

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. 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.

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

NOTICE OF MEETING AND AGENDA
SPECIAL 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**

THURSDAY, MAY 5, 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

II. PUBLIC COMMENT

(Written Public Comment – You may submit written public comments by email to 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 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
- B. Semi-Annual Member Services Update
Allan Cochran, Division Manager, Member Services
- C. Status of Reducing the Death Claims Backlog
Carlos Barrios, Interim Manager, Benefits Division

IV. ITEMS FOR STAFF REVIEW

V. GOOD OF THE ORDER

(For information purposes only)

VI. 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, 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.

***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.**

FOR INFORMATION ONLY

April 25, 2022

TO: Operations Oversight Committee
Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

FROM: Luis Lugo, Deputy Chief Executive Officer 
JJ Popowich, Assistant Executive Officer 
Laura Guglielmo, Assistant Executive Officer 

FOR: May 5, 2022 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

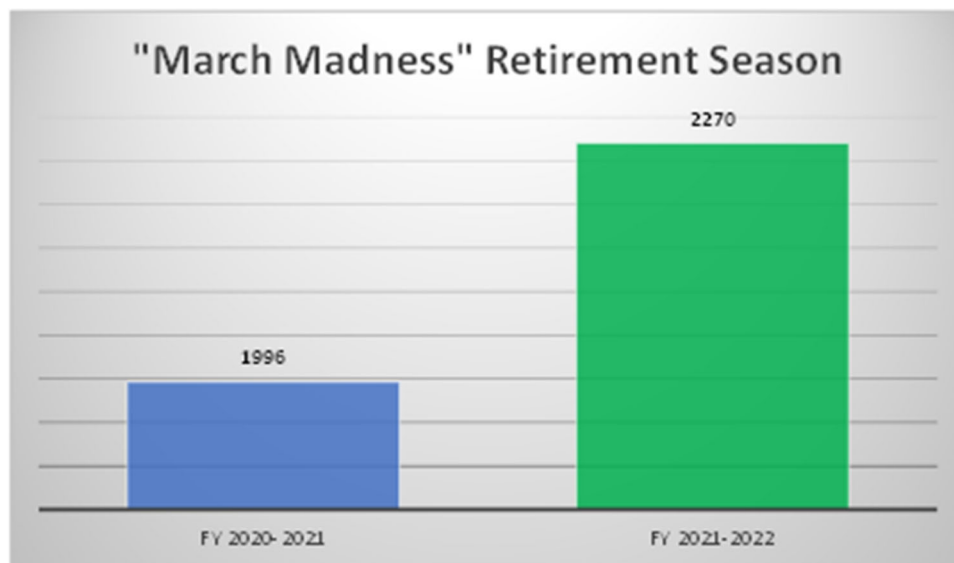
The purpose of this briefing is to share insights on staff and divisional activities within LACERA's Operations and Administration Bureaus. We will provide updates on goals, including the status of our Strategic Plan Goals and Operations Improvement initiatives. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive Operations Oversight Committee (OOC) presentation.

