

EXHIBIT A

**ACTUARIAL CONSULTING SERVICES AGREEMENT
STATEMENT OF WORK: RETIREMENT PLAN CONSULTING**

Activities

- Project 1: Actuarial Valuation
 - Project 2: Triennial Experience and Assumptions Study
 - Project 3: Supplemental Targeted Adjustment for Retirees (STAR) Valuation
 - Project 4: Actuarial and Governmental Table Updates
 - Project 5: Section 415(b) Limitations Testing
 - Project 6: Risk Assessment Reporting
 - Project 7: GASB 67 Financial Statement Disclosure Reporting
 - Project 8: GASB 68 Financial Statement Disclosure Reporting
 - Project 9: Actuarial Consulting
 - Project 10: Special Projects (Actuarial Consulting Under Time and Material Billing)
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Project 1: Actuarial Valuation

Background

LACERA is organized and exists under the County Employees Retirement Law of 1937 (California Government Code, Title 3, Division 4, Part 3, Chapter 3, as amended) and administers a Retirement Plan for Los Angeles County (County) and Special Districts, the Plan Sponsors. Section 31453 of the County Employees Retirement Law of 1937 ("CERL" or "the 37 Act") requires an actuarial valuation to be performed at least every three (3) years for the purpose of setting contribution rates. Government Code Section 7522.30 of the California Public Employees' Pension Reform Act (PEPRA) requires annual adjustments to contribution rates for members entering the retirement system beginning January 1, 2013. To this end, LACERA engages an Actuarial Consultant (Actuary) to perform an annual Actuarial Valuation of the Retirement Plan's assets and liabilities, and to determine contribution rates.

Objective

Actuary shall conduct an annual Actuarial Valuation of the Retirement Plan administered by LACERA. Actuary shall prepare the Valuation Report, described further below, and make recommendations to the Board of Investments based upon the actuarial status of the Retirement Plan.

Schedule

The next Valuation Report shall be for fiscal year ending June 30, 2024 and continue every year thereafter in accordance with LACERA's Actuarial Projects Schedule (see Exhibit C). Actuary shall submit the Valuation Report to LACERA's Board of Investments on or before its regularly scheduled December meeting following the valuation fiscal year or eight weeks after the receipt of all data from LACERA necessary to complete this Project 1. For years when Actuary performs a Triennial Experience and Assumption Study (see Project 2 below), Actuary will present the Valuation Report to LACERA's Board of Investments at its regularly scheduled March meeting following the valuation fiscal year.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's actuarial auditor (Auditor) and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Reporting

Actuary shall prepare the Valuation Report that includes, but is not limited to, the elements listed below:

1. Retirement Plan assets and liabilities by Plan tier (County and Special Districts) and in total.
2. Normal cost contributions and required rates for members by Plan and type of membership (General and Safety).
3. Normal cost contributions and required rates for members and Plan Sponsors as required by Section 31453 and 31453.5 by Plan and type of membership (General or Safety).
4. Required normal and cost-of-living contribution rates for members and Plan Sponsors as required by Article 16.5 of the CERL, by Plan and type of membership (General or Safety).
5. Itemization of present value of basic benefits for retirees by Plan and type of membership (General or Safety) as of the valuation date.
6. Itemization of present value of cost-of-living benefits for retirees by Plan and type of membership (General or Safety) as of the valuation date.
7. Present value of benefits for vested terminated members, by Plan and type of membership (General or Safety) as of the valuation date.
8. Allocation of the Unfunded Actuarial Accrued Liability (UAAL) for each Plan and type of membership (General or Safety) as of the valuation date. Within each type of membership, the allocation information and required rate of contribution shall state the basic benefit and the cost-of-living benefit separately.
9. When employer agrees to pay a portion of employee's contribution, provide percentage of employee contributions as a fixed percentage of total payroll

required to be paid by employer, assuming no employee vesting in such amount, for each type of membership (General or Safety), and by Plan, if different.

10. The number of participants included in the valuation by Plan and type of membership. Charts and tables shall be included showing the distribution by age and service for active members, and by year of retirement by Pensioners.

C. Member Contribution Analysis

If requested by the Board of Investments, the Actuary shall estimate the change Plan Sponsor and member contribution rates that would result from any change in Retirement Plan actuarial assumptions.

D. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work.

LACERA may request and direct audits of Actuary's Valuation which will be performed by LACERA's Auditor. Audit work will be performed concurrently, to the extent possible, with Actuary's work so Actuary can resolve and consider any discrepancies, adjustments and/or recommendations noted by Auditor, prior to the issuance of Actuary's completed Valuation report.

E. Deliverables

1. Project Plan

Actuary shall prepare and discuss a Project Plan including a timeline that is consistent with LACERA's Actuarial Projects Schedule, prior to starting each project. The Plan will identify team members, all tasks, milestones, time frames and any other information deemed relevant. Actuary will submit documents in an electronic format that are subject to LACERA's approval. Actuary's Project Manager shall provide regular status updates to LACERA's Project Manager telephonically or via email, at least one time per month during the course of the Project.

2. Draft Report

Actuary will present the draft Valuation Report for review and comment by LACERA staff and the Stakeholder Groups. Actuary shall provide documents in an electronic format and 10 bound color copies.

