

# LIVE VIRTUAL COMMITTEE MEETING

\*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing [PublicComment@lacera.com](mailto:PublicComment@lacera.com). If you would like to remain anonymous at the meeting without stating your name, please let us know.

**Attention:** Public comment requests must be submitted via email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

## AGENDA

### MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT\*

#### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810  
PASADENA, CA 91101

WEDNESDAY, JUNE 1, 2022 - 9:00 A.M.\*\*

This meeting will be conducted by the Operations Oversight Committee by teleconference under California Government Code Section 54953(e).

Any person may view the meeting online at  
<http://lacera.com/leadership/board-meetings>

*The Committee may take action on any item on the agenda,  
and agenda items may be taken out of order.*

#### COMMITTEE MEMBERS:

Alan Bernstein, Chair  
Herman B. Santos, Vice Chair  
Keith Knox  
Antonio Sanchez  
JP Harris, Alternate

#### I. APPROVAL OF THE MINUTES

- A. Approval of the minutes of the regular meeting of April 6, 2022
- B. Approval of the minutes of the special meeting of May 5, 2022

#### II. PUBLIC COMMENT

(Written Public Comment – You may submit written public comments by email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com). Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.)

Verbal Public Comment – You may also request to address the Committee at [PublicComment@lacera.com](mailto:PublicComment@lacera.com) before and during the meeting at any time up to the end of the Public Comment item. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

III. REPORTS

- A. LACERA Operations Briefing  
Luis A. Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
(For Information Only)

IV. ITEMS FOR STAFF REVIEW

V. GOOD OF THE ORDER

(For information purposes only)

VI. EXECUTIVE SESSION

- A. Potential Threats to Public Services or Facilities  
(Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Systems Division Interim Manager Kathy Delino, Chief Information Security Officer Bob Schlotfeldt, and Other LACERA Staff.

VII. ADJOURNMENT

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

**\*\*Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

**Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.**

***Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email [PublicComment@lacera.com](mailto:PublicComment@lacera.com), but no later than 48 hours prior to the time the meeting is to commence.***

MINUTES OF THE MEETING OF THE  
OPERATIONS OVERSIGHT COMMITTEE  
and  
BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

WEDNESDAY, APRIL 6, 2022, 11:25 A.M. – 11:31 A.M.

This meeting was conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order No. N-29-20.

**COMMITTEE MEMBERS**

PRESENT: Alan Bernstein, Chair  
Keith Knox  
JP Harris, Alternate

ABSENT: Herman B. Santos, Vice Chair  
Antonio Sanchez

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Vivian H. Gray  
Shawn R. Kehoe  
Wayne Moore  
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer  
Luis Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
Steven P. Rice, Chief Counsel

The meeting was called to order by Chair Bernstein at 11:25 a.m. In the absence of Messrs. Sanchez and Santos, the Chair announced that Mr. Harris, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of March 2, 2022

Mr. Harris made a motion, Mr. Knox seconded, to approve the minutes of the regular meeting of March 2, 2022. The motion passed unanimously.

II. PUBLIC COMMENT

III. REPORTS

A. LACERA Operations Briefing

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officers

Laura Guglielmo, Assistant Executive Officer

Ms. Guglielmo, Messrs. Lugo and Popowich presented the monthly briefing sharing insights on staff and divisional activities within LACERA's Operations and Administration components, including the status of the Strategic Plan Goals and Operations Improvement Initiatives, progress on the "100-Day Management Report," and an update on other projects.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

IV. ITEMS FOR STAFF REVIEW

There was nothing to report

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 11:31 a.m.

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MINUTES OF THE MEETING OF THE  
OPERATIONS OVERSIGHT COMMITTEE  
and  
BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, MAY 5, 2022, 11:20 A.M. – 11:40 A.M.

This meeting was conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order No. N-29-20.

**COMMITTEE MEMBERS**

PRESENT: Alan Bernstein, Chair  
Antonio Sanchez

ABSENT: Herman B. Santos, Vice Chair  
Keith Knox  
JP Harris, Alternate

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Elizabeth B. Ginsberg (*Chief Deputy for Keith Knox*)  
Wayne Moore  
William Pryor  
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer  
Luis Lugo, Deputy Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Laura Guglielmo, Assistant Executive Officer  
Steven P. Rice, Chief Counsel  
Allan Cochran, Division Manager, Member Services  
Carlos Barrios, Interim Manager, Benefits Division  
Kathy Delino, Interim Chief Information Technology Officer

The meeting was called to order by Chair Bernstein at 11:20 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of March 2, 2022

As there was not a quorum present, no action was taken on this item.