Update on March Madness Season

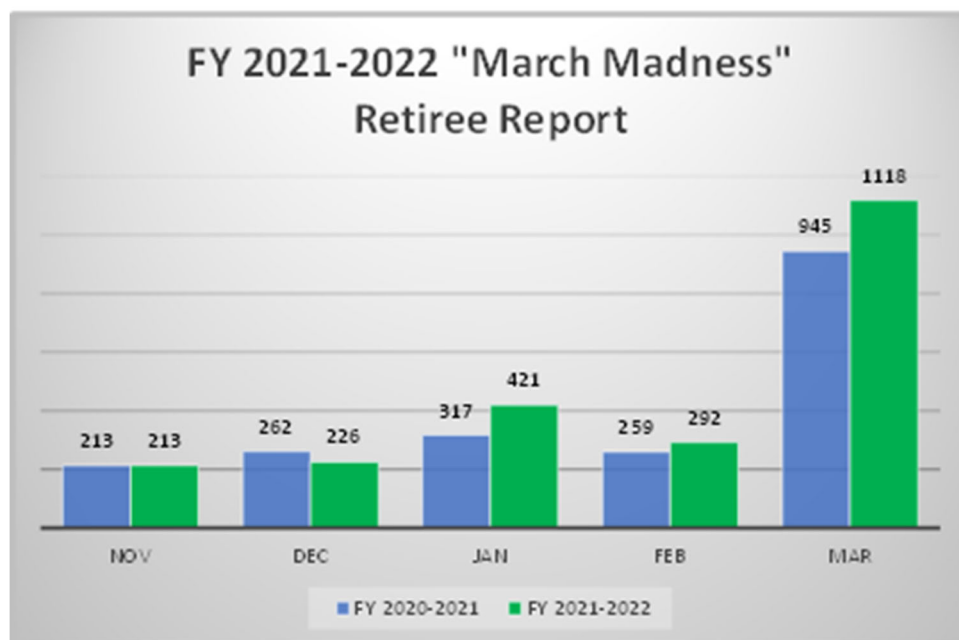
We refer to the period beginning in December through the end of March as "March Madness" because retirements tend to spike during this period as members disproportionately elect to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved by the BOR. In years past, we shared these updates in the CEO Report. We will now be sharing our updates on this season in the OOC Briefing Report.

Beginning mid to late 2021, Member Services and Benefits reported that there was a marked increase in inquiries and requests for counseling among members considering retirement. Based on these member inquiries, which were 2-5% above historical averages, we began to predict a very busy retirement season. Traditionally, we recognize "March Madness" as starting in December and carrying through to March.

Now that "March Madness" has passed, and all retirements received in time to qualify for this year's busy season have been processed, we can take a look back and see how busy the season turned out to be. This year we finished up the retirement season with 274 more retirements than last year.



The chart below shows a month-by-month comparison between this year's March Madness and the FY 2020-2021 season:



This chart represents all members who were eligible to retire and had submitted a retirement election within the month counted and on or before March 31, 2022.

The FY 2021-2022 season was the busiest season we've had in the last ten years.

The Benefits Division, Quality Assurance, Member Services, and Systems staff worked together to ensure that all members were processed and set up for payroll on time. This year's unprecedented volume was addressed through a combination reassignment of

staff from other work queues and overtime. This year, staff from Member Services were brought into the mix to help process “Board Letters” one of the first steps in the retirement process, allowing Specialists to focus on account validation and payroll set up. Our Quality Assurance Division also changed focus and also put in long hours to verify 100% of first-time payments.

On behalf of the Executive Team, we would like to recognize all of their hard work and thank them for successfully navigating a busy year and getting our members on payroll on time as expected.

Update on Our Focus on Strategic Plan Goals and Operations Improvement

The Workgroups focusing on the top four Strategic Plan goals continue to meet regularly to move our goals forward. Here is a summary of the status of their efforts:

Case Management Project Update: The Case Management System Request for Proposal (RFP) was approved by the Board of Retirement (BOR) and published on lacera.com on October 6, 2021. On October 29, 2021, LACERA held a virtual vendor conference to provide detailed information to all vendors that had submitted their official intent to respond to the RFP and had signed a Non-Disclosure Agreement. Fifty-five representatives from seventeen companies attended the conference where LACERA technical staff and subject matter experts reviewed the three processes that are included in Phase I of the project, as well as LACERA’s Enterprise Pension Administration Architecture. The LACERA team received 13 vendor proposals on November 19, 2021. From the 13 vendor proposals, three vendors were selected as finalists. Each finalist presented a two-hour demonstration of their proposed solution. We have identified one final vendor and are bringing our recommendation to the BOR for consideration at the May 5 meeting.

Retirement Estimate Redesign Project: (No new update as of March 2022) The new Retirement Application and Summary is on hold pending the full re-opening of the Member Service Center (MSC). The original plan for the redesigned application, which can best be described as an informative retirement prospectus designed to provide members with all the information they need to make an informed decision about their retirement, was to test the document and collect feedback from members that would be used to refine the new document and process before implementation. The team is working on plans to begin testing the new application in the Member Service Center.