3. Final Report

Actuary shall present the final Valuation Report for review by LACERA staff and the Stakeholder Groups. Actuary shall provide documents in an electronic format and 10 bound color copies.

4. ACFR Letter

Actuary will provide LACERA staff with a letter to the Board of Investments regarding the actuarial funding status of the Retirement Plan ("Retirement Plan Actuary's Certification Letter") which will be included in LACERA's Annual Comprehensive Financial Report (ACFR) each year, and any other information required by LACERA to comply with GASB reporting requirements. Actuary shall provide a

hard copy and an electronic version using Actuary's letterhead, on or before September 1.

F. Meetings

Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not limited to: draft reports, final reports, analysis results, presentation handouts, and any other materials that will be discussed. LACERA will determine the participants, frequency and location of the meetings.

1. Valuation

a. Entrance Conference

Actuary shall hold an entrance conference at LACERA's offices or virtually with LACERA staff and Stakeholder Groups to discuss project scope, timeline and any other concerns, if requested.

b. Exit Conference

Actuary shall hold an exit conference at LACERA's offices or virtually with LACERA staff and Stakeholder Groups to discuss project scope, results, outcomes, and any other project specifics, if requested.

c. Board of Investments Presentation

Actuary will present a final report to LACERA's Board of Investments at a regularly scheduled Board meeting.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 2: Triennial Experience and Assumptions Study

Background

The County Employees Retirement Law of 1937 (CERL) requires that an Experience and Assumptions Study (Experience Study) for the LACERA Retirement Plan be performed triennially (every three years) to study the economic and demographic assumptions being used to set Plan Sponsor (employer) and member contribution rates.

Objective

Actuary shall conduct an Experience Study of the Retirement Plan administered by LACERA. Actuary shall prepare the Experience Study Report and make recommendations to the Board of Investments regarding the economic and demographic assumptions of the Retirement Plan.

Schedule

The next Experience Study Report shall be for fiscal year ending June 30, 2025 and continue every three years thereafter in accordance with LACERA's Actuarial Projects Schedule (see Exhibit C). Actuary shall submit the Experience Study Report to LACERA's Board of Investments on or before its regularly scheduled November meeting, prior to performing the respective annual Actuarial Valuation.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Analysis and Reporting

Actuary shall conduct an investigation of the economic and demographic assumptions being used to set employer and employee contributions. Such recommendations shall include, but are not limited to, an examination of the earnings rate, inflation rate, and the compensation, mortality, withdrawal, retirement and disability experience of the members and beneficiaries, by Plan and by type of membership (General or Safety). Specific responsibilities include, but are not limited to, reporting the results of the following:

1. A comparison of actual investment experience of the Plans to the actuarial assumption, a historical perspective of the experience, and any recommendations for adjustment.
2. A comparison of actual salary increases of Plan participants to the actuarial assumption, a historical perspective, and any recommendations for adjustment.
3. A study of the actual experience of withdrawals, retirements, disabilities, deaths, and life expectancy with respect to demographic assumptions, and any recommendations for changes. Actuary shall update and make adjustments to the related experience tables as required.

C. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work.

LACERA may request and direct audits of Actuary's actuarial Experience and Assumptions Study which will be performed by LACERA's Auditor. Audit work will be

performed sequentially and immediately following, to the extent possible, Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor, prior to the issuance of Actuary's completed Experience Study report.

D. Deliverables

1. Project Plan

Actuary shall prepare and discuss a Project Plan including a timeline that is consistent with LACERA's Actuarial Projects Schedule, prior to starting each project. The Plan will identify team members, all tasks, milestones, time frames and any other information deemed relevant. Actuary will submit documents in an electronic format that are subject to LACERA's approval. Actuary's Project Manager shall provide regular status updates to LACERA's Project Manager telephonically or via email at least one time per month during the course of the Project.

2. Draft Report

Actuary will present a draft Experience Study Report for review and comment by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and ten (10) bound color copies.

3. Final Report

Actuary shall present a final Experience Study Report for review by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and 10 bound color copies.

E. Meetings

Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not limited to: draft reports, final reports, presentation handouts, and any other materials that will be discussed. LACERA will determine the participants, frequency and location of the meetings.

1. Experience Study

a. Entrance Conference

Actuary shall lead an entrance conference at LACERA's offices with LACERA staff and Stakeholder Groups, to discuss project scope, timeline and any other concerns, if requested.

b. Exit Conference

Actuary shall lead an exit conference at LACERA's offices with LACERA staff and Stakeholder Groups to discuss project scope, results, outcomes, and any other project specifics, if requested.

c. Board of Investments Presentation

Actuary will present an Education Session and the Final Report to LACERA's Board of Investments at regularly scheduled Board meetings.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 3: Supplemental Targeted Adjustment for Retirees (STAR) Valuation

Background

The County Employees Retirement Law of 1937 (CERL), Section 31874.3, provides the Board of Retirement the authority to grant supplemental cost-of-living increases. Under this program, known as the Supplemental Targeted Adjustment for Retirees (STAR), excess earnings have been used to restore retirement allowances to 80 percent of the purchasing power held by retirees at the time of retirement. A permanent STAR benefit becomes part of the member's retirement allowance and is payable for life. Future ad hoc supplemental cost-of-living increases based on future increases in the Consumer Price Index (CPI) are subject to approval by the Board of Retirement on an annual basis, as long as sufficient excess earnings are available as determined by the LACERA Board of Investments. Ad hoc STAR payments are only payable for the year approved. The number of LACERA members impacted by this program can vary from several hundred to thousands.