II. PUBLIC COMMENT

III. REPORTS

A. LACERA Operations Briefing

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officers

Laura Guglielmo, Assistant Executive Officer

Ms. Guglielmo, Messrs. Lugo and Popowich presented the monthly briefing on staff and divisional activities within LACERA's Operations and Administration components, including Strategic Plan Goals, Operations Improvement Initiatives, the "100-Day Management Report," and an update on other projects.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

B. Semi-Annual Member Services Update

Allan Cochran, Division Manager, Member Services

Mr. Cochran provided a brief verbal update and was available to answer questions from the Committee.

C. Status of Reducing the Death Claims Backlog

Carlos Barrios, Interim Manager, Benefits Division

Mr. Barrios was present to answer questions from the Committee.

IV. ITEMS FOR STAFF REVIEW

There was nothing to report

V. GOOD OF THE ORDER

(For information purposes only)

May 5, 2022

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VI. ADJOURNMENT

The meeting adjourned at 11:40 a.m.

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## Operations Briefing Report



June 01, 2022

**FOR INFORMATION ONLY**



The Executive Team has been discussing how to provide a more succinct and easier to read Operations Briefing Report. We are pleased to debut this revised report and ask the Trustees to provide input and feedback on the report format and the information they would like to see included.

We have divided the report into four distinct sections, beginning with a general highlight section where we share narratives of projects or operational issues that we feel need highlighted attention. For example, over the last few months we have provided updates on our annual "March Madness" season.

The remaining sections are designed to provide an "at-a-glance" update on projects and initiatives the organization is working on. Each section is divided into the categories listed below to make it easier for you to quickly see what's changed, what hasn't, and what is completed. We have alphabetized each section by project title to make it easier for Trustees to hone in on a specific project of interest:

- New and Updated Information
- No Change in Information/Status
- Completed

Each "at-a-glance" section provides a summary of information so Trustees can quickly understand the project and its status. This includes the following fields:

Project/Issue Title – Brief Description:

- Type: Each project has been assigned a type (Strategic Plan, CEO (for CEO's 100 Day Report), MOG (Member Operations Group projects), and BSG (for Business Services Group projects).
- Start and Target Date: When the project started and its expected target date for completion.
- Color coded status section to indicate quickly where we are on the project.
- A brief annotated notes section to provide more detail on the status of the project.

This is a work in progress, and Trustees may note some information has yet to be filled in (i.e., start and target dates for some of the projects). We will be adding this information as we continue to update the report. We look forward to your input.



### New and Updated Information

This portion of the Operations Briefing will detail projects and initiatives that are new or have updated statuses.

<b>Status Indicator Note</b>		
Color coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.		
<b>On Schedule</b>	<b>Delayed</b>	<b>Behind Schedule</b>

Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
Brief Description	BSG	Financial Accounting Services Division	January 2021	December 2022
<b>Actuarial Valuation Reports: Retirement Fund:</b>	<b>On Schedule</b>			
The Government Code requires that valuations of the Pension Plan be performed at least once every three years. The Board of Investments' 2013 Retirement Benefit Funding Policy requires valuations be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Pension Plan. In addition, the valuation report provides information used to prepare the	Retirement benefits actuarial projects for the 2022 reporting cycle are in progress. Milliman is preparing the 2022 Annual Risk Assessment report based upon the most recent completed valuation report and will present a final report to the Board of Investments (BOI) at their June meeting. For June 30, 2022, Milliman will complete an investigation of experience, which is conducted every three years to review the retirement benefit economic and demographic assumptions and recommend changes. Regarding the upcoming triennial experience study, Milliman will make three presentations to the BOI this fall to review and determine the June 30, 2022, economic and demographics actuarial assumptions.			
	The retiree healthcare program administered by LACERA on behalf of Los Angeles County includes all of the retiree healthcare benefits such as the medical and dental insurance plans and death benefits. GASB			



Governmental Accounting Standards Board (GASB) Statement Number 68 financial statement reports. Plan Sponsors use the GASB reports to obtain information required for their financial statement disclosures.

refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Number 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually for Los Angeles County and LACERA’s Board of Retirement to make funding decisions and to provide the information for GASB 75 and financial statement reporting.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
		BSG	Financial Accounting Services Division	June 2021
<b>Actuarial Valuation Reports: OPEB:</b>	<b>On Schedule</b>			
The retiree healthcare program administered by LACERA on behalf of Los Angeles County includes all of the retiree healthcare benefits such as the medical and dental insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Number 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually for Los Angeles County and LACERA’s Board of Retirement to make	The July 1, 2021, OPEB Valuation Report is in progress. Milliman has completed the census data analysis, reviewed the annual insurance premium renewals, and is preparing the draft valuation report. Milliman is planning to present the final valuation report to the Board of Retirement in August. Milliman will discuss potential funding strategies to address the LACERA OPEB liability for the Board to consider.			



funding decisions and to provide the information for GASB 75 and financial statement reporting.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
<p><b>Alameda Decision Implementation</b></p> <p>In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff’s Association v. Alameda County Employees Retirement Association (“Alameda”), challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically, excluding pay items previously included such as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld the constitutionality of the Legislature’s actions. In 2021, the Legal Office notified the Board of</p>	Operations	Benefits	08/01/2020	
	<b>On Schedule</b>			
	<p>Since the project start, staff have updated the salaries for 4,176 members to exclude Standby Pay and computed the contributions on earnings that occurred on or after January 1, 2013. Of those 3,013 were actively employed, but only 2,284 had overpaid contributions. Since Active members cannot receive a refund while in service, LACERA suspended future contributions beginning with the March 30, 2022, salary (paid on April 15, 2022) through the point each member’s balance had been depleted. Staff mailed 1,000 letters to the active members on February 11, 2022, and the remaining 1,084 letters on February 25, 2022. A split mailing was used to prevent overwhelming the Member Services Call Center.</p> <p>Subsequently, staff identified 149 deferred and inactive members, most of whom were entitled to a refund. Staff issued 132 checks to those members entitled to a refund. The balance of 17 were not owed a refund.</p> <p>The Systems Division developed programming to remove the Stand By pay code earnings for all retirees who retired on or after January 1, 2013, and recalculated their FAC earnings once the pay codes were</p>			



Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case.

removed. Per the BOR approval, these members were subject to having their benefits adjusted prospectively from August 30, 2020, following the court's decision.

Beginning May 24, 2022, LACERA will notify 710 members via email that their monthly benefit allowance will be reduced effective July 31, 2022. Of these, 405 members will be notified that due to the retroactive deduction of benefits to the August 2020 monthly allowance, they have been overpaid and will be required to repay the overpaid benefits. Members will be given the option to repay by lump sum, or via deductions from their benefits over a period of time (including financing interest). The additional 305 retirees will receive a refund for the overpaid retirement contributions that exceed the overpaid retirement benefit. An additional 56 members with Standby Pay neither have a refund nor a benefit change due to the timing of their standby pay, while a Plan E member, or having a 30-year cancellation.

The team working on this project have identified five groups of members who will be impacted by this project. We have created the chart below to keep you up to date on the progress of the project.

Alameda Project Status		Current Report: 05/20/22	
Row Labels (Type, Status, Detail, Outstanding)	Count	%	
<b>Pending Notification</b> (Staff Reviewing and Processing)	958	22.9%	
<b>Active</b>	0	0.0%	
<b>Retired</b>	885	21.2%	
<b>Deferred/Inactive</b>	0	0.0%	



	<b>Deceased</b>	55	1.3%
	<b>Other</b>	18	.04%
	<b>Withdrawn</b>	0	0
	<b>Completed</b>		
	<b>Active</b>	3,013	72.2%
	<b>Retired</b>	0	0.0%
	<b>Deferred/Inactive</b>	149	3.6%
	<b>Deceased</b>	0	0.0%
	<b>Other</b>	0	0.0%
	<b>Withdrawn</b>	56	1.3%
	<b>Completed (Member Paid/Collection scheduled)</b>	3,218	77.1%
	<b>Grand Total</b>	<b>4,176</b>	<b>100%</b>

Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
Brief Description	BSG	Financial Accounting Services Division	May 2022	December 2022
<b>Annual Financial Statement Audit:</b>	<b>On Schedule</b>			
	As the fiscal year-end approaches, staff kicked off the June 30, 2022, financial statement reporting season. Plante Moran LACERA's external financial statement auditor, completed their interim fieldwork in May with audit testing focused on member data and benefit calculations. LACERA staff began the annual financial closing process and completed preliminary work to start preparing the fiscal year-end financial			



	statements. Additional financial statement preparation and external audit work will take place subsequent to the fiscal year-end.
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG/BSG)		
<b>Case Management Project: Phase I:</b>	<b>On Schedule</b>			
Implement a case management system that will improve efficiency in processing member requests, provide accurate status and data collection for metrics, and improve the member experience.	In May, the BOR approved LACERA’s recommended vendor, Eccentex, to partner with LACERA to develop our Case Management System. Eccentex was selected after an extensive review of 13 vendor proposals received from our RFP. After extensive review of three finalists, Eccentex was chosen as the preferred partner. The project team is conducting contract negotiations and finalizing a Statement of Work covering Phase I of the project (focusing on Disability Retirement Services, Disability Litigation processes, and the Benefits First Payment Process). The team expects to wrap up this phase of the project by July 2022, and begin scheduling the development and implementation process.			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	January 2022	August 2022
<b>Custodian Bank Search:</b>	<b>On Schedule</b>			
In accordance with LACERA’s Procurement Policy, vendor contracts for investment and custodian banking services must be re-bid every ten years.	LACERA’s current custodian bank, State Street Bank, was hired in July 2013. The Board of Investments approved the minimum qualifications at their December meeting. The Investment Office finalized and released the Request for Proposal (RFP) in January with proposals due at the end of March. Financial Accounting Services Division and other			





	LACERA staff are evaluating the information received and conducting due diligence.
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	03/01/2022	
<b>Enterprise Budget Application:</b> Per a recommendation by Budget staff to the Operations Oversight Committee (OOC) on March 2, 2022, authorized an RFP for software and professional services to procure, configure, and implement an enterprise budget application for the Budget Unit in the Administrative Services Division. The RFP was published on LACERA.com on March 7, 2022.	<b>On Schedule</b>			
	On April 14, 2022, LACERA has received proposals from nine vendors. As of May 20, 2022, LACERA's evaluation team is currently reviewing and rating all proposals. We will invite the finalists to demonstrate their solutions and then identify a final vendor to recommend to the Board of Retirement. We plan to bring a recommendation to the Board of Retirement for consideration in August 2022.			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Administrative Services	03/01/2022	
<b>Enterprise Contract Lifecycle Management (ECLM) Solution:</b>	<b>On Schedule</b>			
	On April 4, 2022, LACERA received proposals from nine vendors. As of May 20, 2022, LACERA's evaluation team reviewed all RFPs and selected five vendors as finalists. These finalists are currently			



<p>Pursuant to a recommendation by Administrative Services staff, the Operations Oversight Committee (OOC) on March 2, 2022, authorized a Request for Proposal (RFP) for software and consulting services to procure, configure, customize, and implement an ECLM system, which was published on LACERA.com on March 4, 2022.</p>	<p>demonstrating their solutions to the team. We plan to select one final vendor to recommend to the Board of Retirement for consideration in July 2022.</p>
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
<p><b>Enterprise Wi-Fi Project:</b> Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division is currently installing an enterprise Wi-Fi network.</p>	BSG	Executive (BSG)	01/2021	06/2022
<b>On Schedule</b>				
<p>As of May 20, 2022, all fiber, cables, access points, and switches have been installed on all LACERA floors and four of five segmented networks have been configured and tested. We are currently configuring the final segmented networks.</p>				

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
<p><b>Annual Insurance Renewal:</b></p>	BSG	Administrative Services	April 2022	June 2022
<b>On Schedule</b>				
<p>LACERA's new Broker of Record, Alliant Services, Inc., is actively obtaining quotes for the June 30<sup>th</sup> insurance renewal period. The</p>				



	Insurance Renewal Team and brokers will provide an update on the insurance policy selection at the next Operations Oversight Committee meeting.
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Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	01/01/2013	06/30/2022
<b>PEPRA Implementation: FAC Issue:</b> The Final Average Compensation for PEPRA members are exclusive of most pay items except base pay. The County uses pay code 099 as their base pay code. This pay code has embedded pay items within the code that are not pensionable compensation under PEPRA. In order to accurately calculate a member's benefit, these non-pensionable compensation items need to be filtered out.	<b>On Schedule</b>			
	The team focusing on this project have been working with the County Auditor-Controller to find a way to automatically filter out the non-pensionable compensation items. The team believes it has made progress on filtering out most of the non-pensionable compensation items. However, the team continues to work with the AC to address pay code changes that occur mid-pay period, which are not filtered out. The AC has committed to providing data that will help LACERA identify these pay changes and will allow us to filter out these items. The AC has not provided this functionality at this time, and we are following up.			



Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Disability Retirement Services (MOG)		
<b>On-Line Disability Retirement Application:</b>	<b>On Schedule</b>			
To facilitate member self-service, improve the member experience, and streamline the intake of disability retirement applications, the Systems Division has been working jointly with the Disability Retirement Division to develop an on-line disability retirement application on My LACERA.	<p>The initial design and construction of the new disability retirement application (DRA) has been completed. DRS and Systems have identified a final round of design changes to the application and these changes are currently in development.</p> <p>The team has partnered with the Benefits Project Management Group (PMG) to develop a project plan to roll out the new application. The next steps include user acceptance testing (UAT) by DRS and select Member Services staff, development and implementation of user training for Member Services and DRS staff members, a review of all DRS collateral and LACERA.com references to the disability process, and the development of a communications plan by the Communications Division to support the rollout. The team expects to conduct a soft roll out in the first quarter of 2022-23. We are planning to provide a demo to the Operations Oversight Committee in July.</p>			

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)		
<b>Retirement Estimate Redesign:</b>	<b>Delayed</b>			
A legacy strategic plan goal to redesign the retirement estimate	The initial redesign work is complete, and the next phase of this process is to beta test the concept with actual members. The beta test was placed on hold when we closed the Member Service Center during			



and election form as a retirement prospectus designed to provide members with all the information they need to make an informed decision about their retirement.

the height of the pandemic. The team working on this project is discussing plans to begin the beta test with the re-opening of the Member Service Center.

Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
<b>Brief Description</b>	Operations	Executive (MOG)	June 2021	TBD
<p><b>Retroactive Payroll Adjustments: Prospective Correction</b></p> <p>The Auditor-Controller is responsible for collecting contributions on all compensation earnable and pensionable earnings compensation at the time of payment. For many years the AC has not been collecting contributions on retroactive payroll adjustments. In 2021, the AC made changes to their programming to take deductions at the time of payment. However, there are still some situations where these contributions are not being collected.</p>	<b>Delayed</b>			
<p>Following the AC’s programming change, LACERA implemented a testing regimen to ensure that the contributions were being deducted as expected. Testing indicated that the problem was generally corrected, except in cases where the retroactive payments were over three years in arrears. The team recently met with the AC’s team to discuss the issue. The County’s payroll system can only support changes for 99 months in arrears. The AC has temporarily set the parameter to take deductions for this period. However, this fix is a temporary fix as the County’s payroll processing has experienced significant performance degradation as a result of the size of the files processed. The AC is considering limiting all retroactive payroll corrections to three years automatically and moving to a manual process for anything over that time frame. We continue to work with the AC on possible solutions to ensure collection of contributions happen at the time the retroactive payments are made.</p>				



Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
Brief Description	RHC	Executive Office	March 2021	TBD
<b>Retiree Healthcare Administration: Lifetime Maximum Benefit Project:</b>	<b>Delayed</b>			
	The County CEO's Office has provided LACERA their actuaries response to our \$1 million Lifetime Maximum Benefit (LMB) analysis. LACERA's healthcare consultant (Segal) and actuary (Milliman) have reviewed the report and briefed LACERA staff on the key areas of disagreement. Next steps will be to schedule a meeting with the County CEO's Office to discuss potential solutions and outcomes focused on addressing the \$1 million LMB.			

Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
Brief Description	BSG	Executive (BSG)	October 2021	September 2022
<b>Travel/Expense/P2P Software:</b>	<b>On Schedule</b>			
LACERA has procured "Certify" software created by Emburse, an expense management and accounts payable automation provider.	Staff is currently implementing the Certify travel and expense report management software and is working with Certify representatives to implement features such as travel booking, receipt capture, expense linking, credit card expenditure tracking, and automated workflow approval.			
	In addition, the accounts payable module includes a streamlined procurement and payables process that leverages optimized character recognition to reduce manual data entry. With Certify, LACERA may also make payments via ACH or virtual credit cards to vendors. Staff is reviewing work completed on the travel software tool and is building workflows and approval processes using the Microsoft Smartsheet			



	<p>for the expense module. Systems is in the process of developing Smartsheet solutions for Human Resources' Training and Employee Development unit that will be synchronized with the travel software implementation. Staff is also working with the Certify vendor to establish and optimize LACERA's processes within the software workflow. This project strategically aligns with Systems' goal of upgrading the technology of the organization and will replace the manual process with the latest technology.</p>
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**Existing Projects/Initiatives: No New Updates**

This portion of the Operations Briefing will detail on-going projects that have no current changes in status.