Phase II of this project will be to develop the on-line election process. We will set a deadline for the completion of Phase II as we are near the end of Phase I.

PEPRA Implementation: This workgroup continues reviewing all the progress made to date on the implementation of the Public Employees’ Pension Reform Act of 2013 and subsequent updates passed since then. The Workgroup’s focus is to address County payroll code issues with the Auditor-Controller (AC). As you may

recall, for LACERA to readily assess what portion of an employee's total compensation is pensionable or not, the payroll code 099 must be further dissected so it is easier to identify the pay codes that are embedded in this code.

The LACERA team met to review our progress on this project in preparation for re-engaging the County now that they have completed their year-end processing. Additionally, we briefly discussed the issue with representatives from the Auditor-Controller's Office regarding our need to continue the engagement. As previously reported, the AC has determined that it is not feasible to break the 099 pay code apart so that each embedded pensionable and non-pensionable pay code is reported to LACERA separately. However, they are making programming changes that will allow LACERA to identify pay code changes that occur during a payroll cycle. Currently, the pay code data shared with LACERA is a snapshot of the member's pay at the end of the payroll period. After further examination, our team determined that they may be able to use some of the data the County is providing to systematically determine what is included in pay code 099. However, the discrepancies we are seeing in our calculations may come from changes that occur in the middle of the accrual period. In other words, a member may receive pay for a non-pensionable item for part of the pay period, and not the entire pay period. This throws off our calculations using our current method for filtering out pay codes.

The programming changes planned by the AC may provide us with the ability to see those changes mid-pay period and this may allow us to filter out non-pensionable portions of code 099 more accurately. The team is reaching out to our AC contacts for a date when we may see a test file. We will be reaching out to the Auditor-Controller again this month to further the conversation.

There are no new updates on the Workgroup focusing on the redesign of the Annual Benefit Statement (ABS). Our current statement only supports legacy plan members and is not supported for PEPPRA members. Considerable progress was already made on the redesign efforts by the Communications team. We are working to get a better timeline when we can bring an RFP to the Operations Oversight Committee.

Progress Update on the "100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments"

This section will discuss some of the efforts in place to move forward on the recommendations in the 100-Day report. It may not address all progress but will focus on certain goals.

Communications: LACERA Connect

As part of facilitating internal communications, we redesigned and updated the LACERA Connect intranet in coordination with vendor Compass 365 and Systems division. We incorporated input and wish lists from all divisions for their respective microsites. Production started in September 2021. The first phase of LACERA Connect launched on

March 18, 2022, and included content migration, reorganization, streamlining of information, and a video walk-through. Since the site lives on SharePoint, it can be used by staff members from anywhere, helping facilitate access to important forms, documents, and resources. In Phase 2, we will continue to incorporate more interactive features to help LACERA Connect become a true communications and resource hub.

Communications: LACERA.com Statistics and User Analytics

In March, we had 34,462 first-time visitors, in comparison to February where we had 31,850 first-time visitors. There was a total of 181,431 page views in March, compared to 158,905 page views in February.

This has been an active month with March Madness bringing in +8% first time visitors to the site.

Below we will drill down the top five page views for the month of March that can be attributed to the March Madness season.

Below are supporting statistics covering March 2022.

User Traffic

First Time Visitors	Traffic	Average Visitors	Traffic
March	34,462	March	1,376
February	31,850	February	1,449
January	26,519	January	1,518

The highest number of visitors for this month was 2,086 on Wednesday, March 9. This was due to the BOI and Equity Committee meetings scheduled for that day. However, our trending pages this month have changed, and are indicative of the March Madness season with active members transitioning to retired members.

Below are the top five pages from the month of February.

Top Five LACERA.com Page Views

LACERA Pages	Views
Home Page	60,925
Retiree Listings	7,718
COLA	3,706
Sign Up for My LACERA	2,849
Contact Us	2,774

“See My COLA” was trending the month of February (+341%) as members were eagerly awaiting the BOR approved maximum allowed COLA increase. This month however, there is a slight decline, -94%. Due to this topic no longer trending, Communications will remove it from the “I would like to” feature and replace with another topic using the data received from the MSC call report.