Objective

Actuarial Consultant (Actuary) shall provide a valuation of LACERA's STAR program

Schedule

Actuary shall provide a STAR Valuation to LACERA annually, no later than July 31.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

- A. Actuarial Standards
Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.
- B. Analysis and Reporting
Actuary's responsibilities include, but are not limited to, reporting the results of the

following:

1. Expected benefit payments from the STAR program for the next ten years.
2. Funding requirement to vest STAR program benefits.
3. Number of years that the current STAR program reserves can be maintained subject to inflation and mortality assumptions as defined by LACERA.
4. Determination of the upper limit for accumulating funds in the STAR reserve assuming the STAR program continues as an ad hoc benefit.

C. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.

D. Deliverables

Actuary will provide STAR Valuation and program information in hard copy and electronic format.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 4: Actuarial and Governmental Table Updates

Background

Actuary shall provide table updates for use in LACERA information technology systems. Such updates may be required due to changes recommended in the Triennial Experience and Assumptions Study (see Project 2 above), changes in the Social Security benefit calculations, and other such changes which impact tables and data resident in LACERA's systems for the purpose of calculating benefits.

Objective

Actuary shall provide table updates for use in LACERA's information technology systems.

Schedule

Actuary shall provide actuarial and governmental table updates to LACERA immediately upon issuance or adoption of revised tables, but in no case later than one month prior to the tables' effective date. Tables related to Social Security shall be updated annually by December 31.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's actuarial Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Analysis and Reporting

Actuary's responsibilities include, but are not limited, performing the following:

1. Provide updated actuarial tables necessary to make benefit calculations under the Plans as described in the Listing of LACERA System Tables.
2. Provide all federal and state governmental related tables necessary for LACERA's information technology system operation, including federal and state withholding, Social Security tables, and estimated primary insurance amount (PIA) tables.

C. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.

D. Deliverables

Table updates shall be provided to LACERA in an electronic format that can be imported into LACERA's information technology system.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 5: Section 415(b) Limitations Testing

Background

Internal Revenue Code Section 415(b) limits the benefits that can be paid from a tax qualified pension plan. Benefits in excess of the 415(b) limits are payable directly by the one of the

Retirement Plan Sponsors, Los Angeles County, from an excess benefit plan. Currently, these limits impact less than 100 LACERA members.

Objective

Actuarial Consultant (Actuary) shall provide data and testing for LACERA members who may be subject to the Internal Revenue Code Section 415(b) limits.

Schedule

Actuary shall provide Section 415(b) data and testing results two (2) times per year in April 30 and August 31.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Analysis and Reporting

Actuary's responsibilities include, but are not limited, the following:

1. Assist LACERA staff in meeting all requirements of Internal Revenue Code (IRC) Section 415(b).
2. Provide table displaying the age-adjusted 415(b) limits to LACERA by January 31st of each year. LACERA will use this table to proactively identify retiring members with benefit payments approaching the maximum benefit limits.
3. Provide annual testing of retired member data to identify members whose benefits may be approaching the maximum benefit limits of IRC 415(b). LACERA to provide member data file to Actuary by August 31st of each year. Actuary will calculate and provide a list of member(s) that are approaching the maximum benefit limits of IRC 415(b), and provide a list of members that will never reach the IRC 415(b). Actuary will provide both lists by October 1st.
4. Provide COLA adjusted calculation(s) for members on the 415(b) Replacement Benefit Plan (approximately 150 members with an additional 60 members that are monitored). Actuary will provide calculations by May 1st.

5. Calculation of maximum benefits payable by LACERA for those retired members identified shall include retirement age, elected form of payment, service purchases, after-tax employee contributions and all other relevant information.
 6. Actuary shall prepare and maintain a watch list of members that are expected to exceed the maximum benefit limits of IRC 415(b).
 7. When requested, provide calculation of the maximum benefits payable to members who are considering retirement, or for members that are identified by LACERA's internal filter test. Actuary will provide calculations within ten (10) business days.
- C. **Actuarial Audit Projects**
Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.
- D. **Deliverables**
Actuary will provide the data tables (as described in paragraph B.2. above) in an electronic format compatible with LACERA's information technology systems and results of the annual testing (as described in paragraph B.3 above) in hard copy and electronic format.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for an Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 6: Risk Assessment Reporting

Background

Actuarial Standards of Practice 51 (ASOP 51), effective for measurement dates on or after November 1, 2018, requires that the actuary identify potential risks that "may be reasonably anticipated to significantly affect the plan's future financial condition".

Objective

Actuary shall provide LACERA a separate risk assessment report based on the most recent annual actuarial valuation report.

Schedule

Actuary shall provide a risk assessment report by May 31.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Reporting

Actuary shall prepare the Risk Assessment Report that includes, but is not limited to, the elements listed below:

1. Identification of risks to be assessed.
2. Assessment of risks -- various sensitivity analyses including stochastic analysis.
3. Plan maturity measures.
4. Historical measures.

