
2033–2034	5.37	5.12	2033	5.50	5.25	6.75
2034–2035	5.12	4.87	2034	5.25	5.00	6.25
2035–2036	4.87	4.62	2035	5.00	4.75	5.75
2036–2037	4.62	4.50	2036	4.75	4.50	5.25
2037–2038	4.50	4.50	2037	4.50	4.50	4.75
2038–2039	4.50	4.50	2038	4.50	4.50	4.50
2039–2040	4.50	4.50	2039	4.50	4.50	4.50

[36] For example, the 7.25% assumption, when applied to the 2026 non-Medicare medical premiums would provide the projected 2027 non-Medicare medical premiums. This trend would also be applied to the maximum medical subsidy, based on the non-Medicare Kaiser premium. The 2026 carrier rates for the non-Medicare plans were the same as the member rates.

Fiscal Year	Approximate Trend Rate (%) Non-Medicare	Approximate Trend Rate (%) Medicare	Calendar Year	Trend Applied to Calculate Following Year Premium Rate (%) Non-Medicare	Trend Applied to Calculate Following Year Premium Rate (%) Medicare	Trend Applied to Calculate Following Year Premium Rate (%) Medicare Part B
2040 and later	4.50	4.50	2040	4.50	4.50	4.50

Dental Premium Trend Actual premium increase in first year, then 3.00% 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 Participation:

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

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.

Section 3: Supporting Information

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 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.

Assumption changes

The trend assumptions applicable to future Medicare Part B premiums were updated.

The initial year healthcare costs and maximum subsidies 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.

Term	Definition
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 retirees; 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 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: a. the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and b. the actuarial present value of projected benefit payments that are not included in (a) 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 Fiduciary Net Position.
Plan Fiduciary Net Position:	Fair Value of Assets.
Real Rate of Return:	The rate of return on an investment after removing inflation.
Service Cost:	The portion of the actuarial present value of projected benefit payments that are attributed to a valuation year.
Total OPEB Liability:	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 No. 75.
Valuation Date:	The date at which the actuarial valuation is performed.

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BOARD MEETING: SEPTEMBER 8, 2026
ITEM: III-C
ATTACHMENT: 3

Communications with the Board of Administration

Los Angeles City Employees' Retirement System

June 30, 2025

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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, 2025, and have issued our reports thereon dated September 23, 2026:

- 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 September 17, 2026, we are responsible for forming and expressing an opinion about whether the Schedules 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). As part of an audit conducted in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Los Angeles City Employees' Retirement System’s internal control over financial reporting. Accordingly, we considered Los Angeles City Employees' Retirement System’s 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 Schedules audits 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.

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Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our planning discussions held on September 8, 2026.

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 Los Angeles City Employees' Retirement System are described in Note 1 to the Schedules. No new accounting policies were adopted and there were no changes in the application of existing policies during the year ended June 30, 2025. 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 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 Schedules 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. The most sensitive disclosures affecting the financial statements include the disclosure of the LACERS' total pension liability and total OPEB liability as of the measurement date of June 30, 2025, 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, 2025.

Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the Schedules.

Significant Difficulties Encountered in Performing the Audit

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

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

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 23, 2026.

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 or 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 audit 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.

Baker Tilly US, LLP

El Segundo, California
September 23, 2026

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Report of Independent Auditors and
Schedules of Employer Allocations
and Pension Amounts by Employer

Los Angeles City Employees' Retirement System Retirement Plan

June 30, 2025
(For Employer Reporting through June 30, 2026)

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Report of Independent Auditors

The Board of Administration
Los Angeles City Employees' Retirement System Retirement Plan

Report on the Audit of the Schedules

Opinion

We have audited the schedule of employer allocations and the total for all employers of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer of Los Angeles City Employees' Retirement System Retirement Plan (the Plan) as of and for the year ended June 30, 2025, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations as of June 30, 2025, and the totals for all participating Los Angeles City Employees' Retirement System Retirement Plan employers of the columns titled net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense as of and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedules.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Los Angeles City Employees' Retirement System as of and for the year ended June 30, 2025, and our report thereon dated December 17, 2025, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the management, members of the Board of Administration, and the Plan's participating employers and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

El Segundo, California
September 23, 2026

Schedules

Los Angeles City Employees' Retirement System Retirement Plan
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2025

Employer	Total Employer Contributions	Employer Allocation Percentage
City	$ 684,033,402	85.081%
Airports	91,359,534	11.363%
Harbor	28,592,093	3.556%
	$ 803,985,029	100.000%

See accompanying notes.

Los Angeles City Employees' Retirement System Retirement Plan
Schedule of Pension Amounts by Employer
As of and for the Year Ended June 30, 2025

		Deferred Outflows of Resources			Deferred Inflows of Resources					Pension Expense		
Employer	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Net Difference Between Actual and Expected Investment Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contribution and Proportionate Share of Contributions	Net Pension Expense
City	$ 5,560,498,762	$ 338,223,073	$ 42,414,426	$ 380,637,499	$ 10,956,435	$ 224,500,198	$ 34,682,218	$ 2,553,724	$ 272,692,575	$ 444,993,805	$ 28,329,467	$ 473,323,272
Airports	742,660,482	45,173,090	4,648,017	49,821,107	1,463,342	29,984,258	4,632,159	35,425,933	71,505,692	59,433,396	(26,563,298)	32,870,098
Harbor	232,424,758	14,137,476	86,436	14,223,912	457,971	9,383,944	1,449,691	9,169,222	20,460,828	18,600,415	(1,766,169)	16,834,246
	$ 6,535,584,002	$ 397,533,639	$ 47,148,879	$ 444,682,518	$ 12,877,748	$ 263,868,400	$ 40,764,068	$ 47,148,879	$ 364,659,095	$ 523,027,616	$ -	$ 523,027,616

See accompanying notes.

Los Angeles City Employees' Retirement System Retirement Plan
Notes to Schedules

Note 1 – Plan Description

The Los Angeles City Employees' Retirement System (LACERS) is under the exclusive management and control of its board of administration (the Board), whose authority is granted by statute in Article XVI, Section 17 of the California State Constitution, and Article XI of the Los Angeles City Charter. LACERS is a component unit of the Municipality of the City of Los Angeles (the City). LACERS financial statements are included in the City's annual comprehensive financial report as a pension trust fund.

The Los Angeles City Employees' Retirement System Retirement Plan (the Plan) is a single employer defined benefit retirement plan administered by LACERS that provides for service and disability retirement benefits, as well as death benefits. Changes to the benefit terms require approval by the City Council.

The Plan covers all full-time personnel and department-certified part-time employees of the City, except for sworn employees of the fire and police departments, Department of Water and Power employees, elected officials who elected to participate in an alternative defined contribution plan, certain port police officers of the Harbor Department, and certain airport peace officers who elected to opt out of the Plan.

As of June 30, 2025, the Plan's membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	22,915
Terminated vested members not receiving benefits	12,265
Active members	27,000
	62,180

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The schedules are presented in accordance with the standards issued by the Governmental Accounting Standards Board (GASB), which is the standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities. As prescribed by GASB, the schedules are reported using the economic resources measurement focus and the accrual basis of accounting.

Employer and member contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory and contractual requirements that coincide with the period in which employee services are performed. Deductions from the Plan's assets are recorded when corresponding liabilities are incurred, regardless of when paid. Benefits and refunds are recognized when due and are payable in accordance with LACERS policy.

For purposes of measuring net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of the Plan and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Employer contributions – LACERS funding policy under Article XI Sections 1158 and 1160 of the City Charter provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. Based on actual payroll, the effective rate for the Plan was 29.92% during the year ended June 30, 2025.

Employer allocations – For the presentation of the schedule of employer allocations and schedule of pension amounts by employer (collectively, the Schedules), the City has requested the allocation of pension amounts among three individual entities: City, Airports, and Harbor (the Employers). The Schedules present amounts that are elements of the financial statements of the Plan or of the Employers. The Schedules do not purport to be a complete presentation of the financial position or changes in financial position of LACERS or the Employers.

The Employers are required to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of each employer's contribution to the LACERS total employer contributions during the measurement period from July 1, 2024, through June 30, 2025.

Use of estimates – The preparation of the Schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Note 3 – Net Pension Liability

The actuarial valuation and measurement of the net pension liability and other pension amounts was performed by the Plan's independent actuary as of June 30, 2025. The components of the Plan's net pension liability are summarized as follows:

Total pension liability	$ 27,613,228,652
Plan fiduciary net position	(21,077,644,650)
Employers' net pension liability	$ 6,535,584,002
Plan fiduciary net position as a percentage of the total pension liability	76.33%

Note 4 – Actuarial Assumptions

The total pension liability was determined based on the June 30, 2025, actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2025
Investment Rate of Return	7.00%, including inflation and net of expenses
Projected Salary Increases	4.00% to 9.00%, including inflation, based on years of service
Inflation	2.50%
Cost-of-Living Adjustments	Tier 1: 2.75%, Tier 3: 2.00%, 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% per year and 2.75% thereafter.
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-2021. Disabled: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

For pre-retirement mortality, withdrawal rates, disability rates, and service retirement rates, the rates vary by age, gender, and/or service.

Long-term expected rate of return by asset class – The long-term expected rate of return on retirement plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation and any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses (investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. This portfolio return is further adjusted to an expected geometric real rate of return for the portfolio. The target allocation and projected arithmetic real rates of return for each major asset class (after deducting inflation) are shown in the following table. These values are after deducting applicable investment management expenses. This information was used in the derivation of the long-term expected investment rate of return assumption in the June 30, 2025, actuarial valuation.

Investment Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. large cap equity	15.00%	6.00%
U.S. small/mid cap equity	6.00%	6.65%
Developed international large cap equity	15.00%	7.01%
Developed international small cap equity	3.00%	7.34%
Emerging markets equity	6.67%	8.80%
Core bonds	11.25%	1.97%
High yield bond	1.50%	4.63%
Bank loan	1.50%	4.07%
TIPS	3.60%	1.77%
Emerging market debt (external)	2.00%	4.72%
Emerging market debt (local)	2.00%	4.53%
Core real estate	4.20%	3.86%
Cash and cash equivalents	1.00%	0.63%
Private equity	16.00%	9.84%
Private credit/debt	5.75%	6.47%
Emerging market small-cap equity	1.33%	11.10%
REIT	1.40%	6.80%
Non-core real estate	2.80%	5.40%
	100.00%	

Discount rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that 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 members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future members and their beneficiaries, as well as projected contributions from future members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025.

Sensitivity of the net pension liability – The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability as of June 30, 2025	$ 10,136,541,721	$ 6,535,584,002	$ 3,556,723,696

The Employers should multiply their employer allocation percentage by these amounts to calculate their portion of the sensitivity amounts.

Note 5 – Pension Expense

The collective pension expense includes changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows and deferred inflows of resources for the current period. Components of pension expense for the year ended June 30, 2025, are summarized as follows:

Service cost	$ 496,465,290
Interest on the total pension liability	1,842,758,455
Benefit changes	295,356
Expensed portion of current period difference between actual and expected experience	22,503,468
Member contributions	(301,884,951)
Expected return on investments	(1,356,432,087)
Expensed portion of current period difference between actual and expected return on investments	(168,441,367)
Administrative expenses	38,349,252
Other expense	4,826,548
Recognition of beginning of year deferred balances	(55,412,348)
Net pension expense	$ 523,027,616

Note 6 – Average Remaining Service Life

Changes arising from differences between expected and actual experience and from changes in acturial assumptions are recognized in net pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). These differences are considered on a pooled basis, rather than an individual basis, in order to reflect the expected remaining service life of the entire pool of employees, with the understanding that inactive employees have no remaining service period. As of June 30, 2025, the average of the expected remaining service lives of all employees as calculated by the Plan’s independent actuaries was 4.84 years.

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Report of Independent Auditors and
Schedules of Employer Allocations
and OPEB Amounts by Employer

Los Angeles City Employees' Retirement System
Postemployment Health Care Plan

June 30, 2025
(For Employer Reporting through June 30, 2026)

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Report of Independent Auditors

The Board of Administration
Los Angeles City Employees' Retirement System Postemployment Health Care Plan

Report on the Audit of the Schedules

Opinion

We have audited the schedule of employer allocations and the total for all employers of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and net OPEB expense (income) (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Los Angeles City Employees' Retirement System Postemployment Health Care Plan (the Plan) as of and for the year ended June 30, 2025, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations as of June 30, 2025, and the totals for all Los Angeles City Employees' Retirement System Postemployment Health Care Plan employers of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and net OPEB expense (income) as of and for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the schedules in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedules.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Los Angeles City Employees' Retirement System as of and for the year ended June 30, 2025, and our report thereon dated December 17, 2025, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the management, members of the Board of Administration, and the Plan's participating employers and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

El Segundo, California
September 23, 2026

Schedules

Los Angeles City Employees' Retirement System
Postemployment Health Care Plan
Schedule of Employer Allocations
As of and for the Year Ended June 30, 2025

Employer	Total Employer Contributions	Employer Allocation Percentage
City	$ 77,326,552	85.758%
Airports	9,673,691	10.729%
Harbor	3,167,836	3.513%
	$ 90,168,079	100.000%

See accompanying notes.