Home page “I Would Like To” Views

LACERA Pages	Views	Mar vs. Feb
See My COLA	3,706	-94%
Change my tax withholdings	1,320	20%
*Update my beneficiary	1,270	0%
Printout a payday calendar	1,115	0%
Apply for survivor benefits	842	7%

*We added this topic in March, therefore no data to compare to for this month

Home page Tile Views

LACERA Pages	Views	Mar vs. Feb
My LACERA	2,849	16%
Pre-Retirement Workshops	1,365	18%
Careers	1,179	-5%
Investments	923	17%
Annual Reports	645	9%
Forms & Publications	206	19%

Update on Other Projects

Our goal is to continue to keep the Committee updated on other cross-functional teams that are working hard to provide improvements to LACERA's operations and the services we provide to our members.

Tax Table Changes for 2022 & a New Tax Withholding Form Coming Soon:

(No new update as of April 2022) The IRS published updated tax tables for 2022 which became effective January 1, 2022. We have updated LACERA.com with an announcement that the new tables may cause a slight change to some member's net benefit amount. Additionally, we are beginning a process to prepare for a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as the W-4P tax withholding form). The IRS recently released a revised form and instructions for 2022 but is not requiring its use until the 2023 tax year. Our team has been working with tax counsel to understand the

intricacies of the new form and determine what programming changes we will need to support the new form. Among the changes in the new form are a new default withholding amount if a member does not make an election (now single with no deductions, as opposed to married with three deductions previously). Since the form has only recently been finalized, and since the IRS is not requiring its use until 2023, LACERA is advising members that we will continue to use and support the current version of the W-4P form. Additionally, since the changes require programming for LACERA to support, we will not be accepting any 2022 forms submitted. We posted a Q & A document on LACERA.com (also available through My LACERA) to explain how LACERA is adjusting to the new withholding guidance. We will be working on a communication plan to prepare members for the new withholding forms and rules later this year. One important and reassuring note: members who have already started receiving payments from LACERA before 2023 will not be required to file a new form if they wish to keep their current preferences. We will share more about our progress and our communication plans as we develop them.

COLA Bank Retroactive Changes: 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 bank. The first phase has been completed and members received their retroactive payments on July 15, 2021, via Direct Deposit.

The second phase of cases was completed, and members were notified of the retroactive payments in early September and payments were issued September 15th. The third phase of the project has been completed: 312 survivors of members who passed away prior to the COLA Accumulation Bank correction were paid a retroactive benefit owed to the deceased member. The retroactive payment was paid to the survivor via a special one-time payment and was paid on November 15, 2021.

To date, LACERA has paid out just over \$3.7 million in retroactive COLA earnings. Of the 9,672 member and survivor accounts affected, 8,178 accounts have been systematically resolved, which represent all members and survivors currently in a pay status. The manual phase of the project, which includes 1,494 cases, began on December 16, 2021. Staff have manually computed COLAs for 209 members and payments were issued on March 15, 2022.

COLA Retro Project - Status as of 11/17/2021:		Last Report 9/10/2021		Current Report 04/26/2022	
Row Labels (Type, Status, Detail, Outstanding)		Count	%	Count	%
Completed (Member Paid - No Further Action Required)		7,86	81%	8,178	85%
First Notification Sent (In Process)		822	9%	508	5%
	Active Payee - Member	439	5%	439	5%
	Paying Split	206		206	
	Active Payee - Survivor	383	4%	69	1%
	Paying Split	9		9	
Pending Notification (Staff is Reviewing and Processing)		986	10%	986	10%
	No Active Payees (Deceased)	726	7%	726	7%
	Active Payee - Member	145	2%	145	2%
	Paying Split	3		3	
	Active Payee - Survivor	115	1%	115	1%
	Paying Split	6		6	
Grand Total		9,672	100%	9,672	100%

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

As we discussed previously, we will be shifting focus from the COLA project to the Alameda Project. We will focus on the remaining cases in the COLA project once we have addressed the Alameda Project. By way of a reminder, this decision was made to limit the number of overpayments and associated interest that may have to be collected from some Alameda impacted members.