C. Deliverables

1. Project Plan

Actuary shall prepare and discuss a Project Plan including a timeline that is consistent with LACERA's Actuarial Projects Schedule, prior to starting each project. The Plan will identify team members, all tasks, milestones, time frames and any other information deemed relevant. Actuary will submit documents in an electronic format that are subject to LACERA's approval. Actuary's Project Manager shall provide regular status updates to LACERA's Project Manager telephonically or via email at least one time per month during the course of the Project.

2. Draft Report

Actuary will present a draft Risk Assessment Report for review and comment by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and ten (10) bound color copies.

3. Final Report

Actuary shall present a final Risk Assessment Report for review by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and 10 bound color copies.

D. Meetings

Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not limited to: draft reports, final reports, analysis results, presentation handouts, and any

other materials that will be discussed. LACERA will determine the participants, frequency and location of the meetings.

1. Risk Assessment

a. Entrance Meeting

Actuary shall hold an entrance meeting at LACERA's offices with LACERA staff and Stakeholder Groups to discuss project scope, timeline and any other concerns, if requested.

b. Exit Meeting

Actuary shall hold an exit meeting at LACERA's offices with LACERA staff and Stakeholder Groups to discuss project scope, results, outcomes, and any other project specifics, if requested.

c. Board of Investments Presentation

Actuary will present a final report to LACERA's Board of Investments at a regularly scheduled Board meeting.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 7: GASB 67 Financial Statement Disclosure Reporting

Background

LACERA implemented GASB 67, *Financial Reporting for Pension Plans*, for the fiscal year ended June 30, 2014. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and revises existing guidance for the financial reports of most pension plans.

Objective

Actuary shall provide LACERA financial reporting information for purposes of assisting LACERA in fulfilling its accounting and financial reporting requirements.

Schedule

The next GASB 67 Financial Statement Disclosure Report (Report) shall be performed in fiscal year ending June 30, 2026 for actuarial valuation related to fiscal year ending June 30, 2024 with a measurement date as of June 30, 2025 and continue every year thereafter in accordance LACERA's Actuarial Projects Schedule (see Exhibit C.)

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Task Force Meetings

Actuary shall become a Task Force Member and participate in the scheduled meetings of the Task Force, which may be done by conference call.

Scope

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

- A. Actuarial Audit Projects
Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.
- B. Deliverables
Actuary will provide GASB 67 Reports in hard copy and electronic format.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 8: GASB 68 Financial Statement Disclosure Reporting

Background

Plan sponsors of LACERA were required to implement GASB 68, for the fiscal year ended June 30, 2015. The new standard requires the County and other participating employers to recognize their proportionate share of the long-term obligation for pension benefits as a liability in their financial statements and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Objective

Actuarial computations presented under GASB 68 are for the purpose of assisting the County and other participating employers in fulfilling its accounting and financial reporting requirements. The Actuary shall prepare the calculations of proportionate share, net pension liability by employer, pension expense and deferred inflows and outflow by employer along with related disclosures in compliance with GASB 68.

Schedule

The next GASB 68 Financial Statement Disclosure Report (Report) shall be performed in fiscal year ending June 30, 2026 for actuarial valuation related to fiscal year ending June 30, 2024 with a measurement date as of June 30, 2025 and continue every year thereafter in accordance LACERA's Actuarial Projects Schedule (see Exhibit C).

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Task Force Meetings

Actuary shall become a Task Force Member and participate in the scheduled meetings of the Task Force, which may be done by conference call.

Scope

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

A. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.

B. Deliverables

Actuary will provide GASB 68 Reports in hard copy and electronic format.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement

for Actuarial Consulting Services.

Project 9: Actuarial Consulting

Objective

Actuary will perform consulting on matters that regularly occur as described below. These special projects often include knowledge of the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA).

Schedule

Actuary shall provide consulting services as requested by LACERA throughout the year.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB) and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Analysis and Reporting

Actuary will perform consulting on matters that regularly arise throughout the year including, but not limited to, the following:

1. Consultation on actuarial issues.
2. Assistance on unusual or significant benefit calculations.
3. Perform ad hoc actuarial calculations or estimates, using LACERA data maintained by the Actuary, which show the resulting impact on the Retirement Plan's assets and liabilities.
4. Review of general benefit limitations and distribution requirements.
5. Regulatory and legal compliance as it pertains to public plans.
6. Render general assistance in developing rules and policies.
7. Provide consultation regarding legislation:
 - a. Discuss the effects of existing, proposed, and new federal, state and local laws that affect, or may affect the Retirement Plan.