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
<p><b>COLA Bank Retroactive Changes</b> In April of 2021, the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation</p>	Operations	Benefits	04/2021	12/31/2022
	<b>Delayed</b>			
	<p>The project was broken down into five phases based on the complexity of the calculations needed to pay retroactive benefits to members.</p> <p>Phase I-IV: As of the date of this report, LACERA has paid out just over \$3.8 million in retroactive COLA earnings. Of the 9,672 members and survivors impacted, 8,178 accounts have been systematically resolved, which represents all members and survivors currently in a payment status.</p>			



The fourth phase of the project, which requires manually calculating the retroactive benefits, includes 1,494 cases in a payment status. The manual phase of the project began in December 2021. Staff have manually calculated COLAs for 455 members and payments were issued in March and May of 2022.

Phase V: The final phase involves deceased members with no survivors currently receiving benefits. This phase requires research to identify the appropriate beneficiary(ies) or estates to pay the retroactive benefits that were due to the deceased member. This phase is currently delayed while we focus on the Alameda Decision Implementation.

Systems and Benefits have been reviewing the root cause for the manual processing and developing plans for redesigning some portions of our pension administration system to help alleviate the need for processing for future projects.

<b>COLA Bank: Retroactive Payment Project</b>		
Status (As of 05/20/22)	Number	Percentage
Completed	9,141	95%
In-Process	531	5%
<b>Grand Total</b>	<b>9,672</b>	<b>100%</b>





Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
<b>Brief Description</b>	Strategic	Executive (MOG)	01/01/2013	
<b>PEPRA Implementation: Annual Benefit Statement</b>	<b>Delayed</b>			
LACERA does not currently offer an Annual Benefit Statement (ABS) for PEPRA members.	LACERA is unable to generate a PEPRA member ABS until we can accurately, automatically, calculate a member's FAC. This project is on hold until the FAC issue is resolved.			

Project / Issue Title	Type	Project Sponsor	Start Date	Target Date
<b>Brief Description</b>	Strategic	Executive (MOG)		12/31/2022
<b>Tax Table Changes for 2022: New Tax Withholding Form</b>	<b>On Schedule</b>			
The IRS published updated tax tables for 2022 which became effective January 1, 2022. The IRS finalized a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P tax withholding form), in early 2022. The IRS is not requiring the new form be used until the 2023 tax year.	<p>The team is working with our tax counsel to understand the intricacies of the new form and determine what programming changes are needed to support the new form.</p> <p>LACERA.com was updated with an announcement that the new tables may cause a slight change to some member's net benefit amount. We are also advising members that we will continue to use and support the current version of the W-4P form and will not accept any 2022 forms submitted. We posted a Q &amp; A section on LACERA.com (also accessible through My LACERA) to explain how LACERA is adjusting the new withholding guidance. One important and reassuring note: Members who have already started receiving their benefit payments from LACERA through 2023, will not be required to file a new form if they wish to keep their current preferences. The team is working on a communication campaign which will launch as</p>			



	we get closer to year end to ensure members have adequate information to make 2023 tax elections. We will share updates with the Committee as they become available.
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**Completed Projects/Initiatives**

This portion of the Operations Briefing will detail projects and initiatives that have been completed during the Fiscal Year (beginning on or after May 2022).

Project / Issue Title Brief Description	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive Office	01/04/2022	May 2022
<b>Return to the Office:</b> LACERA’s Administrative Services Division’s Health and Safety Unit have been working hard to ensure a smooth return to office for LAC-ERA’s staff.	<b>Completed</b>			
	<p>In preparation for staff returning to the office the Health and Safety Unit posted updated information posters, restocked all personal protective equipment items, and provided staff with COVID-19 safety instructions. They have also worked with several staff to adjust the ergonomic configurations on their workstations as needed.</p> <p>The team also worked side by side with the PEP Team and the Executive Team to provide a warm welcome to returning staff. Working together with the PEP Team they decorated the Workshop room, where staff were encouraged to stop by and receive a small welcome back token (a bundt cake and a lanyard) and a welcome by the Executive Team, managers, and staff from Administrative Services.</p>			



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**Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.**

**For further information, contact:  
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