Alameda Project Update: 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 constitutionality of the Legislature's actions. In February of 2021, the Legal Office notified the Board of 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.

- Staff have updated the salaries for 4,176 members to exclude Standby Pay and have computed the contributions on these earnings that occurred on or after January 1, 2013. Of those, 2,284 are actively employed contributory members who overpaid contributions. Actively employed members cannot receive a refund while in service and, instead, the overpaid contributions will be returned by suspending future contributions beginning with their March 30, 2022 salary (paid on April 15, 2022) until the balance has 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.
- Additionally, staff have identified 149 deferred and inactive members, most of whom will be entitled to a refund. Staff issued 132 checks to deferred/inactive members entitled to a refund. We found that the remaining 17 members on the report were not owed a refund.
- The Systems Division is currently programming the changes that will be necessary for the retired population, which affects any members who retired on or after January 1, 2013, and their FAC included earnings for these pay codes. These members could have their benefits adjusted prospectively from August 30, 2020, following the court's decision.

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 this project:

Alameda Project Status	Current Report	
	4/26/2022	
Row Labels (Type, Status, Detail, Outstanding)	Count	%
Pending Notification (Staff Reviewing and Processing)	957	28%
Active	0	0.0%
Retired	847	25.0%
Deferred/Inactive	0	0.0%
Deceased	53	1.6%
Withdrawn	56	1.7%
Notification Sent		
Active	2285	67.4%
Retired	0	0.0%
Deferred/Inactive	149	4.4%
Deceased	0	0.0%

Withdrawn	0	0.0%
Completed (Member Paid/Collection scheduled)	2434	71.8%
Grand Total	3391	100%

Retroactive Payroll Adjustments: As you may recall, for many years the County has not been deducting contributions on retroactive payroll adjustments. We have been keeping the Committee apprised of our efforts to work with the Auditor-Controller to ensure contributions are deducted from these earnings. We were pleased to report that the Auditor-Controller adjusted their programming and began deducting contributions for these adjustments. We also reported that we set up a testing regimen for each payroll period to ensure the programming is functioning as expected. While initial indications were positive, we have recently identified a possible discrepancy that we will be addressing with the Auditor-Controller. Recent testing has indicated the programming may not be taking deductions on payroll adjustments more than three years in arrears. We have started discussions with the Auditor-Controller to address this issue and will be meeting in late April.

We still have a large and growing backlog of retroactive payment adjustments that we must manually review and process. While we are devoting as many resources to this backlog as possible, we are not able to fully address these cases. The team has been reviewing various options for how to address these retroactive adjustments. Once we have determined a path forward, we will brief the Committee and the Board on a timeline and implementation plan for addressing this pressing concern for the team.

Information Systems: Our Systems division continues to engage in various process improvement projects and initiatives aimed at securing our network, data, application, and overall system infrastructure. Three current initiatives led by Systems include:

Staff Mobile Device Policy - The Information Security Office, the Systems Division, and the Executive Office are finalizing a new mobile device policy for all staff members. The purpose of the new policy is to reduce the possibility of data loss and private information exposure on mobile devices. The policy will restrict enterprise application access to LACERA issued mobile devices or personal devices enrolled in LACERA's mobile access management (MAM) tool. The Systems Division is working with each Division Manager to identify staff that are eligible to receive a LACERA owned mobile device based on their roles and responsibilities. We expect to distribute all LACERA owned mobile devices to eligible staff by the end of May 2022. Access for personal devices will also be disabled by the end of May 2022. If staff wish to continue accessing LACERA data on a personal device, staff will be required to install LACERA's

MAM tool. The tool allows the organization to wipe LACERA's data if it is lost or stolen with no impact to personal data.

Enterprise WiFi Project – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division is currently installing an enterprise WiFi network.

As of April 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 expect to complete the configuration of the final segmented network by the end of May 2022.

On-line Disability Retirement Application – 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.