Los Angeles City Employees' Retirement System
Postemployment Health Care Plan
Schedule of OPEB Amounts by Employer
As of and for the Year Ended June 30, 2025

		Deferred Outflows of Resources				Deferred Inflows of Resources					OPEB (Income) Expense		
Employer	Net OPEB Asset	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Actual and Projected Investment Earnings on OPEB Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan OPEB (Income) Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer's Contribution and Proportionate Share of Contributions	Net OPEB Income
City	$ (272,983,132)	$ 1,945,705	$ 101,418,180	$ 4,165,798	$ 107,529,683	$ 36,591,144	$ 208,675,751	$ 91,954,976	$ 391,836	$ 337,613,707	$ (73,826,264)	$ 2,139,814	$ (71,686,450)
Airports	(34,150,682)	243,411	12,687,597	427,463	13,358,471	4,577,618	26,105,712	11,503,734	3,919,685	46,106,749	(9,235,798)	(2,099,154)	(11,334,952)
Harbor	(11,183,297)	79,710	4,154,797	208,687	4,443,194	1,499,029	8,548,817	3,767,119	490,427	14,305,392	(3,024,440)	(40,660)	(3,065,100)
	$ (318,317,111)	$ 2,268,826	$ 118,260,574	$ 4,801,948	$ 125,331,348	$ 42,667,791	$ 243,330,280	$ 107,225,829	$ 4,801,948	$ 398,025,848	$ (86,086,502)	$ -	$ (86,086,502)

See accompanying notes.

Los Angeles City Employees' Retirement System
Postemployment Health Care Plan
Notes to Schedules

Note 1 – Plan Description

The Los Angeles City Employees' Retirement System (LACERS) is under the exclusive management and control of its board of administration (the Board), whose authority is granted by statute in Article XVI, Section 17 of the California State Constitution, and Article XI of the Los Angeles City Charter. LACERS is a component unit of the Municipality of the City of Los Angeles (the City). LACERS financial statements are included in the City's annual comprehensive financial report as a pension trust fund.

The Los Angeles City Employees' Retirement System Postemployment Health Care Plan (the Plan) is a plan within the single employer defined benefit retirement plan administered by LACERS. The Plan provides other postemployment health care benefits (OPEB) to eligible retirees and their eligible spouses or domestic partners. Changes to the benefit terms require approval by the City Council.

The Plan covers all personnel who participate in the LACERS defined benefit retirement plan regardless of their membership tier. Eligibility in the Plan requires the member 1) be at least age 55; 2) have at least ten complete years of service with LACERS; and 3) be enrolled in a system-sponsored medical or dental plan or be a participant in the Medical Premium Reimbursement Program (MPRP). The health care plans available include medical, dental, and vision benefits, or participation in the MPRP if the member resides in an area not covered by the available medical plans.

As of June 30, 2025, the Plan's membership consisted of the following:

Retirees or surviving spouses currently receiving benefits	18,004
Terminated vested members not receiving benefits	1,623
Retired members and surviving spouses entitled but not yet eligible for health benefits	108
Active members	27,000
	46,735

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The schedules are presented in accordance with the standards issued by the Governmental Accounting Standards Board (GASB), which is the standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities. As prescribed by GASB, the schedules are reported using the economic resources measurement focus and the accrual basis of accounting.

Employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory and contractual requirements that coincide with the period in which employee services are performed. Deductions from the Plan's assets are recorded when corresponding liabilities are incurred, regardless of when paid. Benefits are recognized when due and are payable in accordance with LACERS policy.

For purposes of measuring net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB income, information about the fiduciary net position of the Plan and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Employer contributions – LACERS funding policy under Article XI Sections 1158 and 1160 of the City Charter provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. Based on actual payroll, the effective rate for the Plan was 3.36% during the year ended June 30, 2025.

Employer allocations – For the presentation of the schedule of employer allocations and schedule of OPEB amounts by employer (collectively, the Schedules), the City has requested the allocation of OPEB amounts among three individual entities: City, Airports, and Harbor (the Employers). The Schedules present amounts that are elements of the financial statements of the Plan or of the Employers. The Schedules do not purport to be a complete presentation of the financial position or changes in financial position of LACERS or the Employers.

The Employers are required to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of OPEB amounts by employer are based on the ratio of each employer's contribution to the LACERS total employer contributions during the measurement period from July 1, 2024, through June 30, 2025.

Use of estimates – The preparation of the Schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Note 3 – Net OPEB Asset

The actuarial measurement of the net OPEB asset and other OPEB amounts was performed by LACERS' independent actuary as of June 30, 2025. The components of the Plan's net OPEB asset as of June 30, 2025, are summarized as follows:

Total OPEB liability	$ 3,868,232,808
Plan fiduciary net position	(4,186,549,919)
Employers' net OPEB asset	$ (318,317,111)
Plan fiduciary net position as a percentage of total OPEB liability	108.23%

Note 4 – Actuarial Assumptions

The total OPEB asset was determined based on the June 30, 2025, actuarial valuation using the following actuarial assumptions:

Valuation date	June 30, 2025
Investment rate of return	7.00%, including inflation and net of expenses
Projected salary increases	4.00% to 9.00%, including inflation, based on years of service
Inflation	2.50%
Medical cost trend rates	7.12% graded down to 4.5% over 11 years for Non-Medicare Medical Plan; 6.87% graded down to 4.5% over 10 years for Medicare Medical Plan; 6.75% for eight years then graded down to 4.50% for Medicare Part B; and 3.00% for Dental/Vision.
Mortality	Healthy retirees: Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Tables with rates increased by 10% for males and projected generationally with two-dimensional mortality improvement scale MP-2021. Disabled retirees: Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Tables with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

For pre-retirement mortality, withdrawal rates, disability rates, and service retirement rates, the rates vary by age, gender, and/or service.

Long-term expected rate of return by asset class – 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 and, beginning with June 30, 2025, any applicable investment management expense) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2025, including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class (after deducting inflation) are shown in the following table. These values are after deducting applicable investment management expense. This information was used in the derivation of the long-term expected investment rate of return assumption in the June 30, 2025, actuarial valuation.

Investment Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. large cap equity	15.00%	6.00%
U.S. small/mid cap equity	6.00%	6.65%
Developed international large cap equity	15.00%	7.01%
Developed international small cap equity	3.00%	7.34%
Emerging markets equity	6.67%	8.80%
Core bonds	11.25%	1.97%
High yield bond	1.50%	4.63%
Bank loan	1.50%	4.07%
TIPS	3.60%	1.77%
Emerging market debt (external)	2.00%	4.72%
Emerging market debt (local currency)	2.00%	4.53%
Core real estate	4.20%	3.86%
Cash and cash equivalents	1.00%	0.63%
Private equity	16.00%	9.84%
Private credit/debt	5.75%	6.47%
Emerging markets small-cap equity	1.33%	11.10%
REIT	1.40%	6.80%
Non-core real estate	2.80%	5.40%
	100.00%	

Discount rate – The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2025. 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 GASB Statement No. 74, are expected to be sufficient to make all benefit payments to current members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total OPEB asset as of June 30, 2025.

Sensitivity of the net OPEB asset – The following presents the net OPEB asset, calculated using the discount rate of 7.00%, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percent lower (6.00%) or 1-percent higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB (Asset) Liability as of June 30, 2025	$ 208,185,880	$ (318,317,111)	$ (752,663,080)

The following presents the net OPEB (asset) liability, calculated using the current health trend rates as of June 30, 2025, as well as what the net OPEB (asset) liability would be if it were calculated using a health cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the health cost trend rates used:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB (Asset) Liability as of June 30, 2025	$ (794,534,155)	$ (318,317,111)	$ 271,750,855

The Employers should multiply their employer allocation percentage by the amounts to calculate their portion of the sensitivity amounts.

Note 5 – OPEB Income

The collective OPEB income includes changes in the collective net OPEB asset, projected earnings on the Plan's investments, and the amortization of deferred outflows and deferred inflows of resources for the current period. Components of OPEB income for the year ended June 30, 2025, are summarized as follows:

Service cost	$ 105,747,585
Interest on the total OPEB liability	251,426,042
Expensed portion of current period changes of assumptions or other inputs	18,379,144
Expensed portion of current period difference between actual and expected experience	(852,643)
Expected return on investments	(265,352,416)
Expensed portion of current period difference between actual and expected return on investments	(43,478,817)
Administrative expenses	10,321,965
Other expense	1,124,694
Recognition of beginning of year deferred balances	(163,402,056)
Net OPEB income	$ (86,086,502)

Note 6 – Average Remaining Service Life

Changes arising from differences between expected and actual experience and from changes in actuarial assumptions are recognized in net OPEB income over the average remaining service life of all employees provided with benefits through the Plan. These differences are considered on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees, with the understanding that inactive employees have no remaining service period. As of June 30, 2025, the average of the expected remaining service lives of all employees as calculated by the Plan's independent actuaries was 6.39 years.

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Agenda of: October 13, 2026
Item No: III-D

MONTHLY REPORT ON SEMINARS AND CONFERENCES ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS FOR THE MONTH OF SEPTEMBER 2026

In accordance with Section V.H.2 of the approved Board Education and Travel Policy, Board Members are required to report to the Board, on a monthly basis at the last Board meeting of each month, seminars and conferences they attended as a LACERS representative or in the capacity of a LACERS Board Member which are either complimentary (no cost involved) or with expenses fully covered by the Board Member. This monthly report shall include all seminars and conferences attended during the 4-week period preceding the Board meeting wherein the report is to be presented.

BOARD MEMBERS:

President Janna Sidley
Vice President Sung Won Sohn

Commissioner Thuy Huynh
Commissioner Susan Liem
Commissioner Thomas Moutes
Commissioner Gaylord “Rusty” Roten

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
	NOTHING TO REPORT		

Board Agenda of: October 13, 2026
Item No.: V-A

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

September 8, 2026
10:02 A.M.

Present:

Janna Sidley, President

Sung Won Sohn, Vice President

Thuy Huynh, Commissioner

Thomas Moutes, Commissioner

Gaylord "Rusty" Roten, Commissioner

Vacant

Absent:

Susan Liem, Commissioner

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Sidley asked if any persons wanted to make a general public comment, to which there were no public comment cards received.

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, General Manager, advised the Board of the following items:

- ACFR Award: The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to the Los Angeles City Employees' Retirement System for its annual comprehensive financial report for the fiscal year ended June 30, 2025. The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.
- Operations: 2027 Open Enrollment Launch & Member Support: Registration Open: Member registration for 2027 Open Enrollment informational events is officially live.
- Member Access Channels: Members may register online via their MyLACERS portal, by calling LACERS Member Services at (800) 779-8328, or by scheduling a one-on-one virtual/in-person consultation with Health Division staff at LACERS.org.
- 2027 Benefit Enhancements: Kaiser Permanente Senior Advantage (KPSA) Over-the-Counter (OTC) Allowance: Eligible enrolled Members will receive a $70 quarterly allowance toward qualifying over-the-counter health and wellness products.
- Anthem Blue View Vision Enhancement: The frame allowance will now refresh on a 12-month cycle (formerly 24 months) up to $150, and the contact lens allowance has increased to $150.

B. UPCOMING AGENDA ITEMS – Todd Bouey, General Manager, advised the Board of the following items:

Board Meeting September 22, 2026:

- Assumptions for the June 30, 2026 Retiree Health Actuarial Valuation
- Governance: Customer Service Policy

III

RECEIVE AND FILE ITEMS

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

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

C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING JUNE 30, 2026 – This report was received by the Board and filed.

IV

Commissioner Roten moved approval of Consent Agenda Item IV-A and IV-B and seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Vice President Sohn, and President Sidley -5; Nays, None.

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON AUGUST 11, 2026 AND POSSIBLE BOARD ACTION

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF GERARDO DELGADO FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 71% AND POSSIBLE BOARD ACTION – Commissioner Roten moved approval of the following Resolution:

APPROVAL OF SERVICE-CONNECTED
DISABILITY RETIREMENT BENEFIT FOR GERARDO DELGADO

RESOLUTION 260908-A

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Gerardo Delgado is unable to perform their usual and customary duties as an Airport Police Officer II with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that clear and convincing evidence demonstrates that the discharge of Gerardo Delgado's duties as an Airport Police Officer II is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.1(b) and he is not capable of performing the duties as an Airport Police Officer II;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the Officer's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected Disability Retirement benefit for Gerardo Delgado of 71% of the Final Average Compensation based upon the claimed disabling conditions.