- b. Analyze the implications of particular interpretations of existing, proposed and new federal, state and local statutes and administrative rules.
 - c. Assist LACERA and Plan sponsors in complying with regulatory and legal requirements as they pertain to public plans.
 - d. Provide LACERA notification of federal, state or regulatory changes to laws, mandates, accounting standards or other such guidance relative to actuarial services and the operation of the Retirement Plan. Such notification might include the Actuary's general newsletter, special reports and any other publications that address issues specific to public pension plans.
8. Respond to any LACERA audit (financial, operational, and actuarial) and financial statements preparation requests during the year, including phone calls and written correspondence.
 9. Respond to any internal LACERA request to review staff drafted emails, Board memos, written correspondence, and phone calls during the year.
 10. Attendance at LACERA Board meetings during the fiscal year for the following projects:
 - Educational session
 - Triennial experience study
 - Annual actuarial valuation
 - Risk assessment reporting
 - Special projects
- C. Actuarial Audit Projects
Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can resolve and consider any discrepancies, adjustments and/or recommendations noted by Auditor.
- D. Deliverables
1. Analysis Results
Actuary will perform project work and summarize the results in a draft report, results of analysis, schedule of findings or recommendations, or other schedule, as agreed to by LACERA and Actuary, for review and comment by LACERA staff prior to issuing a final report. Actuary shall provide documents in hard copy and electronic format.
 2. Final Results
Actuary shall present the final results for review by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and 10 bound color copies.
- E. Meetings
Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not

limited to: draft reports, final reports, analysis results, presentation handouts, and any other materials that will be discussed.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 10: Special Projects (Actuarial Consulting Under Time and Material Billing)

Objective

Actuary shall conduct actuarial-related consulting projects under a time and material billing arrangement established by the Agreement for Actuarial Services (Agreement) between LACERA and Actuary. The special projects often include knowledge of the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). These projects, referred to as "Special Projects," if considered outside the scope of the Projects defined in this Statement of Work, must be approved by LACERA individually. Examples of these consulting projects include, but are not limited to:

- Providing Option 4 Legal Split and other benefit calculations (due within three days of LACERA Request)
- Preliminary Funding Estimate and Projection of Employer Contribution Rate
- 415(b) Annual Review Test
- Ad-hoc studies, letters, requests
- Response to Actuary Auditor requests

Schedule

Actuarial consulting Special Projects may occur at any time during the period of the Agreement. LACERA will notify Actuary of Special Projects as soon as practically possible.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's actuarial Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB), and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any

other applicable standards, models and rules.

B. Analysis and Reporting

Actuary will perform consulting on matters that may include, but are not limited to, the following:

1. Analysis and programming of imbedded actuarial program routines resultant from legislative or policy changes.
2. Preparation of cost or impact reports regarding system funding resultant from legislation, proposed regulation, salary negotiations, or other special circumstances requiring substantial data collections and use of information technology (computer) resources.
3. Testing and installing program changes or providing specifications for modification of actuarial program routines, including those residents in LACERA's member database. Such changes may be required as routine updates, for changes in Plan provisions, or to perform requested program modifications. Actuary shall be required to certify the accuracy of any and all benefit calculations added or modified.

C. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.

D. Deliverables

Special Project deliverables will be determined and agreed to by LACERA and Auditor. Documents required to be prepared and submitted by Auditor may include, but not be limited to, any or all of the following:

1. **Engagement Letter and Fee Estimate**
Actuary shall prepare and discuss an engagement letter subject to LACERA's approval. The engagement letter will describe the primary elements of the work to be completed by Actuary, identify the Actuary's staff and number of hours required to complete the project, and describe all materials that will be used in the engagement. Actuary will prepare a not-to-exceed fee estimate using the class of personnel and hourly rates quoted in the Hourly Fee Schedule (see Exhibit C) and include a total cost of all materials required. Actuary will submit documents, which are subject to LACERA's approval, in hard copy and electronic format.
2. **Project Plan**
Actuary shall prepare and discuss a Project Plan including a timeline, prior to starting each project. The Plan will identify team members, all tasks, milestones, time frames and any other information deemed relevant. Actuary will submit documents in an electronic format that are subject to LACERA's approval. Actuary's Project Manager shall provide regular status updates to LACERA's Project Manager telephonically or via email, at least one time per month during the course of the Project.

3. **Analysis Results / Draft Report**
Actuary will perform project work and summarize the results in a draft report, results of analysis, findings, or other schedule, as defined by LACERA and Actuary, for review and comment by LACERA staff prior to issuing a final report. Actuary shall provide documents in hard copy and electronic format.
4. **Final Results / Report**
Actuary shall present the final results and/or prepare a final results or report as determined by LACERA, for review by LACERA staff and Stakeholder Groups. Actuary shall provide documents in hard copy and electronic format.

E. **Meetings**

Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not limited to: draft reports, final reports, analysis results, presentation handouts, and any other materials that will be discussed. LACERA will determine the participants, location and frequency of the meetings described below. Actuary may be required to participate in any or all of the following:

1. **Entrance Conference**
Actuary shall hold an entrance conference at LACERA's offices with LACERA staff and Stakeholder Groups to discuss project scope, timeline and any other concerns, if requested.
2. **Conference Calls**
Actuary will lead conference calls with LACERA staff and Stakeholder Groups to discuss results of analysis, draft reports or any other project specifics, if requested.
3. **Meetings with Stakeholder Groups**
Actuary will lead meetings at LACERA's offices with LACERA staff and Stakeholder Groups to discuss methodology and results of analysis, draft reports or any other project specifics, if requested.
4. **Exit Conference**
Actuary shall hold an exit conference at LACERA's offices with LACERA staff and the Stakeholder Groups, as determined by LACERA, to discuss project scope, results, outcomes, and any other project specifics, if requested.
5. **Board Presentation**
Actuary may present project results and final report to LACERA's Board of Investments at a regularly scheduled Board meeting.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Engagement Letter and Fee Estimate. Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