As of April 20, 2022, the initial design and construction of the new disability retirement application has been completed. DRS and Systems have identified a final round of design changes to the application and these changes are currently in development. The next steps include acceptance testing of the application, user training for Member Services and DRS staff members,, a soft roll out of the application, and finally a member communication campaign led by the Communications division. We anticipate the soft rollout to begin following March Madness at the end of May 2022

Enterprise Contract Lifecycle Management (ECLM) Solution – 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 Enterprise Contract Lifecycle Management (ECLM) System, which was published on lacera.com on March 4, 2022.

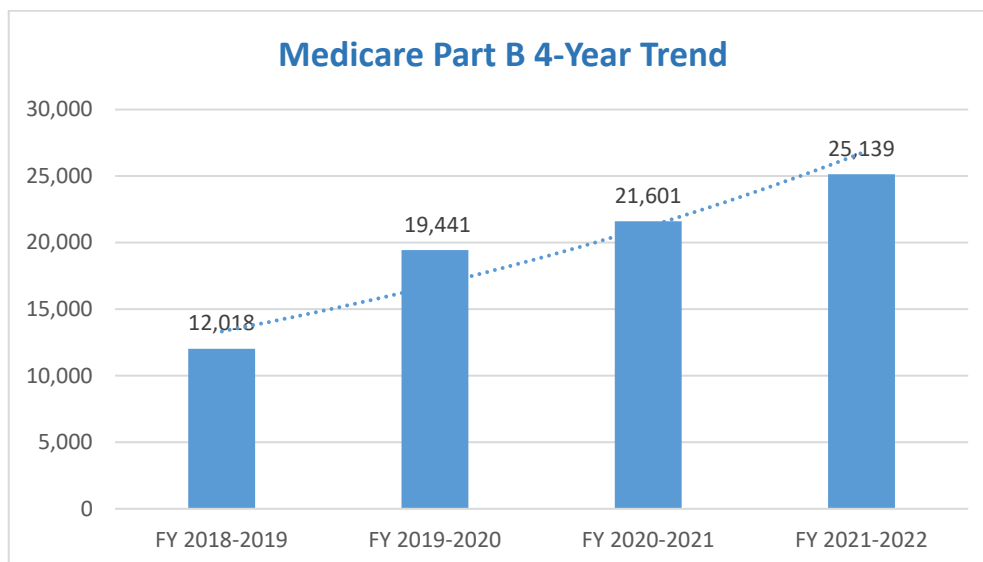
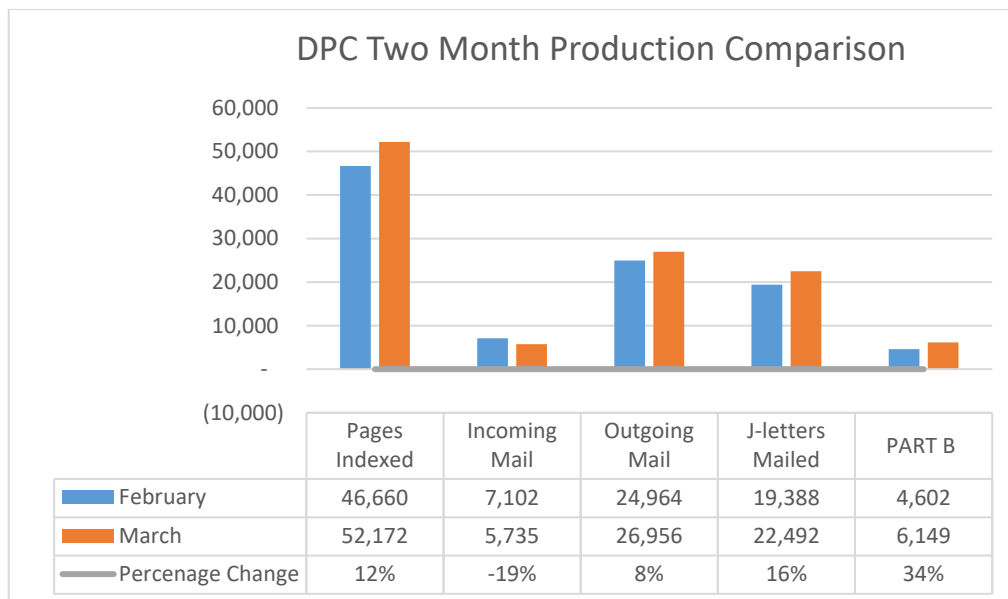
On April 4, 2022, LACERA received proposals from nine vendors. LACERA's evaluation team is reviewing and rating all proposals and will invite the finalists to demonstrate their solutions. We intend to identify a final vendor in May 2022 and bring this recommendation to the Board of Retirement for consideration in June 2022.