V

BOARD/DEPARTMENT ADMINISTRATION

A. ADOPTION OF 2026 EMPLOYEE-MEMBER OF THE BOARD SPECIAL ELECTION DATE AND REQUEST FOR BUDGET APPROPRIATION FOR THE SPECIAL ELECTION AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant II, presented and discussed this item with the Board for two minutes. Commissioner Moutes moved approval of the following Resolution:

ADOPTION OF 2026 EMPLOYEE-MEMBER OF THE BOARD SPECIAL ELECTION DATE AND AUTHORIZATION FOR FISCAL YEAR 2026-27 BUDGET APPROPRIATION

RESOLUTION 260908-B

WHEREAS, Commissioner Annie Chao resigned from the LACERS Board of Administration effective August 18, 2026, creating a vacancy in the Employee-Member seat for the remainder of the term ending June 30, 2029; and

WHEREAS, Ordinance No. 178442 (Los Angeles Administrative Code Sections 23.38–23.40) requires that the City Clerk conduct elections for Employee-Member seats and that special elections to fill unexpired terms be held no fewer than 60 and no more than 90 calendar days after the submission of a resignation or receipt of notification of a vacancy; and

WHEREAS, staff has proposed Friday, November 13, 2026, as the Special Election date (87 calendar days after the effective date of resignation), which complies with the 60-to-90-calendar-day requirement under LAAC Section 23.39.8; and

WHEREAS, the City Clerk – Election Division has provided an estimate of $60,000 to administer the Special Election, and a Board Member election was not anticipated in the Fiscal Year 2026–27 budget;

NOW, THEREFORE, BE IT RESOLVED by the Board of Administration of the Los Angeles City Employees' Retirement System as follows:

1. The Board hereby approves Friday, November 13, 2026, as the Special Election date to fill the Employee-Member seat for the unexpired term ending June 30, 2029.

2. The Board authorizes an increase to the Fiscal Year 2026–27 budget appropriation in the amount of $60,000 for Board Member election costs, to be charged to Fund 800, Appropriation Account 166010 – Office & Admin Expense, and directs staff to take all necessary actions to effect this appropriation.

3. The Board directs the General Manager to coordinate with the Office of the City Clerk and to take all necessary and appropriate actions to prepare for and conduct the Special Election in accordance with Ordinance No. 178442 and applicable law, including but not limited to preparing election materials, establishing the Special Election calendar and deadlines, making nominating petitions available, and facilitating roster and certification requirements.

Which motion was seconded by Commissioner Huynh and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Vice President Sohn, and President Sidley -5; Nays, None.

B. BOARD POLICY REVIEW: OPERATIONAL RISK MANAGEMENT POLICY AND POSSIBLE BOARD ACTION – Chhintana Kurimoto, Management Analyst, presented and discussed this item with the Board for two minutes. Commissioner Huynh moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Vice President Sohn, and President Sidley -5; Nays, None.

C. AUDIT ENTRANCE CONFERENCE FOR FISCAL YEAR ENDED JUNE 30, 2026 BY EXTERNAL AUDITOR, BAKER TILLY US, LLP – Colin Tran, Internal Auditor III, Kory Hoggan, Audit Engagement Principal, and Aaron Hamilton, Audit Director, with Baker Tilly US, LLP, presented and discussed this item with the Board for 17 minutes. This report was received by the Board and filed.

VI

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Acting Chief Investment Officer, reported on the portfolio value of $29.4 billion as of September 4, 2026; and the Volatility Index at 15.4. Wilkin Ly discussed the following items:

OPERATIONAL:
a. Updates to the on-watch list:
- Removal of Dimensional Fund Advisors – Treasury Inflation Protected Securities strategy
- Removal of Segall Bryant and Hamill – U.S. Small Cap Value Equities strategy
- Removal of Informed Momentum Company – U.S. Small Cap Growth Equities strategy
- Addition of Principal Global Investors – U.S. Mid Cap Equities strategy

INDUSTRY NEWS:
a. Discussion of U.S. market events
- Increase of long-term interest rates for corporate and government bonds
- Relationship of bond yields and bond prices
- Impact on bond portfolio due to increased yields
- Rationale of treasury bond buybacks
- Trickle down effects of higher risk-free rates

FUTURE AGENDA ITEMS:
a. Presentation on Artificial Intelligence
b. Public market contract renewals
C. Upcoming Request for Proposals

B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING JUNE 30, 2026 – Kevin Novak, Principal, and Rose Dean, Partner, with NEPC, LLC, presented and discussed this item with the Board for 18 minutes. This report was received by the Board and filed.

C. U.S. SMALL CAP EQUITY REVIEW AND POSSIBLE BOARD ACTION – Kevin Novak, Principal, Rose Dean, Partner, William Forde, Partner, with NEPC, LLC, presented and discussed this item with the Board for 35 minutes. The Board provided staff with guidance and advised them to bring it back to the Board for consideration. No action was taken.

D. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN 1315 CAPITAL FUND IV FAMILY ACCESS FUND, L.P. – This report was received by the Board and filed.

E. NOTIFICATION OF AN ADDITIONAL COMMITMENT OF UP TO $5 MILLION IN FRANCISCO PARTNERS AGILITY IV, L.P. – This report was received by the Board and filed.

F. NOTIFICATION OF COMMITMENT OF UP TO $45 MILLION IN GENERAL CATALYST GROUP XIII, L.P. – This report was received by the Board and filed.

G. NOTIFICATION OF COMMITMENT OF UP TO $15 MILLION IN GC CREATION FUND III, L.P. – This report was received by the Board and filed.

H. NOTIFICATION OF COMMITMENT OF UP TO $100 MILLION AUDAX DIRECT LENDING SOLUTIONS FUND III-A, L.P. – This report was received by the Board and filed.

I. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN BLUE OWL REAL ESTATE VII L.P. – This report was received by the Board and filed.

VII

LEGAL/LITIGATION

A. APPROVAL OF ONE-YEAR CONTRACT EXTENSIONS AND ISSUANCE OF REQUEST FOR PROPOSALS FOR OUTSIDE SECURITIES MONITORING AND LITIGATION COUNSEL AND POSSIBLE BOARD ACTION – Yusuf Parray, Deputy City Attorney III, presented and discussed this item with the Board for three minutes. Commissioner Moutes moved approval of the following Resolution:

APPROVAL OF EXTENSION OF CONTRACTS AND ISSUANCE OF REQUEST FOR PROPOSALS FOR OUTSIDE COUNSEL WITH EXPERTISE IN SECURITIES MONITORING AND LITIGATION

RESOLUTION 260908-C

WHEREAS, Los Angeles City Charter Section 275 authorizes the Office of the City Attorney (City Attorney) to contract with outside counsel to provide expert advice; and

WHEREAS, the City Attorney provides legal counsel to the Board of Administration (Board) of the Los Angeles City Employees' Retirement System (Plan); and

WHEREAS, the City Attorney requires expert advice in the areas of securities monitoring and securities litigation to assist in its efforts to provide legal counsel to the Board; and

WHEREAS, the Plan currently has contracts for Securities Monitoring and Litigation Services with Bernstein Litowitz Berger & Grossmann LLP, Bleichmar Fonti & Auld LLP, Cohen Milstein Sellers & Toll PLLC, Robbins Geller Rudman & Dowd LLP, and Saxena White P.A.; and

WHEREAS, the Board and the City Attorney's Office jointly approved the engagement of these firms following Requests for Proposals (RFPs) and competitive selection process; and

WHEREAS, these five contracts are scheduled to expire on October 31, 2026; and

WHEREAS, the City Attorney's Office and Plan staff are satisfied with the services the Board and Plan are currently receiving from the contracted firms and find that the contracted firms continue to be well qualified to provide these services; and

WHEREAS, one-year extensions to the current contracts are necessary to ensure sufficient time to conduct an effective and thorough RFP process for outside securities monitoring and litigation counsel; and

WHEREAS, the City Attorney's Office is considering an officewide RFP process that will increase outreach and ensure a large pool of candidates, and additional time is required to participate in this new process.

NOW, THEREFORE, BE IT RESOLVED the Board hereby (1) authorizes the City Attorney's Office to negotiate one-year contract extensions with the above-referenced firms, to expire October 31, 2027; (2) authorizes the General Manager to execute the contract extensions; and (3) authorizes the City Attorney's Office to prepare and release an RFP for these services prior to the expiration of the contract extensions.

Which motion was seconded by Commissioner Roten and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Vice President Sohn, and President Sidley -5; Nays, None.

B. APPROVAL OF ONE-YEAR CONTRACT EXTENSIONS AND ISSUANCE OF REQUEST FOR PROPOSALS FOR OUTSIDE CYBERSECURITY, HEALTH LAW, AND DATA PRIVACY COUNSEL AND POSSIBLE BOARD ACTION – Yusuf Parray, Deputy City Attorney III, presented and discussed this item with the Board for three minutes. Commissioner Roten moved approval of the following Resolution:

APPROVAL OF EXTENSION OF CONTRACTS AND ISSUANCE OF REQUEST FOR PROPOSALS FOR OUTSIDE COUNSEL WITH EXPERTISE IN CYBERSECURITY, HEALTH LAW, AND DATA PRIVACY

RESOLUTION 260908-D

WHEREAS, Los Angeles City Charter Section 275 authorizes the Office of the City Attorney (City Attorney) to contract with outside counsel to provide expert advice; and

WHEREAS, the City Attorney provides legal counsel to the Board of Administration (Board) of the Los Angeles City Employees' Retirement System (Plan); and

WHEREAS, the City Attorney requires expert advice in the areas of cybersecurity, health law, and data privacy to assist in its efforts to provide legal counsel to the Board; and

WHEREAS, the Plan currently has contracts for cybersecurity, health law, and data privacy with Ice Miller LLP, Groom Law Group, Clark Hill PLC, and Baker & Hostetler LLP; and

WHEREAS, the Board and the City Attorney's Office jointly approved the engagement of these firms following Requests for Proposals (RFPs) and competitive selection process; and

WHEREAS, these four contracts are scheduled to expire on November 30, 2026; and

WHEREAS, the City Attorney's Office and Plan staff are satisfied with the services the Board and Plan are currently receiving from the contracted firms and find that the contracted firms continue to be well qualified to provide these services; and

WHEREAS, one-year extensions to the current contracts are necessary to ensure sufficient time to conduct an effective and thorough RFP process for outside cybersecurity, health law, and data privacy counsel; and

WHEREAS, the City Attorney's Office is considering an officewide RFP process that will increase outreach and ensure a large pool of candidates, and additional time is required to participate in this new process.

NOW, THEREFORE, BE IT RESOLVED the Board hereby (1) authorizes the City Attorney's Office to negotiate one-year contract extensions with the above-referenced firms, to expire November 30, 2027; (2) authorizes the General Manager to execute the contract extensions; and (3) authorizes the City Attorney's Office to prepare and release an RFP for these services prior to the expiration of the contract extensions.

Which motion was seconded by Commissioner Moutes and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Vice President Sohn, and President Sidley -5; Nays, None.

President Sidley recessed the Regular meeting at 11:33 A.M. to convene in closed session.

C. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)

D. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)

E. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: ROQUE ROQUE, PETITIONER v. LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION, RESPONDENT; LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM, REAL PARTY IN INTEREST, (LOS ANGELES SUPERIOR COURT CASE NO. 25NNCP00940)

President Sidley reconvened the Regular meeting at 11:40 A.M. with nothing to report.

VIII

OTHER BUSINESS – President Sidley has requested a report back on the establishment of an Ad Hoc Committee in October to support the Chief Investment Officer selection process.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, September 22, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

X

ADJOURNMENT – There being no further business before the Board, President Sidley adjourned the meeting at 11:40 A.M.

Janna Sidley, President
Todd Bouey, Manager-Secretary

Board Agenda of: October 27, 2026
Item No.: V-A
MINUTES OF THE REGULAR MEETING BOARD OF ADMINISTRATION LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
September 22, 2026
10:03 A.M.

Present:

Sung Won Sohn, Vice President

Thuy Huynh, Commissioner

Susan Liem, Commissioner

Gaylord "Rusty" Roten, Commissioner

Vacant

Virtually:

Thomas Moutes, Commissioner

Absent:

Janna Sidley, President

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Vice President Sohn asked if any persons wanted to make a general public comment, to which there were no public comment cards received.