EXHIBIT B

**ACTUARIAL CONSULTING SERVICES AGREEMENT
STATEMENT OF WORK: OPEB PROGRAM CONSULTING**

Activities

- Project 1: Actuarial Valuation and Consulting
- Project 2: Triennial Experience and Assumptions Study
- Project 3: GASB 75 Financial Statement Disclosure Reporting for the Los Angeles County, LACERA, and Superior Court
- Project 4: GASB 75 Financial Statement Disclosure Reporting for SCAQMD

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Project 1: Actuarial Valuation and Consulting

Background

The financial reporting under GASB Statement Nos. 74 and 75 requires that certain financial information be actuarially determined, including the Schedule of Funding Progress as presented in LACERA’s Annual Comprehensive Financial Report (ACFR). The actuarial valuation for plans with total membership of 200 or more is to be performed, at a minimum, biennially (every two years). A new valuation should be performed if, since the previous valuation, significant changes have occurred that affect the results of the valuation, including significant changes in benefit provisions, the size or composition of the population covered by the Program, or other factors that impact long-term assumptions.

LACERA’s OPEB Policy Statement revised by the Board of Retirement in October 2017, requires an Actuarial Valuation for the OPEB Program. So that LACERA will comply with GASB 74 and Plan Sponsors will comply with GASB 75, LACERA, in collaboration with the County, engages an Actuarial Consultant (Actuary) to perform the OPEB Actuarial Valuation of the retiree medical, dental/vision, and life insurance benefits covering the retired workers who also participated in the LACERA Retirement Plan.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces GASB Statement No. 45. The effective date for this statement is applicable to LACERA’s fiscal year reporting period ending June 30, 2018.

Objective

Actuary shall perform an Actuarial Valuation of the OPEB Program administered by LACERA. Actuary shall prepare a Valuation Report, described further below, and make recommendations to the Board of Retirement and the Plan Sponsors based upon the actuarial status of the OPEB Program.

Schedule

The next Valuation Report shall be for the fiscal year ending June 30, 2024 and continue every

year thereafter in accordance with LACERA's Actuarial Projects Schedule (see Exhibit C). Actuary shall submit the Valuation Report to LACERA's Board of Retirement on or before its regularly scheduled February meeting of the valuation year or eight weeks after the receipt of all data from LACERA necessary to complete this Project 1.

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, LACERA's health care consultant, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), standards promulgated by the Actuarial Standards Board (ASB) and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Reporting

Actuary shall prepare the Valuation Report that includes, but is not limited to, the elements listed below:

1. All LACERA General and Safety members are included, with agent employers stated as shown below:
 - a. Los Angeles County (County)
 - b. Los Angeles County Superior Court (Court)
 - c. LACERA
 - d. Total including County, Court and LACERA
 - e. Total of all Agents including County, Court, LACERA and Outside Districts
 - Outside Districts include:
 - South Coast Air Quality Management District (SCAQMD)
 - Los Angeles County Office of Education (LACOE)
 - Los Angeles County Local Agency Formation Commission (LAFCO)
 - Little Lake Cemetery District (LLCD)
2. Key Valuation results, such as:
 - a. Total membership by type (as indicated in B.1. above) as of the valuation date,
 - b. Total payroll as of the Valuation date,
 - c. Total Present Value of Future Benefits (PVB),
 - d. Actuarial Accrued Liability (AAL), and
 - e. Annual Required Contribution (ARC).
3. Discussion, analysis and projection of any changes in laws, regulations, and

standards, and their impact to the OPEB Program including, but not limited to, administration, costs, assets and liabilities.

C. Census Data Analysis

Actuary will identify any discrepancies in the actuarial census data provided by LACERA and develop a plan to resolve the incomplete or inconsistent data fields. Actuary will propose and LACERA will approve the tasks and billable time, if deemed necessary, to resolve these discrepancies. Subsequent to approval, Actuary may edit data fields and will provide records to LACERA where modification has occurred and describe the treatment of any incomplete data in the Valuation Report.

D. Consulting

Actuary will perform consulting on matters that regularly arise throughout the year including, but not limited to, the following:

1. Provide consultation on actuarial issues including general assistance in developing policies and rules for OPEB Program administration.
2. Provide consultation regarding legislation:
 - a. Discuss the effects of existing, proposed, and new federal, state and local laws that affect, or may affect the OPEB Program.
 - b. Analyze the implications of particular interpretations of existing, proposed and new federal, state and local statutes and administrative rules.
 - c. Assist LACERA and Plan Sponsors in complying with regulatory and legal requirements as they pertain to public plans.
 - d. Provide LACERA notification of federal, state or regulatory changes to laws, mandates, accounting standards or other such guidance relative to actuarial services and the operation of the OPEB Program. Such notification might include the Actuary's general newsletter, special reports and any other publications that address issues specific to OPEB.
3. Perform actuarial calculations or estimates, using LACERA data maintained by the Actuary, which show the resulting impact on the OPEB Program's assets and liabilities.
4. Respond to any LACERA audit (financial, operational, and actuarial) requests during the year, including phone calls and written correspondence.

E. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work.

LACERA may request and direct audits of Actuary's Valuation performed by LACERA's Auditor. Audit work will be performed concurrently, to the extent possible, with Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor, prior to the issuance of Actuary's completed Valuation

Report.