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, General Manager, advised the Board of the following items:

- 2026 Special Election for Employee-Member of the Board: As of Monday, September 21st, nominating petitions for the Office of Employee-Member of the LACERS Board of Administration are available at LACERS Office, 977 N. Broadway, Los Angeles, during regular office hours of 7:00 a.m. to 4:00 p.m., Monday to Friday. For those active employee LACERS members who intend to run for the election, all documents must be filed at the LACERS Office by the deadline of Monday, October 5, 2026, at 5:00 p.m.
- Measure FF Payment Reconciliation: The final reconciliation of Measure FF asset transfers identified a $1.3M duplicate credit related to LAWA's employer contribution for member post-tax refunds. Correcting this duplicate entry reduces the final LACERS employer pension asset transfer from $157.7M to $156.3M, resulting in a $1.3M overpayment to be refunded to LACERS. Staff is coordinating with LAFPP to process this refund. This adjustment has no impact on LAFPP liabilities, the City's net cost, or transferred Health Assets.
- Operations: Retirement Orientation – Retirement Application Portal Lab: Members within 90 days of retirement attend a mandatory orientation. By the end of this month we will be integrating laptops to the Retirement Orientation process and our Retirement Services staff will be on hand to walk members through the online application step-by-step, providing direct technical support to ensure seamless submissions and reduce turnaround times.
- New Employee Onboarding and Integration Cohort – "NEOI Training": Our Communications and Stakeholder Relations Division is developing a centralized onboarding program slated for rollout by the end of the first quarter of 2027.
- LACERS Well Update: Our LACERS Well program has been very active this month supporting member and community connection:

- Safe Driving Workshop (Sept.18): In partnership with Foundation for Senior Services, 40 retired members joined us at the Chinatown Branch Library to review road safety and age-related driving adaptations.
- Music Center Walking Tour (Sept. 21): Just yesterday, over 85 members enjoyed a docent-led cultural walking tour of the Music Center and Walt Disney Concert Hall in Downtown LA.
- Upcoming Estate Planning Workshop (Sept. 30): Looking ahead to next week, we have 80 members registered for our annual Financial and Estate Planning Workshop at Almansor Court in Alhambra, featuring professional guidance on wills, trusts, and long-term planning.

B. UPCOMING AGENDA ITEMS – Todd Bouey, General Manager, advised the Board of the following items:

Board Meeting on October 13, 2026:

- CIO Recruitment/Ad Hoc Committee
- Customer Service Policy
- Governance Committee: Contract Disclosure Policy and Board Self-Evaluation Policy

III

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR AUGUST 2026 – This report was received by the Board and filed.

B. COMMISSIONER GAYLORD "RUSTY" ROTEN EDUCATION EVALUATION ON CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) PRINCIPLES OF PENSION GOVERNANCE – A COURSE FOR TRUSTEES; SANTA BARBARA, CA; AUGUST 24-27, 2026 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 8, 2026 – Commissioner Huynh stated the Committee approved the Semi-finalists of the Actively and Passively Managed Global Listed Infrastructure Portfolio Management search and discussed the Proxy Voting Activity Report for the period July 1, 2025 to June 30, 2026.

B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 22, 2026 – Commissioner Liem stated the Committee approved the Board Policy Review: Customer Service Policy.

V

Commissioner Huynh moved approval of Consent Agenda Items V-A, V-B, V-C, and V-D and seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, and Vice President Sohn -5; Nays, None.

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON AUGUST 25, 2026 AND POSSIBLE BOARD ACTION

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JOSE GARCIA AND POSSIBLE BOARD ACTION – Commissioner Huynh moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR JOSE GARCIA

RESOLUTION 260922-A

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Jose Garcia is unable to perform their usual and customary duties as a Light Equipment Operator with the City of Los Angeles;

WHEREAS, after consideration of the evidence received, the Board determined that Jose Garcia is incapacitated pursuant to the definition in Los Angeles Administrative Code Section 4.1008(b) and is not capable of performing the duties of a Light Equipment Operator;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Jose Garcia based upon their claimed disabling conditions.

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF EDWARD ROBINSON AND POSSIBLE BOARD ACTION – Commissioner Huynh moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR EDWARD ROBINSON

RESOLUTION 260922-B

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1 and 2 examined Edward Robinson and concluded that they are unable to perform their usual and customary duties as a Background Investigator III with the City of Los Angeles;

NOTWITHSTANDING, Physician 3 examined and concluded Edward Robinson is able to perform the usual and customary duties as a Background Investigator III with the City of Los Angeles;

WHEREAS, after consideration of the evidence received, the Board determined that Edward Robinson is incapacitated pursuant to the definition in Los Angeles Administrative Code Section 4.1080.8(b) and is not capable of performing the duties of a Background Investigator III;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Edward Robinson based upon their claimed disabling conditions.

D. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CARMEN VAZQUEZ AND POSSIBLE BOARD ACTION – Commissioner Huynh moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR CARMEN VAZQUEZ

RESOLUTION 260922-C

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Carmen Vazquez is unable to perform their usual and customary duties as an Administrative Clerk with the City of Los Angeles;

WHEREAS, after consideration of the evidence received, the Board determined that Carmen Vazquez is incapacitated pursuant to the definition in Los Angeles Administrative Code Section 4.1008(b) and is not capable of performing the duties of an Administrative Clerk;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles

Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Carmen Vazquez based upon their claimed disabling conditions.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. ASSUMPTIONS FOR THE JUNE 30, 2026 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION – Daniel Siblik, Vice President & Actuary, and Mehdi Riazi, Vice President & Actuary, presented and discussed this item with the Board for 21 minutes. Commissioner Huynh moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, and Vice President Sohn -5; Nays, None.

VII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Acting Chief Investment Officer, reported on the portfolio value of $29.26 billion as of September 21, 2026; and the Volatility Index at 14.4. Wilkin Ly discussed the following items:

   INDUSTRY NEWS:
   a. Discussion of U.S. stock market events
      - Federal Reserve raised its benchmark interest rate by 25 basis points to a target range of 3.75% to 4.00%
      - Implications of 10-year U.S. treasury yield at 5%
      - University of Michigan Consumer Sentiment Index at 48; near all-time low of 45
      - Impact of higher interest rates on housing market
      - Impact of higher interest rates on private equity

   FUTURE AGENDA ITEMS:
   a. Contract renewals for public REIT and fixed income managers
   b. Upcoming request for proposals

B. PRESENTATION BY J.P. MORGAN ASSET MANAGEMENT REGARDING ARTIFICIAL INTELLIGENCE – Dillon Edwards, Executive Director, and Yonas Shiferaw, Vice President, presented and discussed this item with the Board for 53 minutes. This report was received by the Board and filed.

The Board did not discuss any Legal/Litigation items.

VIII

LEGAL/LITIGATION

A. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)

B. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 13, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI

ADJOURNMENT – There being no further business before the Board, Vice President Sohn adjourned the meeting at 11:35 A.M.

Sung Won Sohn, Vice President
Todd Bouey, Manager-Secretary

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: OCTOBER 13, 2026
FROM: ISAIAS CANTÚ, CHIEF BENEFITS ANALYST
ITEM: V-B

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF RAUL CANALES AND POSSIBLE BOARD ACTION

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

Recommendation

That the Board, pursuant to Los Angeles Administrative Code Section 4.1008(b), approve the disability retirement benefit for Raul Canales based on the claimed disabling conditions and the supporting medical evidence in the administrative record, which includes reports by three licensed, practicing physicians.

Background

Raul Canales (Applicant), age 72, is a Special Programs Assistant II at the Department of Recreation and Parks with 16.83565 years of City Service. The Applicant applied for Disability Retirement on June 26, 2025, within the normal one-year filing period, in compliance with Los Angeles Administrative Code Section 4.1008(a).

The Applicant's last day on active payroll was April 24, 2025. If approved, the Applicant's retirement effective date will be April 25, 2025.

Accommodation

Because Physician 1 and 2 opined the Applicant is disabled with no form of accommodation that would allow a return to work, LACERS made no inquiries with the employing department.

Fiscal Impact

Upon approval, the Applicant will receive a disability allowance of approximately $1,209 per month, and an approximate retroactive payment of $22,971 covering 19 months.

Prepared By:

Rachelle Ramiento, Benefits Specialist
Carol Jackson, Benefits Analyst
Claudia Batres-Flores, Sr. Benefits Analyst I

TB:DWN:IC:CBF:cj:rr

ATTACHMENT(S): 1. Proposed Resolution: Approval of Disability Retirement Benefit for Raul Canales

BOARD MEETING: OCTOBER 13, 2026
ITEM: V-B
ATTACHMENT: 1

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR RAUL CANALES

PROPOSED RESOLUTION

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Raul Canales is unable to perform their usual and customary duties as a Special Programs Assistant II with the City of Los Angeles;

WHEREAS, after consideration of the evidence received, the Board determined that Raul Canales is incapacitated pursuant to the definition in Los Angeles Administrative Code Section 4.1008(b) and is not capable of performing the duties of a Special Programs Assistant II;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Raul Canales based upon their claimed disabling conditions.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: VI-A

SUBJECT: CHIEF INVESTMENT OFFICER RECRUITMENT PROCESS, AD HOC COMMITTEE FORMATION AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board consider and provide direction on establishing an Ad Hoc Committee for Chief Investment Officer Executive Search by majority vote [Board Procedures 3.4(1)], affirming the Committee's purpose and expected duration, and waiving Article I, Section 3.4(11) of the Board Governance Manual regarding standing committee purview.

Executive Summary

During the August 25, 2026, Board of Administration meeting, Board President Janna Sidley requested a report back on the formation of an Ad Hoc Committee for the Chief Investment Officer (CIO) recruitment process.

Discussion

At its August 25, 2026 meeting, the Board formally awarded a contract for CIO recruitment services to Korn Ferry International (Korn Ferry) and authorized a $100,000 supplemental budget allocation for Fiscal Year 2026-27. Staff is currently finalizing the contracting process with Korn Ferry, with full contract execution anticipated in early October 2026, to maintain the schedule of appointing a permanent CIO by January 2027.

Presently, the General Manager is conducting the CIO recruitment process as stipulated in Section 3.2 of the Board Governance Manual (General Manager Authority), wherein the General Manager holds sole responsibility for employing senior managers, including the selection of the Chief Investment Officer.

Under the Investment Committee Charter (Article I, Section 3.9 of the Board Governance Manual), one of the roles of the Investment Committee is to "provide advisory input to the General Manager regarding the selection of the Chief Investment Officer." While the Investment Committee may perform an advisory role, the Board may also want to consider the merits of establishing an Ad Hoc Committee. An Ad Hoc Committee offers several key differences from a standing committee, including focus on a singular issue, greater scheduling flexibility, and exemption from the Brown Act. However, it should be noted that Article I, Section 3.4 (Committee Protocol) stipulates, "[a]d hoc committees shall not be established for a matter that falls within the purview of a standing committee." Therefore, the Board would need to approve the establishment of an Ad Hoc Committee by majority vote, specify its purpose, and waive the referenced stipulation.

Whether via the Investment Committee or an Ad Hoc Committee, the Board may provide oversight or input to the CIO selection process under the General Manager's authority in an advisory capacity. These areas could include:

- Search Strategy and Timeline: Review and approve Korn Ferry's recruitment strategy and timeline.
- Position Description: Work with Korn Ferry to finalize the CIO position description, including the CIO role, essential duties and responsibilities, minimum and desired qualifications, key skills and competencies, and general candidate guidelines.
- Search Progress: Receive regular updates on candidate outreach efforts and advertising.
- Due Diligence: Ensure that Korn Ferry completes background checks, including educational, financial, and criminal records, alongside reference checks with the CIO finalist's former supervisors, peers, and direct reports.
- Interview Process: Work with Korn Ferry to establish evaluation criteria and scoring, specialized interview questions, and scheduling.
- Semi-Finalist Screening: Review candidate profiles identified by Korn Ferry and select semi-finalists for further consideration.

LACERS staff has been working with Korn Ferry and has provided the preliminary draft CIO bulletin, organizational chart, and LACERS Investment Performance reports for their reference. Korn Ferry was also provided with contact information for former CIO Rodney June to discuss his perspective on the position. Additionally, LACERS staff is working with Korn Ferry to finalize the executive search agreement, which is currently being prepared for signatures. Contract execution is anticipated prior to the presentation of this report to the Board.

Subject to Board direction, LACERS Human Resources staff may coordinate with committee members and Korn Ferry to schedule an initial meeting to review the CIO job bulletin and outline candidate outreach strategies. Regardless of the level of involvement by committee members in the CIO selection, regular updates will be provided to the Board throughout the executive search process.

Prepared By:
Kevin Hirose, Senior Personnel Analyst II

TB:EA:KH

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: OCTOBER 13, 2026
FROM: GOVERNANCE COMMITTEE
Janna Sidley, Chair
Thuy Huynh
Susan Liem
ITEM: VI-B

SUBJECT: BOARD POLICY REVIEW: CUSTOMER SERVICE POLICY AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the LACERS Board of Administration (Board) adopt the proposed Customer Service Policy as reviewed and approved by the Governance Committee (Committee) on September 22, 2026.

Executive Summary

The 2022 Management Audit recommended that LACERS strengthen its governance framework by adopting additional best-practice policies, including developing a formal Customer Service Policy. Staff now present the proposed policy for the Board's consideration.

Discussion

On September 22, 2026, the Committee reviewed the policy draft and recommended its adoption by the full Board. The proposed policy formalizes expectations for how LACERS serves its Members and beneficiaries and codifies communication standards. It outlines core commitments related to education, timely benefits delivery, respect, accessibility, and professionalism. The policy also outlines expectations for Member conduct and allows management to require written-only communication when

necessary to maintain respectful interactions. The policy reinforces LACERS' commitment to high-quality service while upholding fiduciary responsibility and operational integrity.

Upon Board approval, staff will incorporate the policy into Article II – Board Administrative Policies, Section 5.0 of the Board Manual. The Customer Service Policy will be added as the third policy under the section titled "Other".

Prepared By:
Chhintana Kurimoto, Management Analyst

TB:VJ:CK

ATTACHMENT(S): 1. Report to Governance Committee Dated September 22, 2026

BOARD MEETING: OCTOBER 13, 2026
ITEM: VI-B
ATTACHMENT: 1

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO GOVERNANCE COMMITTEE
MEETING: SEPTEMBER 22, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: III

SUBJECT: BOARD POLICY REVIEW: CUSTOMER SERVICE POLICY AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Governance Committee (Committee):

1. Review and approve the Customer Service Policy; and,
2. Upon Committee approval, send the policy document to the Board of Administration (Board) for final review and adoption.

Executive Summary
The 2022 Management Audit recommended that LACERS strengthen its governance framework by adopting additional best-practice policies, including developing a formal Customer Service Policy. Staff now present the proposed policy to the Committee for consideration.

Discussion
Staff recommend approval of this policy. The proposed policy establishes expectations for service delivery to Members and beneficiaries, codifies communication standards, and outlines core commitments related to education, timeliness, respect, accessibility, and professionalism. The policy affirms LACERS' commitment to delivering high-quality service to Members and beneficiaries while maintaining the integrity, prudence, and cost-effectiveness required in administering the Plan.

With the Committee's approval and upon Board adoption, the Customer Service Policy will be incorporated into Article II – Board Administrative Policies, Section 5.0 of the Board Manual.

Prepared By:
Chhintana Kurimoto, Management Analyst

TB:VJ:LL:CK

ATTACHMENT(S): 1. Article II, Section 5.3 Customer Service Policy

GOVERNANCE COMMITTEE MEETING: SEPTEMBER 22, 2026
ITEM: III
ATTACHMENT: 1

Section 5.0 OTHER

5.3 CUSTOMER SERVICE POLICY

Purpose

The LACERS Board and Staff are committed to delivering excellent customer service to Members and their beneficiaries to ensure prompt delivery of benefits and related services, while upholding integrity, exercising prudence, and defraying the reasonable expenses of administering the Plan.

Policy Direction

This Policy outlines the foundational principles that guide all LACERS interactions with Members and their beneficiaries. These principles emphasize informed decision-making, respect for the diversity of our membership, and expectations for constructive communication. They form the basis for the detailed service commitments described in the sections that follow.

I. LACERS Strives to Keep Members Fully Informed About Their Benefits

LACERS is committed to empowering Members with clear, timely, and accessible information so they can make confident and informed decisions at every stage of their careers and retirement. Ensuring Members understand their statutory rights, available options, and the long-term implications of their choices is central to LACERS' fiduciary responsibility.

II. We Respect Our Diverse Membership

LACERS recognizes that retirement is a life stage that requires stability, assurance, and consistent access to human assistance—and we are committed to meeting those needs.

To ensure equitable service for all, LACERS will:

- Maintain various methods of communication preferred by Members, including Members who may face physical, cognitive, or technological challenges.
- Meet ADA accessibility standards in facilities and digital platforms.
- Offer language support and interpretation services when required.
- Ensure services are reachable regardless of technology access, physical limitations, or socioeconomic barriers.
- Adapt communications for readability, clarity, and cultural sensitivity.

Section 5.0 OTHER

III. Expectations for Respectful Communications

To ensure productive dialogue and effective service delivery, Members are expected to communicate respectfully with LACERS staff and consultants. In instances where a Member:

- Acts or communicates in a disrespectful manner,
- Is belligerent or uses demeaning or degrading language or behavior,
- Is combative or personally attacks staff or consultants, and/or
- Withholds information necessary for LACERS to help resolve an issue,

LACERS management reserves the right to require the Member to communicate solely in writing. LACERS will continue fulfilling its obligations through written communication until respectful dialogue can resume. Alternatively, the Member may authorize a representative to communicate with LACERS by establishing a Power of Attorney.

IV. Core Commitments to High-Quality Service

Our customer service philosophy is built upon the principles above. We commit to carrying out high-quality customer service in the following ways:

A. Education Throughout a Member's Career.

- Actively engage Members through routine communications such as the Active Newsletter, Retiree Newsletter, and e-blasts.
- Provide educational content available 24/7 through the LACERS YouTube channel.
- Provide various pre-retirement planning seminars virtually, in-person, and available at department worksites.
- Conduct educational campaigns to reach out to groups by key career milestones or key topics.
- Educate City departments on employee life events when referrals to LACERS are needed.
- Conduct annual Open Enrollment seminars on retiree health benefit plans.

B. Timely and Accurate Delivery of Benefits — deliver benefits correctly and without delay.

- Provide accurate calculations and benefit information.
- Respond promptly and courteously to Member inquiries.
- Communicate clearly about timelines, required documents, and next steps.
- Keep Members updated when research or additional review is required or when delays occur.

- Process retirement, disability, survivor, and health benefit enrollments with care and diligence.

C. Ensure the Member is heard, respected, and fully informed.

- Provide comprehensive guidance with patience until the Member feels informed and confident.
- Maintain confidentiality.
- Support Members regardless of their comfort with technology.
- Provide extra patience, support, and follow-up for retirees navigating complex issues such as healthcare changes and survivor benefits.
- Use plain language and avoid technical jargon whenever possible.
- When appropriate, reference the legal or fiduciary principles informing the decision.
- Provide explanations of all benefit options available. Describe potential long-term impacts or limitations associated with each option.
- Ensure the Member understands outcomes before finalizing a choice.
- Explain the reasoning for any denials of benefits clearly and compassionately.
- Ensure instructions and forms are simple and accessible.
- Document and communicate information in plain, accessible language.
- Design communications with readability and clarity in mind, including larger text options and simplified layouts.

D. Demonstrate professionalism and integrity in every interaction.

- Take ownership of issues and work toward resolution across the department.
- Uphold a high standard of service by investing in the professional competence of all Member-facing staff in the topics of: fiduciary duties; retirement law and plan provisions (retirement and retiree health insurance); member confidentiality; empathy, communication, and de-escalation skills; cultural competency and accessibility needs; tools and systems used for Member service delivery.
- Maintain professionalism and provide clear, constructive boundaries when interacting with difficult or abusive Members, including exercising LACERS' right to end hostile calls and limit future interactions to written communication when necessary.

E. Maintain a culture of listening and learning by:

- Collecting feedback from Members to identify needs and service gaps.
- Reviewing processes regularly for clarity, efficiency, and equity.
- Updating communications, forms, and tools based on Member experience.
- Engaging with retirees and active employees to ensure evolving needs are understood.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO THE BOARD OF ADMINISTRATION
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: VII-B

SUBJECT: GENERAL FUND CONSULTANT REQUEST FOR PROPOSAL AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board:

1. Approve the proposed draft for the General Fund Consultant Request for Proposal (RFP), substantially in the form attached hereto, and the process for evaluating candidates.

2. Authorize the General Manager or designee to advertise the RFP in various print and digital media, as presented in this report.

Executive Summary

LACERS' five-year contract with NEPC, LLC for general fund consulting services expires on June 30, 2027. Consistent with LACERS' contracting practices, staff recommends a competitive bidding process to test the marketplace of general fund consultants. This report asks the Board to approve the draft General Fund Consultant RFP and the proposed evaluation process, and to authorize the General Manager or designee to advertise the RFP. The search is expected to take about nine to twelve months. The RFP will be released on November 19, 2026, and the contract will be tentatively awarded by the fourth quarter of 2027.

Discussion

Background

The Board's contract with the current general fund consultant, NEPC, LLC (NEPC), expires on June 30, 2027. The Board first hired NEPC in 2017 with a five-year contract and renewed the contract in 2022 with an additional five-year contract. LACERS has not conducted a general fund consultant search since 2016; therefore, staff recommends conducting a competitive bidding process to evaluate the marketplace of general fund consultants, consistent with LACERS' contracting practices. Staff will execute the search according to the Investment Policy Manual – Section VII. LACERS Manager Search and Selection Policy (Search and Selection Policy) and minimum qualifications stated in attachment 1. Prior to the release of the RFP, staff may revise the RFP document as necessary to update or clarify information and questions contained in the document.

Minimum Qualifications

Proposers must meet all of the following minimum qualifications to be considered:

1. The firm must have or have had at least one U.S. public fund, full retainer general consulting client with assets of at least $5 billion.
2. The firm must be a registered investment advisor under the Investment Advisers Act of 1940 and must act as a fiduciary to LACERS.
3. The firm must have been in business for at least five years providing institutional investment general fund consulting services.
4. The primary consultant must have no less than 10 years of total experience with a Public Defined Benefits Plan ("DB Plan") and at least five years of experience as a primary consultant for a DB Plan. Both the secondary and backup consultant must have no less than five years of experience with a DB Plan.
5. The firm must be directly responsible for managing the account, and all personnel responsible for the account must be employees of the firm.
6. The firm must not have, or potentially have, a material conflict of interest with LACERS' Board, staff, actuary, auditor, investment managers, or other consultants.
7. The firm must carry the required insurance coverage by the contract execution date.

Candidate Evaluation Criteria

Only proposals from firms that meet all the minimum qualifications will be evaluated. Qualified proposals will be scored and ranked on the following weighted criteria:

Criteria	Weight
Consultant Team assigned to LACERS' account and its depth, breadth, and experience.	35%
Organization Strength: Research platform, other available consulting resources, and operation & administrative support	30%
Soundness of investment philosophy and approach to meeting LACERS' needs	25%
Fee proposal	10%
Total	**100%**

Staff will conduct on-site due diligence and reference checks on the semi-finalist firms. Semi-finalists that pass these reviews will be invited to interview. In evaluating semi-finalists, factors may include the firm's service offerings, the quality and experience of the firm and consulting team, investment philosophy and approach, and reasonableness of fees.

Proposed Evaluation Process

The roles of the Board, Investment Committee, and staff related to the search process are outlined below in conformance with the Search and Selection Policy:

Board:

- Authorize the General Consultant RFP.
- Interview and approve finalist candidate(s) and award contract.

Investment Committee:

- Consider and approve staff's list of semi-finalist candidates.
- Consider and interview semi-finalist candidates.
- Approve finalist candidate(s) for Board consideration.

Staff:

- Respond to RFP questions from proposers.
- Evaluate and score all candidates that meet the minimum qualifications. Evaluation and scoring will be based on the criteria set forth in the LACERS Manager Search and Selection Policy.
- Provide the Investment Committee with an evaluation report and list of the semi-finalist candidates.
- Conduct due diligence on all semi-finalist candidates and evaluate them.
- Develop a list of finalist candidate(s) based on due diligence findings.
- Contract negotiations and execution.

RFP and Proposed Timeline of Events

Attached is a proposed General Fund Consultant RFP for the Board's consideration. Staff expects that this competitive bidding process will be completed in approximately nine to twelve months. A tentative timeline of events is presented below and may be subject to change.

Step	Responsibility	Activity	Proposed Target Date
1	Board	General Fund Consultant RFP authorization	October 13, 2026
2	Staff	Release RFP to the public and advertise in industry publications	November 19, 2026
3	Proposers	Due date for questions from proposers	December 4, 2026 - 4:00 p.m. PT
4	Staff	LACERS' responses to questions posted	December 18, 2026 - 4:00 p.m. PT
5	Proposer	Deadline to submit proposal	January 15, 2027 - 4:00 p.m. PT
6	Staff	Review all proposals and dismiss candidates that do not meet the minimum qualifications. Report to Investment Committee on total number of proposals received and number of qualified candidates. Score proposals of qualified candidates. Create evaluation report and develop a list up to four semi-finalist candidate(s).	March 2027
7	IC	Review staff's evaluation report and approve the list of semi-finalist candidate(s) for further due diligence.	April 2027
8	Staff	Conduct onsite due diligence and reference checks on IC approved semi-finalists. Develop a list of semi-finalist candidate(s) for further consideration by Investment Committee.	June 2027

9	IC	Interview qualifying semifinalist candidate(s). Select finalist candidate(s) for Board interview.	July 2027
10	Board	Interview and evaluate finalist candidate(s). Award contract.	August 2027
11	Staff	Contract negotiations and execution.	September 2027

The RFP will be published on the LACERS website. Additionally, staff will conduct outreach to potential bidders through widely-read print and electronic media, LACERS' Investments Mailing List, and other publications and websites targeting emerging managers.