F. Deliverables

1. Project Plan

Actuary shall prepare and discuss a Project Plan including a timeline that is consistent with LACERA's Actuarial Projects Schedule, prior to starting each project. The Plan will identify team members, all tasks, milestones, time frames and any other information deemed relevant. Actuary will submit documents in an electronic format that are subject to LACERA's approval. Actuary's Project Manager shall provide regular status updates to LACERA's Project Manager telephonically or via email, at least one time per month during the course of the Project.

2. Draft Report

Actuary will present a draft Valuation Report for review and comment by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and ten (10) bound color copies.

3. Final Report

Actuary shall present a final report for review by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and 10 bound color copies.

4. ACFR Letter

Actuary will provide LACERA staff with a letter to the Board of Retirement regarding the status of the OPEB Program ("OPEB Actuary's Certification Letter") which will be included in LACERA's ACFR each year, and any other information required by LACERA to comply with GASB reporting requirements. Actuary shall provide a hard copy and an electronic version using Actuary's letterhead, on or before September 1.

G. Meetings

Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not limited to: draft reports, final reports, analysis results, presentation handouts, and any other materials that will be discussed. LACERA will determine the participants, frequency and location of the meetings.

1. Valuation

a. Entrance Conference

Actuary shall hold an entrance conference at LACERA's offices or virtually with LACERA staff and Stakeholder Groups, to discuss project scope, timeline and any other concerns, if requested.

b. Conference Calls

Actuary will lead conference calls with LACERA staff and Stakeholder Groups to discuss results of analysis, draft reports or any other project specifics, if requested.

c. Meetings with Stakeholder Groups

Actuary will lead meetings at LACERA's offices or virtually with LACERA staff and Stakeholder Groups to discuss methodology and results of analysis, draft reports or any other project specifics, if requested.

- d. **Exit Conference**
Actuary shall hold an exit conference at LACERA's offices or virtually with LACERA staff and Stakeholder Groups to discuss project scope, results, outcomes, and any other project specifics, if requested.
- e. **Board of Retirement Presentation**
Actuary will present a final report to LACERA's Board of Retirement at a regularly scheduled Board meeting.
- f. **Actuary will attend up to three (3) meetings in addition to the meetings described above, with LACERA staff and Stakeholder Groups during the fiscal year when deemed necessary by LACERA.**

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 2: Triennial Experience and Assumptions Study

Background

The County Employees Retirement Law of 1937 (CERL) requires that an Experience and Assumptions Study (Experience Study) for the LACERA Retirement Plan Valuation be performed on a triennial basis (every three years) to study the economic and demographic assumptions being used to set Plan Sponsor (employer) and member contribution rates. Certain experience data and assumptions from the Retirement Plan Actuarial Valuation provide essential input variables to the Experience Study for the OPEB Program Valuation. To ensure that data and assumptions common to both experience studies are used consistently, LACERA's OPEB Policy requires that an Experience Study for the OPEB Program follow each Experience Study for the Retirement Plan. LACERA engages an Actuarial Consultant (Actuary) to perform an Experience Study and review of all assumptions used in that Retirement Plan Valuation and review those assumptions specific to the OPEB Program.

Objective

Actuary shall conduct an Experience Study of the OPEB Program administered by LACERA. Actuary shall prepare a report and make recommendations to the Board of Retirement and Plan Sponsors regarding the economic and demographic assumptions of the OPEB Program.

Schedule

The next Experience Studies shall be for the fiscal year ending June 30, 2026, and July 1, 2029,

and continue every three years thereafter in accordance with LACERA's Actuarial Project Schedule (see Exhibit C). Actuary shall submit the Experience Study Report to LACERA's Board of Retirement at its regularly scheduled March meeting of the valuation year or eight weeks after the receipt of all data from LACERA necessary to complete this Project 2.

Stakeholder Groups

Actuary will work with the Stakeholder Groups including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, LACERA's health care consultant, other consultants to LACERA, and other interested parties as defined by LACERA.

Scope

A. Actuarial Standards

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), financial accounting standards, standards promulgated by the Actuarial Standards Board (ASB) and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

B. Reporting

Actuary shall prepare a report that may include, but is not limited to, the elements listed below:

Results of a comparison of actual experience to economic and demographic actuarial assumptions including a historical perspective of the experience and recommendations for adjustments. Such recommendations may be related to any of the assumptions, such as the discount rate, healthcare trend rate, retirement of vested terminated members, initial enrollment, Plan and tier selection, and any other assumptions pertaining to the OPEB Program.

C. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work.

LACERA may request and direct audits of Actuary's actuarial Experience Study which will be performed by LACERA's Auditor. Audit work will be performed sequentially and immediately following, to the extent possible, with Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor, prior to the issuance of Actuary's completed the Experience Study Report.

D. Deliverables

1. Project Plan

Actuary shall prepare and discuss a Project Plan including a timeline that is consistent with LACERA's Actuarial Projects Schedule, prior to starting each project. The Plan will identify team members, all tasks, milestones, time frames and any other information deemed relevant. Actuary will submit documents in an

electronic format that are subject to LACERA's approval. Actuary's Project Manager shall provide regular status updates to LACERA's Project Manager telephonically or via email, at least one time per month during the course of the Project.