In order to rebid for the General Fund Consultant mandate, NEPC is required to submit a formal proposal.

Prepared By:
James Wang, Investment Officer I, Investment Division

TB:WL:EC:JP:JW

ATTACHMENT(S): 1. General Fund Consultant Request for Proposal

BOARD MEETING DATE: OCTOBER 13, 2026
ITEM: VII-B
ATTACHMENT: 1

LACERS

LA CITY EMPLOYEES' RETIREMENT SYSTEM

GENERAL FUND CONSULTANT REQUEST FOR PROPOSAL

ISSUED: NOVEMBER 19, 2026
RESPONSE DEADLINE: JANUARY 15, 2027

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A. INTRODUCTION

The Los Angeles City Employees' Retirement System ("LACERS") or ("Fund") is seeking proposals from qualified organizations with substantial public defined benefit plan experience to provide general fund consulting services. This Request for Proposal ("RFP") details the services sought and instructs interested proposers on the application and selection process. All firms meeting the minimum qualifications outlined in Section D of this RFP are invited to respond. LACERS intends to award a five-year full retainer contract to one firm that best meets LACERS' needs. However, LACERS reserves the right to contract with more than one firm.

B. BACKGROUND

LACERS is a defined benefit public retirement system established by City Charter in 1937 to provide retirement benefits to the civilian employees of the City of Los Angeles. As of June 30, 2026, LACERS provides services to approximately 27,000 active employees and provides benefits to approximately 23,000 retirees and their beneficiaries. LACERS is governed by the Board of Administration ("Board"), which consists of seven commissioners - four appointed by the Mayor of Los Angeles and three elected by active and retired members of LACERS.

As of June 30, 2026, LACERS' total investment portfolio was valued at $28.07 billion with target allocations as follows:

Asset Class	Target
U.S. Equity	23.00%
Non-U.S. Equity	20.00%
Core Fixed Income	10.25%
Credit Opportunities	12.75%
Private Equity	16.00%
Real Assets	17.00%
Cash	1.00%

C. SCOPE OF SERVICES

1. GENERAL

1.1. Review, analysis, and recommendations on investment policies and issues, including, but not limited to, divestiture and general portfolio management;
1.2. Assist in the implementation of the Board's policy actions, decisions, or instructions;
1.3. Analysis of investment strategies, including, but not limited to, market trends and individual investment opportunities;
1.4. Review and analysis of all asset classes' or investment programs' strategic and annual plans;
1.5. Provide technical advice on all asset types (LACERS currently retains separate Private Equity, Private Credit, and Private Real Estate consultants);
1.6. Review of current asset allocation plan annually and analysis of financial condition of the Fund, i.e., benefit payments versus contributions, trends in assets, liabilities, and funded liquidity;

1.7. Analysis of and recommendations on asset allocation strategies, inclusive of asset allocation targets and minimum and maximum ranges for major asset classes & strategies;
1.8. Investment manager due diligence, which includes but is not limited to manager monitoring, on-site visits (at consultant's own expense), and performance reviews;
1.9. Provide research reports on investment concepts and markets;
1.10. Provide training to staff and workshops to the Board on investment topics covered within the scope of maintaining a prudent investment portfolio, as requested;
1.11. Attend all Board and appropriate Committee meetings (Board meets on 2nd and 4th Tuesdays of each month; Investment Committee meets on 2nd Tuesday of each month, and other Committees meet on an ad-hoc basis);
1.12. Available at anytime to answer ad-hoc questions, either by phone or by email;
1.13. Advise on all other relevant matters pertaining to the prudent and optimal management of the portfolio as needed;
1.14. Assign the most senior level personnel to LACERS' account. A primary, a secondary, and a primary backup will make up the team assigned to LACERS' account. The primary must have no less than 10 years of total experience with a Public Defined Benefits Plan ("DB Plan") and at least 5 years of experience as a primary consultant for a DB Plan. Both the secondary and backup must have no less than 5 years of experience with a DB Plan;
1.15. Develop risk budgets on a total fund, asset class, and strategy level and assess individual asset risk levels over various time periods.

2. PERFORMANCE MEASUREMENT AND BENCHMARKS

2.1. Performance analysis of all asset types, programs and total fund using quarterly performance reports generated from LACERS' Master Custodian;
2.2. Provide quarterly performance summary reports evaluating the major U.S. and non-U.S. financial markets, review of total portfolio and major asset classes, and analysis of portfolio and manager risks;
2.3. Review of and recommendations on benchmarks;
2.4. Assist in evaluating performance data in relation to appropriate benchmarks and investment objectives;
2.5. Discussion with managers as appropriate regarding reconciliation of performance data and performance attribution.

3. ASSET LIABILITY STUDY

3.1. Perform comprehensive asset liability analysis, typically conducted once every 3 years;
3.2. Coordinate asset liability analysis findings with LACERS' actuary

4. COMPREHENSIVE ASSET ALLOCATION

4.1. Generate multiple asset allocation options based on current and relevant allocation theories and strategies, typically done once every 3 years;
4.2. Recommend risk tolerances, i.e., minimum and maximum ranges for major asset classes, capital market assumptions, and correlations of asset classes, to establish constraints for the risk-return optimizer;
4.3. Analysis of and recommendations on strategic asset allocation strategies and guidelines as necessary, inclusive of asset allocation targets and ranges.

5. MANAGER SEARCH AND SELECTION

5.1. Assist in the Request for Proposal (RFP) processes as requested including review of RFP draft, development of qualitative and quantitative manager criteria, and assistance in the selection process;
5.2. Review and advise on managers' contracts (business perspective) and assist in manager fee negotiations;
5.3. Provide manager style analysis reports, performance calculations and recommendations;
5.4. Attend on-site managers' due diligence meetings as required (at the consultant's own expense).

6. SPECIALTY CONSULTING

6.1. Analysis, recommendations, and advice on new and specialized asset types and classes;
6.2. Provide an in-depth analysis of and recommendations on custody-related services pertaining to securities lending, short-term investment funds, and other investment-related operations;
6.3. Recommendations and advice in response to unique situations that may arise in the investment industry for any new specialized asset type;
6.4. Other projects, as necessary.

The selected firm will be expected to comply with LACERS' Investment Policy and investment-related policies, which can be found at:

LACERS Board Manual

LACERS Investment Policy Manual

The selected firm will also be expected to comply with the City of Los Angeles' Standard Provisions for City Contracts (Appendix B).

D. MINIMUM QUALIFICATIONS

A proposing firm must meet **all** of the following minimum qualifications to LACERS' satisfaction to be given further consideration. The Proposer must complete the *Minimum Qualification Certification (Attachment 2)* substantiating that the Proposer satisfies all minimum qualifications and requirements. Failure to satisfy each of the minimum qualifications may result in the immediate disqualification of the proposal.

1. The firm must have or had at least one U.S. public fund, full retainer general consulting client with assets valued at no less than $5 billion.

2. The firm must be a registered investment advisor under the Investment Advisers Act of 1940 and must be a fiduciary to LACERS.

3. The firm has been in business for at least five (5) years providing institutional investment general fund consulting service.

4. The primary consultant must have no less than ten (10) years of total experience with a Public Defined Benefits Plan ("DB Plan") and at least five (5) years of experience as a primary consultant for a DB Plan. Both the secondary and backup consultant must have no less than five (5) years of experience with a DB Plan.

5. The firm must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm.

6. The firm must not have, nor potentially have, a material conflict of interest to include, but not limited to, the LACERS' Board, staff, actuary, auditor, investment manager(s) or other consultant(s).

7. The firm must carry the following insurance coverage by the contract execution date:

a. Workers' Compensation and Employer's Liability	---	min $1,000,000
b. General Liability	---	min $1,000,000
c. Professional Liability (Errors and Omissions)	---	min $5,000,000
d. Fidelity Bond/Financial Crime	---	min $10,000,000
e. Cyber Risk: In the amount of at least $1 million per occurrence, and aggregate of $2 million		

LACERS reserves the right to modify insurance requirements, if it deems necessary.

Please see the LACERS' General Conditions, No. 33, Bonding, Insurance and Indemnification for evidence of insurance coverage requirements.

8. All minimum qualifications, except for no. 7 – insurance coverage, must be met by:

January 15, 2027 – 4:00 p.m. PT

E. PROPOSED SCHEDULE

RFP Available to Prospective Proposers:	November 19, 2026
Written Questions Submission by email:	December 4, 2026 - 4:00 p.m. PT
Should a firm need further clarification on the questions or specifications contained in the RFP, the Proposer must e-mail questions to **lacers.invest@lacers.org.**	
The subject line of the e-mail should show the **name of your firm** and **"2026 General Fund Consultant RFP."**	
Response to Written Questions posted on LACERS' website, www.lacers.org:	December 18, 2026 - 4:00 p.m. PT
Final Date for Proposal Submission:	**January 15, 2027 - 4:00 p.m. PT**
Interview of Semi-finalist(s) and Finalist(s) Candidates:	July and August 2027 (tentative)
Contract Start Date:	Q4 2027

F. SUBMISSION REQUIREMENTS

a. **Response Format.** To be eligible for evaluation, a proposal must adhere strictly to the format set forth below. Failure to do so may result in disqualification. Proposers must address each of the required sections indicated below. Completeness, clarity and brevity are stressed in proposals. Each proposal that is submitted must include written acknowledgment of receipt of any and all amendments (if applicable) made to this RFP.

Within each section of the proposal, the proposer should address the items in the RFP in the order in which they appear in the RFP. Furthermore, *repeat and **bold-type*** each question number and question in the RFP before providing your answer.

Responses to the RFP in the Word document should be in standard 12 point Arial font (or its equivalent), non-bold and non-italicized. All questions requesting asset under advisement must be stated in U.S. Dollars only.

All forms, the RFP Questionnaire, and the electronic versions in Word and Excel provided in this RFP must be completely filled out. If a question does not apply to you, please write in "not applicable" and then state the reason why the question does not apply to your firm.

The content and sequence of the proposal must be as follows:

Section	Title
I	Cover Page
II	Table of Contents
III	Letter of Transmittal
IV	Required Documents

I. Cover Page
Title for cover page: "**2026 General Fund Consultant RFP**".

II. Table of Contents

Immediately following the cover page, there must be a comprehensive Table of Contents of the material included in the proposal. The Table of Contents must clearly identify the proposal section/subsection and the applicable page numbers.

III. Letter of Transmittal

A letter of transmittal must accompany all responses to this RFP and placed as the first page of the proposal. The letter of transmittal must further state that the proposal is valid for nine (9) months subsequent to the proposal due date.

The letter of transmittal MUST:

a. Identify the proposal as "2026 RFP for General Fund Consultant";
b. Identify the submitting organization;
c. Identify the name and title of the person authorized by the organization to contractually obligate the organization;
d. Identify the names, titles, telephone numbers, and e-mail addresses of persons to be contacted for clarification;
e. Certify that your firm has fully complied with all provisions of the RFP and that all statements are true and accurate, and that the firm has not knowingly made any false or misleading statements in its proposal;
f. Be signed by a person authorized to contractually obligate the organization.

Note: If the response will include any confidential material, the Letter of Transmittal must also include the indemnification statement set forth in Section F.d (Confidentiality of Responses).

IV. Required Documents

1. Company Questionnaire (*see Attachment 1*)
2. Minimum Qualification Certification (*see Attachment 2*)
3. RFP Questionnaire (*see Attachment 3*) including requested Exhibits:
   A. Organizational charts of respondent's organization and consulting unit.
   B. Firm Policy on Conflicts of Interests.
   C. Sample Investment Policy.
   D. Firm Policy for Allocating Investments.
   E. Two (2) Recent Due Diligence Reports (one recommending an investment opportunity and one rejecting an opportunity).
   F. Sample Performance Report.
   G. Sample White Papers/Research.
   H. The most recent Form ADV Part 1 and Part 2 (including the Part 2A brochure and Part 2B brochure supplements).
4. Fee Proposal (see *Attachment 4*).
5. Compliance Documents (*see Attachment 5 – PDF format)*:
   a. Warranty/Affidavit.
   b. Proposer Disclosure Form.
   c. Bidder Certification – City Ethics Commission Form 50.
   d. Bidder Certification – City Ethics Commission Form 55.
   e. Sexual Harassment Policy Disclosure Form
   f. Gender Equity Disclosure Form

6. Standards of Conduct (see *Attachment 6*).

   As instructed in Attachment 5 – General Conditions and Compliance, **do not include the completed optional Organization Diversity Survey (ODS) as part of the RFP response.** The completed ODS is to be uploaded separately to the following link: Organization Diversity Survey

b. **Word (or PDF) and Excel Electronic Versions.** The proposal and all responses must be submitted in Microsoft Word (or PDF) and in Microsoft Excel as attachments to the submission e-mail (see Section F.e below).