2. Draft Report

Actuary will present a draft Experience Study Report for review and comment by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and ten (10) bound color copies.

3. Final Report

Actuary shall present a final Experience Study Report for review by LACERA staff and Stakeholder Groups. Actuary shall provide documents in an electronic format and ten (10) bound color copies.

E. Meetings

Actuary will schedule meetings, prepare and distribute materials in hard copy and electronic format at least ten (10) business days prior to each meeting including, but not limited to: draft reports, final reports, presentation handouts, and any other materials that will be discussed. LACERA will determine the participants, frequency and location of the meetings.

1. Experience Study

a. Entrance Conference

Actuary shall lead an entrance conference at LACERA's offices or virtually with LACERA staff and Stakeholder Groups, to discuss project scope, timeline and any other concerns, if requested.

b. Conference Calls

Actuary will lead conference calls with LACERA staff and Stakeholder Groups to discuss results of analysis, draft reports or any other project specifics, if requested.

c. Meetings with Stakeholder Groups

Actuary will lead meetings at LACERA's offices or virtually with LACERA staff and Stakeholder Groups to discuss methodology and results of analysis, draft reports or any other project specifics, if requested.

- d. Exit Conference
Actuary shall hold an exit conference at LACERA's offices or virtually with LACERA staff and Stakeholder Groups to discuss project scope, results, outcomes, and any other project specifics, if requested.
- e. Board of Retirement Presentation
Actuary will present an Educational Session and the final Experience Study Report to LACERA's Board of Retirement at regularly scheduled Board meetings.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 3: GASB 75 Financial Statement Disclosure Report for the Los Angeles County, LACERA, and Superior Court

Background

Los Angeles County and the other participating employers must implement GASB 75, Accounting and Financial Reporting for Postemployment Benefit Other Than Pension, for the fiscal year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures and replaces requirements of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

Objective

Actuarial Consultant (Actuary) shall provide actuarial computations for purposes of assisting the County, LACERA, and Superior Court in fulfilling its accounting and financial reporting requirements as required by GASB 75.

Schedule

The next GASB 75 Financial Statement Disclosure Report (Report) shall be performed in fiscal year ending June 30, 2026 for actuarial valuation related to fiscal year ending June 30, 2024 with a measurement date as of June 30, 2025 and continue every year thereafter in accordance LACERA's Actuarial Projects Schedule (see Exhibit C).

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Task Force Meetings

Actuary shall become a Task Force Member and participate in the scheduled meetings of the Task Force, which may be done by conference call.

Scope

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), financial accounting standards, standards promulgated by the Actuarial Standards Board (ASB) and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

A. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.

B. Deliverables

Actuary will provide GASB 75 Reports in hard copy and electronic format.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.

Project 4: GASB 75 Financial Statement Disclosure Report for the South Coast Air Quality Management District (SCAQMD)

Background

Los Angeles County and the other participating employers must implement GASB 75, Accounting and Financial Reporting for Postemployment Benefit Other Than Pension, for the fiscal year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures and replaces requirements of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

Objective

Actuarial Consultant (Actuary) shall provide actuarial computations for purposes of assisting South Coast Air Quality Management District (SCAQMD) in fulfilling its accounting and financial reporting requirements as required by GASB 75.

Schedule

The next GASB 75 Financial Statement Disclosure Report (Report) shall be performed in fiscal year ending June 30, 2026 for actuarial valuation related to fiscal year ending June 30, 2024 with a measurement date as of June 30, 2025 and continue every year thereafter in accordance LACERA's Actuarial Projects Schedule (see Exhibit C).

Stakeholder Groups

Actuary will work with the Stakeholder Groups, including but not limited to: LACERA Boards, LACERA staff, County staff, County actuary staff, County Union staff, County Union actuary staff, Special Districts' staff, LACERA's Auditor and external financial auditor, other consultants to LACERA, and other interested parties as defined by LACERA.

Task Force Meetings

Actuary shall become a Task Force Member and participate in the scheduled meetings of the Task Force, which may be done by conference call.

Scope

Actuary will perform all actuarial work and prepare reports in accordance with generally accepted actuarial standards, Actuarial Standards of Practice (ASOP), financial accounting standards, standards promulgated by the Actuarial Standards Board (ASB) and the Government Accounting Standards Board (GASB), laws, regulations, best practices, LACERA's policies and any other applicable standards, models and rules.

C. Actuarial Audit Projects

Actuary shall confer with any consultants or auditors as directed by LACERA during the course of any audits, reviews, or other third-party examinations of LACERA's or Actuary's work so Actuary can consider and resolve any discrepancies, adjustments and/or recommendations noted by Auditor.

D. Deliverables

Actuary will provide GASB 75 Reports in hard copy and electronic format.

Compensation

Actuary shall submit invoices to LACERA based on the number of hours spent on a Project for each class of personnel as identified in the Hourly Fee Schedule (see Exhibit C), multiplied by the fees quoted in the Hourly Fee Schedule. LACERA will not be responsible for and Actuary will not submit invoices for any amount greater than the fees indicated in the Not-to-Exceed Fee Schedule (see Exhibit C). Invoice submission intervals and payment terms are addressed in the Agreement for Actuarial Consulting Services.