   The Excel spreadsheet containing questions and answers to the RFP must be submitted in the format specified in the downloaded Excel RFP Questionnaire and saved with a file name using the prescribed file name format found in the spreadsheet. We strongly advise against cut and paste answers from the Word document directly to the Excel document as it may change the integrity of the formatted Excel cells.

   Note that the Excel spreadsheet may have maximum word limits that are not necessarily found in the Word document. In such cases we would expect respondents to summarize the answers while maintaining the same meaning and consistency with the Word document responses, where applicable. **Please carefully follow the instructions located at the top of the formatted Excel spreadsheet.**

c. **Authorization to Bind Organization.** Proposals must be signed by an individual with the authority to bind the Proposer organization and the authority of the individual signing must be stated thereon (see "Company Questionnaire" form).

d. **Confidentiality of Responses.** The word **CONFIDENTIAL** should be stamped and must be clearly designated on every page in the proposal containing proprietary or trade secret information. Note: LACERS is subject to the California Public Records Act (California Government Code Section 7920.000 et seq.). Failure to properly mark exempt material will be deemed a waiver. If the response will include any confidential material, the Letter of Transmittal must include the following statement: "Proposer agrees to defend, indemnify and hold harmless the City of Los Angeles, LACERS, the LACERS Board of Administration, officers, agents, and employees from and against all suits, claims, and causes of action brought for LACERS' refusal to disclose any trade secrets or confidential information to any person making a request pursuant to the California Public Records Act (California Government Code Section 7920.000 et seq.)."

e. **Submission and Deadline.** Responses including all Required Documents must be e-mailed to lacers.invest@lacers.org no later than January 15, 2027 – 4:00 p.m. PT. The subject line of the e-mail should show the name of your firm and "2026 General Fund Consultant RFP." Late proposals will not be considered.

G. EVALUATION PROCESS

1. **Minimum Qualifications Evaluation.**
   LACERS will only evaluate proposals from firms that meet all of the minimum qualifications as specified in Section D of this RFP. Proposals from firms that fail to meet all of the minimum qualifications will not be considered.

2. **Proposal Evaluation**.
   Proposals from firms that satisfy all of the minimum qualifications will be evaluated and ranked based on the following broad scoring categories:

Criteria	Weight
Consultant Team assigned to LACERS' account and its depth, breadth, and experience.	35%
Organization Strength: Research platform, other available consulting resources, and operation & administrative support	30%
Soundness of investment philosophy and approach to meeting LACERS' needs	25%
Fee proposal	10%
Total	**100%**

   A semi-finalist list, consisting of no more than the four highest scoring firms, will be established.

3. **On-site Due Diligence and Reference Checks**.
   LACERS' staff will conduct on-site due diligence and reference checks on semi-finalist firms for further evaluation.

4. **Interviews**.
   Semi-finalist firms that satisfactorily pass LACERS' on-site due diligence and reference checks will be interviewed by the Investment Committee. Finalist candidate(s) selected by the Investment Committee will further interview with LACERS' Board of Administration. In evaluating the finalist(s), the Board may consider, but is not limited to, factors such as a firm's service offerings, quality and experience of the firm and consulting team, investment philosophy and approach, reasonableness of fees, etc.

5. **Award of Contract.**
   LACERS' Board of Administration will select one firm to provide general fund consulting services. However, the Board reserves the rights to contract with additional firm(s) when it deems necessary.

ATTACHMENT 1

COMPANY QUESTIONNAIRE

_____
Proposer Firm Name

_____
Organization's Legal Name

_____
Type of Business (Corporation, Partnerships, Individual, etc.) Website Address

_____
Headquarters Address

_____
Address of Office Managing the Account (if different)

_____
RFP Contact Name

_____
Telephone Number Email Address

_____
RFP Back-up Contact Name

_____
Telephone Number Email Address

_____ _____
Signer (authorized to contractually bind the Organization) Date

_____
Name and Title of Authorized Signer (Please print)

ATTACHMENT 2

MINIMUM QUALIFICATIONS CERTIFICATION

_____
Proposer Firm Name

The Proposer must substantiate that the firm satisfies **all**, except no. 7 – insurance coverage, of the minimum qualifications stated in Section D of this RFP, to LACERS' satisfaction, to be given further consideration. The statement must contain sufficient information as prescribed to assure LACERS of its accuracy. **Failure to satisfy each of the minimum qualifications, based on LACERS' sole judgment, will result in the immediate disqualification of the proposal.**

The signature of the authorized representative of the proposer firm represents and warrants that the proposer has met **all**, except no.7 – insurance coverage, of the minimum qualifications by January 15, 2027. The insurance coverage requirement must be met by contract execution date.

1. The firm must have or had at least one U.S. public fund, full retainer general consulting client with assets valued at no less than $5 billion.

   Name(s) of client(s): _____

2. The firm is a registered investment advisor under the Investment Advisers Act of 1940 and must be a fiduciary to LACERS.

3. The firm has been in business for at least five (5) years providing institutional investment general fund consulting service.

   Number of years firm has been in business: _____

4. The primary consultant must have no less than 10 years of total experience with a Public Defined Benefits Plan ("DB Plan") and at least five years of experience as a primary consultant for a DB Plan. Both the secondary and backup consultant must have no less than five years of experience with a DB Plan.

   Name of primary consultant: _____

   Number of years of experience with a DB Plan _____

   Years employed with firm: _____

   Name of secondary consultant: _____

   Number of years of experience with a DB Plan _____

   Years employed with firm: _____

   Name of backup consultant:_____

Number of years of experience with a DB Plan _____

Years employed with firm: _____

5. The firm is directly responsible for the management of the account, and all personnel responsible for the account are employees of the firm.

6. The firm does not have existing or potential material conflict of interests with the LACERS' Board, staff, actuary, auditor, investment managers, or other consultants.

7. The firm carries the insurance coverage as stated in item D.7 as of January 15, 2027. If the firm does not currently carry the required coverage, it must carry the coverage by the contract execution date.

_____	_____
Authorized Signature	Print Name
_____	_____
Title	Date

ATTACHMENT 3

REQUEST FOR PROPOSAL (RFP) QUESTIONNAIRE

A. Organization

1. Provide the address of the local office that will service this account. If you have other office locations, indicate the office location (address and telephone number), and briefly explain what are the primary functions performed within each office?

2. Give a brief history of your firm's involvement in the consulting business, including the year of organization. As of September 30, 2026, how many years has your firm provided pension fund consulting services to public pension plans with total assets above $5 billion on: 1) a full retainer basis; and 2) on a project basis only?

3. Provide a copy of the organizational chart of:
   a. Parent/subsidiary relationships.
   b. Respondent's organization (indicating key personnel names and titles).
   c. Your consulting unit listing major functional areas with the names and titles of key staff in each area along with the total number of staff in each area. If there are overlaps, please indicate and explain as a footnote.

4. Describe the ownership structure, including affiliations, subsidiaries and employee ownership. Has your firm undergone ownership structure changes in the past three years, or is ownership changes planned or anticipated at this time? Briefly explain.

5. Is your firm an "emerging business"? If yes, please discuss the factors that qualify you as an "emerging business."

6. Please indicate whether your firm is a registered investment adviser under the Investment Adviser Act of 1940 and whether your firm functions as a fiduciary. If so, please provide a copy of the firm's most recent Form ADV. Will you be a fiduciary to LACERS?

7. What are your firm's consulting specialties and strengths? What differentiates your firm from your competitors? What are your firm's limitations? Why should LACERS hire your firm rather than your competitor(s)? Please list your top 5 competitors using the format below.

1.
2.
3.
4.
5.

8. For the past 5 (five) calendar years, please list all services provided by the firm and the percentage of revenue generated by these services.

Source of revenues (%)	**2025**	**2024**	**2023**	**2022**	**2021**
1. General Pension Investment Consulting (full retainer)					
2. General Pension Investment Consulting (unbundled)					
A. Consulting Services					
1. General					
2. Performance Measurement and Benchmarks					
B. Special Projects					
1. Comprehensive Asset Allocation					
2. Asset Liability Study					
3. Manager Search and Selections					
4. Other Consulting Services					
3. Investment Managers					
4. Investment Transactions or Brokerage Fees					
5. Other *					
a.					
b.					
c.					
d.					
e.					

* Please list by name any other business line that represents more than 10% of your revenue for each year.

9. Does the firm, its principals, or any affiliate, own any part of an investment management firm, broker-dealer, or other organization that sells products and services to institutional investors? Identify the firm(s) and describe the relationship. Does a conflict of interest exist?

10. Does your firm or any of its affiliates manage assets or provide trust services for clients? Does your firm have relationships with investment managers that you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, please describe. Does a conflict of interest exist?

11. Describe your plans for managing the future growth of your firm in terms of staff, maximum assets, number of clients, etc. and how this impacts your ability and commitment to servicing your existing clients.

12. Do you subcontract or outsource any parts of your investment consulting business? If yes, please describe in detail which parts are performed externally and the reason for doing so. Please provide the name(s) of the providers, their office location, how long

they have been in business, and the qualifications of the specific people who will be working on our account.

B. Clients

13. a. Please complete the table below as of September 30, 2026.

Client Base Profile					
Client Type	**Number of Discretionary**	**Discretionary AUA***	**Number of Non-Discretionary**	**Non-Discretionary AUA***	**Total Number of Clients**
U.S. Public Pension Funds					
Corporate Pension Fund					
Endowments/ Foundations					
Other (Please specify)					

** Assets under advisement*

b. On a project basis over the last 3 years for institutional clients with assets over $5 billion, please list how many times your firm has been involved in the following projects:

List of Projects	2025	2024	2023
1. Comprehensive Asset Allocation			
2. Asset Liability Study			
3. Manager Search and Selection			
4. Specialty Consulting (specify)			

14. Provide references using the format below for all public pension funds with assets ≥ $5 billion for whom you provide primary consulting services comparable to the services requested in this RFP. Indicate whether they are a full-retainer client (FR) or project basis (P) clients.

    For each reference listed, include client name, full retainer or project basis, name of contact person, title, telephone number, and email address. Please secure advanced permission to contact at least 3 of these references. If there are fewer than 3 references, then include all.

Client Name	FR or P	Contact	Title	Telephone #	Email
1.					
2.					
3.					
4.					
5.					

15. Provide a list of clients using the format below that have terminated your services within the last 5 years, the dollar amount of the fund size at time of termination, and the reasons for termination of each.

Client Name	Size of Fund ($000)	Date and Reason(s) for Termination
1.		
2.		
3.		
4.		
5.		

C. Personnel

16. For the investment consulting arm of your business, provide:
    a. the number of professionals involved in the area shown on the table.

Job Function	**Professional**	
	Number of Personnel	**Turnover (% over last 3 years ending September 30, 2026)**
Client relationship managers (consultants)		
Research		
Performance evaluation technical personnel		
Data processing		
Legal		
Manager search (database) personnel		
Marketing		
Support services		
Compliance		
Other		
TOTAL		

Note: Please disclose information on professionals that may serve in more than one of the functional area.

    b. the name(s) of key professional personnel lost over the past 3 years ended September 30, 2026 and their position/title.

Name	**Position/Title**	**Year departed**

17. For the **Primary, Secondary, and Backup** consultant to the LACERS account: Provide the names, their titles, and their biographies which include: educational qualifications, professional affiliations, and their investment performance of pension plans, which they had investment discretion of, for which they provided consulting services. Disclose which office location they primarily are assigned to. Also, provide additional information using the format below:

Name of Primary, Secondary, and Backup	Primary (P), Secondary (S), or Backup (B)	Title	Total Number of Accounts Assigned	Years with Firm	Years of Institutional Consulting Experiences
1.					
2.					
3.					

18. For the **Primary, Secondary, and Backup** consultant to the LACERS account: Provide the client name, plan type (such as: Defined Benefit, Defined Contribution, Endowment, etc.), length of relationship, and asset size using the format below:

Name of Primary, Secondary, and Backup	Client Name	Plan Type	Length of Relationship (in Yrs)	Client's Asset Size ($000)
1.				
2.				
3.				
4.				
5.				

19. What percentage of time is the primary, secondary, and backup consultant away from the office? If the primary consultant is out of the office, who is responsible for managing the remaining staff? If the primary, secondary, and backup consultant are out of the office, who is responsible for managing the remaining staff? How many people make up staff? How many years of experience does the staff have, individually, if more than one?

20. What policies are in effect to control the workload as it relates to the number of clients serviced by each consultant/relationship manager? Is there a limit on the number of accounts that a consultant/relationship manager may handle? What is the average number of accounts per consultant?

21. In your view, how should a client measure its investment consulting firm's "performance"? Please explain. How does the firm measure its own performance?

22. Describe the firm's compensation and incentive program for hiring and retaining key consultant personnel. How does the firm tie client performance and satisfaction to a consultant's compensation?

D. Standards of Conduct

23. Disclose any relationship you have or have had with any LACERS' Board member, consultant, or LACERS' employee. If there are no conflicts of interest, please state, "There are no conflicts of interest to report." Briefly describe your philosophy relating to the consultant's relationship with Board member, staff, investment managers, and brokers.

24. How does the firm identify and manage conflict of interest? Do you have any written policies or procedures to address conflicts of interest, including (but not limited to) the payment of fees or other consideration from other clients, relationships, or entities that may compromise your fiduciary duty to your clients? If so, please provide a copy. If a conflict of interest does exist, what is the firm's policy & procedure to disclose to the client?

25. For the past 10 years, has the firm, its officers or principals or any affiliate ever:
    a. been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self regulatory body or organization,
    b. settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or
    c. submitted a claim to your error & omission, fiduciary liability and/or fidelity bond insurance carrier(s)?
    If 'yes', please provide details and the current status of proceedings.
    d. been convicted of a misdemeanor or felony in the past 5 years? If yes, please explain.

26. Does the firm keep a record of all manager recommendations made to plan sponsor clients? What percentage of manager turnover occurs during a normal year for your plan sponsor clients?
    a. How are consultants' recommendations to clients reviewed and monitored by your organization?
    b. Does the firm adhere to a level of consistency in consultant recommendations?

27. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored?

28. What percentages of the clients pay some or all of their consulting fees to the firm through soft dollar arrangements?

29. Does the firm hold or sponsor investment manager, emerging manager, or client conferences? If yes, describe such events occurring in the last year, their usual frequency, and whether the costs of such events are borne by the firm or event attendees?

E. Investment Policy and Asset Allocation

30. a. Describe your public pension fund experience and approach in developing and monitoring, and updating investment policies and objectives for a diversified pension fund.
    b. Comment on your process for analyzing a client's portfolio structure, for recommending modifications, and frequency.

31. What is your firm's philosophy or view on:
    a. active vs. enhanced index investment management?
    b. commingled vs. separate accounts?
    c. asset-based vs. performance-based fees for managers?

32. Describe any style preferences, biases or reasons your firm has towards:
    a. value vs. growth investing
    b. large vs. small cap investing
    c. non-U.S. investments
    d. emerging markets investments
    e. real estate
    f. private equity
    g. hedge funds
    h. commodities such as: timber, agriculture, oil and gas
    i. emerging managers
    j. opportunistic debt / private credit investing

33. Describe the firm's capability and experience in conducting asset-liability studies. How should a defined benefit plan's liability structure, funding level, and changes in the contribution level be incorporated in the asset allocation decision? Given the long duration of pension liabilities, what is the most appropriate means of asset matching for those liabilities?

34. Describe your firm's theory, approach, methodology and process in customizing asset allocation studies for individual clients, including integration of various forms of risks, liabilities and funding. How often does your firm recommend reviewing asset allocation?

35. In light of the market dislocations during the 2008 Global Financial Crisis and the 2020 COVID-19 pandemic, has your firm's asset allocation methodology for clients changed? If 'yes', please describe.

36. What systems will you make available to LACERS' staff to evaluate "what if" asset allocation scenarios?

F. Manager Database & Search

37. Describe your experience and capabilities in conducting searches for investment advisors and other investment services.

38. For the past 3 years, what type and how many searches did you conduct for clients with over $5 billion in assets for each year? How many different managers were recommended in each asset category, i.e.: U.S. Equity, International Equity, U.S. Fixed Income, International Bonds, Commercial Mortgages, Real Estate, Alternative Investments, Hedge Funds, other asset class, and other investment services?

39. Describe your database that is used for manager searches.
    a. How many managers do you maintain on your manager search database?
    b. Is your system purchased or proprietary?
    c. How do you gather, verify, analyze, and update manager information? How frequently? How many years of performance data is on the system, and are simulated returns included?
    d. Please describe the firm's manager search process. How does the firm initially screen managers? How do you categorize managers? List manager styles, characteristics that distinguish each style in your classification system, and include concise definitions.
    e. What criteria do you use in evaluating managers? What criteria are emphasized in the latter stages of a search? How many manager searches did the firm perform in 2025?
    f. Describe the firm's experience with emerging managers? What is your definition of an "emerging manager"? Please cite other public funds that your firm has or has had relationships with that incorporated an emerging manager policy and provide examples of success with such policy.

40. Discuss benchmarks and peer group. How is risk factored into this analysis?

41. Discuss how you optimize the number and types of managers and how you assess the effect of including new managers. Discuss any statistical analysis that is performed.

42. Please describe how the firm monitors investment managers. Please include the firm's experience and capability for assessing an investment manager's total performance. Besides investment returns, what key criteria does the firm consider in the review of an investment manager?

43. Provide one example of a written recommendation to hire, and one recommendation to terminate a manager that you have made within the last 12 months. Include copies of supporting documentation you provided to your client. At what point would the firm recommend terminating an investment manager?

44. Briefly describe how a new client would transition to your firm. Do you backload transaction and/or investment performance data? What problems have you encountered in transitioning a new client to your firm from their previous consultant? Please provide at least one reference (name, fund name, address, phone, email) of a recent client of yours whom we can contact regarding the transition process.

G. Other

45. Provide a list of any research reports that were prepared for your clients or the investment industry in the last 3 years using the format below. Include the topic of the research or article, and the name of the publication (and date) where it appeared. Include a sample.

Topic of the research or articles for **Year 2025**	Name of publication	Publication date

Topic of the research or articles for **Year 2024**	Name of publication	Publication date

Topic of the research or articles for **Year 2023**	Name of publication	Publication date

46. Include a sample of your firm's standard reports and any other kinds of report samples. Is reporting package customizable? Are there additional charges for customization of reports? Do reports include an executive summary? If so, please include a sample.

47. Discuss the timing of reliable performance data and report availability. When are reports available after quarter end? Are daily performance numbers available? Is online performance information available?

48. Describe the firm's recommended process for providing investment and fiduciary education to pension plan trustees and staff?

49. What experience does your firm have with public funds with regards to Environmental, Social and Governance (ESG) or social investing? Does the firm have an ESG (Environmental Social Governance) Policy? If so, please provide. Please explain how the firm follows this policy and the practices pursued. Is the firm a signatory of the United Nations' PRI (Principles for Responsible Investing)?

50. Provide your current capital market assumptions. Has your firm revised its capital market assumptions in the past 12 months? Do you see these assumptions changing in the next 3 years?

51. How does your firm present a discussion of risk in each quarterly performance report?

52. Does your firm construct a suitable peer group that can be used to compare LACERS? What universe peer group is used and it available to LACERS?

53. Please describe your emergency preparedness and backup office/computer system plans. Have you ever had to activate any parts the plan? If so, describe the effectiveness of the plan and any post-activity modifications to that plan.

54. Describe how the firm implements and uses the latest technology, and how such technology adds value to the firm's clients. Do you offer a portal to your clients where they can see their holdings and performance? To what extent does your firm utilize AI in the work output?

ATTACHMENT 4

FEE PROPOSAL

_____

Proposer Firm Name

1. Provide your lowest proposed fees in **US$** for non-discretionary, full-retainer general fund consulting services presented in the format shown below. The contract term is expected to be five (5) years. Scope of Services (detailed in Section C) should form the basis of your proposed fees. Proposed fees must include travel, taxes, and all other expenses.

Year	Annual Fee (US$)
1	$
2	$
3	$
4	$
5	$
Total Fee:	**$**

2. Provide a list of all services and costs which may be performed in conjunction with an investment consulting engagement with the Fund not included in the annual fee retainer proposal. What is the cost to include these fees? Please list them out.

3. Are the fees presented above negotiable?

4. What is your hourly rate for project consulting?

Year 1	Year 2	Year 3	Year 4	Year 5

Once a consultant has been selected, negotiations of the fee may become necessary. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal.

ATTACHMENT 5

GENERAL CONDITIONS AND COMPLIANCE

All Proposers are to review the following documents:

1. Appendix A - General Conditions
    - Attachment 1 - Confidentiality & Non-Disclosure of Member Information
    - Attachment 2 - RFP Warranty/Affidavit
    - Attachment 3 - Ethical Contract Compliance Policy
    - Attachment 4 - Ethical Contract Compliance Proposer Disclosure Form
    - Attachment 5 - Bidder Certification – City Ethics Commission Form 50
    - Attachment 6 - Bidder Certification – City Ethics Commission Form 55
    - Attachment 7 - Form 700 Filers

2. Appendix B - Standard Provisions for City Contracts

3. Appendix C - Additional Forms
    - Attachment 1 – Gender Equity Disclosure Form
    - Attachment 2 – Sexual Harassment Policy Disclosure Form
    - Attachment 3 – Organization Diversity Survey

4. Appendix D – Sample of LACERS Investment Management Agreement

All Proposers are to complete the following **forms**:

1. Warranty/Affidavit (Appendix A, Attachment 2). The document must be signed by a person authorized to contractually obligate the organization.

2. Proposer Disclosure Form (Appendix A, Attachment 4).

3. Bidder Certification – City Ethics Commission Form 50 (Appendix A, Attachment 5). Please leave BAVN number section blank.

4. Bidder Certification – City Ethics Commission Form 55 (Appendix A, Attachment 6). Please leave BAVN number section blank.

5. Sexual Harassment Policy Disclosure Form (Appendix C, Attachment 2).

6. Gender Equity Disclosure Form (Appendix C, Attachment 1).

All proposers are requested to complete the optional Organization Diversity Survey (ODS). **Do not include the ODS form as part of your RFP response.** Completed ODS forms are to be submitted separately to:

Organization Diversity Survey Submission Link

Please refer to the LACERS Emerging Investment Manager Policy within the LACERS Investment Policy Manual for further details regarding the ODS. The policy is located on LACERS website at:

LACERS Investment Policy Manual

FAILURE TO COMPLY WITH THE INSTRUCTIONS FOR COMPLETING AND SUBMITTING THE ABOVE DOCUMENTS MAY DEEM YOUR PROPOSAL AS NON-RESPONSIVE.

ATTACHMENT 6

STANDARDS OF CONDUCT

1. a. Disclose any financial or other relationship you have or have had with any LACERS Board member, consultant, or LACERS employees. If there are no conflicts of interest, please state, "There are no conflicts of interest to report."

   b. Disclose any gifts (meals, tickets, anything of value over $50, etc.) that you have given to any LACERS Board member, consultant, or LACERS employee in the last 12 months using the format below:

No.	Date (mm/dd/yy)	Given to	Description of Gifts [1]	Value (US$)

[1] Gifts could be in the form of meals, tickets, paid travel, anything of value over $50, etc.

2. Do you have any written policies or procedures to address conflicts of interest? If so, please provide as part of this exhibit and how these or any potential conflicts of interest are addressed. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, brokerage activities or investment banking activities. Include any other pertinent activities, actions, or relationships not specifically outlined in this question.

3. For the past 10 years has the firm, its officers or principals or any affiliate ever:

   a. been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self-regulatory body or organization, or

   b. been a party to or settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or

   c. been the subject of any other material government enforcement action, non-routine regulatory proceeding, disciplinary action, and/or litigation that is reportable under the Enforcement Action and Litigation Reporting Policy (Section 14 of the LACERS Investment Policy Manual), or

   d. submitted a claim to your errors & omission, fiduciary liability and/or fidelity bond insurance carrier(s)?

   If 'yes', to any, please provide details and the current status or disposition.

4. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? Does the firm have a written code of conduct or set of standards for professional behavior? If so, how is employee compliance monitored?

5. Has any employee of the firm been convicted of a misdemeanor or felony in the past five (5) years? Please explain.

6. LACERS requires contractors to follow its Board approved policy on sexual harassment as detailed below. Does your firm have objections to the following contract provision?

   "**SEXUAL HARASSMENT POLICY**
   CONTRACTOR affirms that it is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. CONTRACTOR has developed policies to ensure that all its employees and equity partners can work in an environment free from unlawful harassment, discrimination, and retaliation. CONTRACTOR will make every reasonable effort to ensure that all employees, equity partners, and contractors are familiar with its policies and compliance procedures, and that all are aware that any complaint of a violation of such policies will be investigated and resolved appropriately. CONTRACTOR encourages reporting of all perceived incidents of discrimination or harassment, and it has adopted the policy to investigate such reports promptly and thoroughly.
   CONTRACTOR represents that it currently does not have any known pending or anticipated litigation against the company or its employees, involving allegations of sexual harassment or misconduct. CONTRACTOR shall promptly notify LACERS's Representative in the event any litigation involving sexual harassment or misconduct is filed against the company or any employee."

7. Please summarize any pending or anticipated litigation against the firm, its employees, or partners, involving allegations of sexual harassment or sexual misconduct.