Enterprise Budget Application – Per a recommendation by Budget staff, 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.

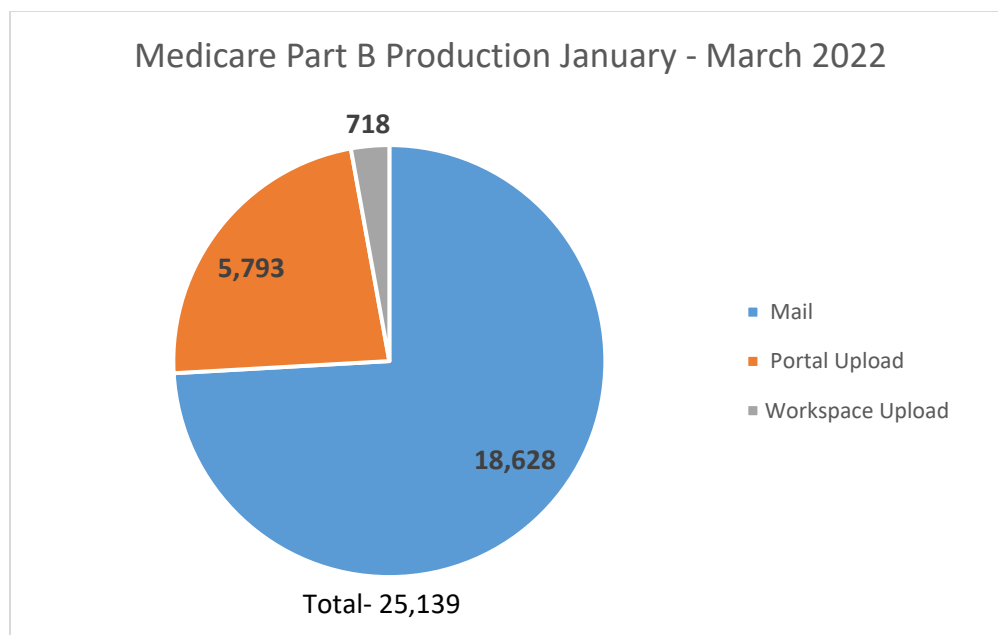
On April 14, 2022, LACERA has received proposals from nine vendors. LACERA's evaluation team is currently reviewing and rating all proposals and will invite the finalists to demonstrate their solutions. We plan to identify a final vendor in June 2022 and bring this recommendation to the Board of Retirement for consideration in July 2022.

Administrative Services Division: Our Administrative Services is a support division consisting of the Budget Unit; the Document Processing Center; the Procurement Unit, including Purchasing, Facilities, and Renovations; and the Risk Management Unit, which includes Business Continuity, Business Insurance, Contract Management, Health and Safety, and Records Management. Over the last month the division has led and supported the following initiatives:

- The Budget Unit completed the preliminary 2022-2023 budget for presentation to the JOGC on April 22, 2022, for review and feedback. The JOGC approved the preliminary budget and staff will present the JOGC's proposed Budget to trustees during Budget Hearings in May to address any questions or concerns prior to BOR and BOI adoption in June. In preparation for staff returning to the office, the Health and Safety Unit updated LACERA's COVID-19 Workplace Protocols to ensure that they are in line with the most current guidelines and orders of Los Angeles County Public Health, California Public Health, and the Centers for Disease Control and Prevention (CDC). A copy of the LACERA COVID-19 Workplace Protocols was provided to all staff and posted to LACERA Connect.
- The BOR approved the selection of Alliant Services as the new insurance broker in April. The Risk Management team is in the midst of contract negotiations and anticipates having a final contract executed by April 30. Floor plans, cubicles and furniture have been finalized for the 7th floor renovation project. The next step is the selection of the contractor for the build out.
- Staff have been serving as subject matter experts and assisting Systems Division in the selection of vendors for the Budget System and Enterprise Contract Lifecycle Management System. They have also been consulting on the implementation of the Accounts Payable/P2P and Travel System and the implementation of the Hardware Asset Management inventory solution.
- During March, the Document Processing Center (DPC) experienced a 12% increase in the volume of pages indexed, an 8% increase in outgoing mail, a 16% increase in the number of J-letters mailed, and a 34% increase in Medicare Part B forms processed.



- In the period of January through March 2022, the DPC indexed 18,628 Medicare Part B documents that were submitted by mail or fax, 5,793 that were submitted via the Member Portal, and 718 that were uploaded into Workspace by RHC staff. This is a total of 25,139 Medicare Part B documents indexed and this same number of acknowledgement letters that were mailed to the members.



Financial and Accounting Services Division applies sound cash management controls, accounting standards, and compliance with regulatory and statutory financial reporting mandates to LACERA's assets, member payroll, and organization-wide financial transactions.

Actuarial Valuation Reports: The Government Code requires that valuations of the Pension Plan be performed at least once every three years. The Board of Investment's 2013 Retirement Benefit Funding Policy requires more frequent valuations which are set to 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 that is used to prepare the 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.

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 valuation report and will present it to the Board of Investments in the summer. 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. In conjunction with the Risk Assessment report, Milliman will make presentation to the Board of Investments that serves as background and educational information regarding the upcoming triennial experience study. Starting in the fall, staff is planning presentations at three

Board of Investments meetings to review and determine the June 30, 2022 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 refers to these benefits as Other Post-Employment Benefits (OPEB) for financial statement 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.

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. In addition, Milliman will discuss funding strategies to address the LACERA OPEB liability for the Board to consider.

Travel/Expense/P2P Software: 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, 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 card to vendors. Staff is reviewing work completed on the travel software tool and is building workflows and approval processes using the Microsoft Smartsheet for the expense module. Staff is working with the vendor to establish transaction approval structures by user within the accounts payable module and is reviewing and updating the LACERA user list. This project strategically aligns with Systems' goal of upgrading the technology of the organization and will replace the manual processes and controls with the latest technology.

Custodian Search: In accordance with LACERA's Procurement Policy, vendor contracts for investment, and custodian and banking services must be re-bid every ten years. LACERA's current custodian bank, State Street Bank, was hired in July 2013. FASD is working closely with the Investment Office to conduct a formal request for proposal (RFP) process. The Board of Investments approved the minimum qualifications at their December meeting. The Investment Office finalized and released the RFP in January with proposals due at the end of March. LACERA staff are currently

evaluating the information received in response to the RFP. Staff will continue to collaborate with the Investment Office as this process evolves.

Retiree Healthcare Administration –. The County CEO's office has provided LACERA with their actuaries response to our \$1 million Lifetime Maximum Benefit (LMB) analysis. LACERA's healthcare consultant (Segal) and actuary (Milliman) are in receipt of the report and will provide LACERA with their analysis. Next steps will be to schedule a meeting with the County CEO office to discuss the solutions on addressing the \$1 million LMB.

Attachments:

Public Records Request Update

Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
12-29-21	Tolmer, Bobette - Renne Public Law Grp	<p>Request: eleven categories of records relating to Board approval of staff classifications and salaries.</p> <p><i>On January 3rd, 2022, Counsel sent clarification regarding response date.</i></p> <p><i>On January 13th, 2022, Counsel sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p><i>On January 28, 2022, Counsel sent one (1) responsive letter regarding the process and those records will be available February 22, 2022.</i></p> <p><i>On February 22, 2022, Counsel sent one (1) Letter re PRA request and link to records.</i></p> <p><i>On March 16, 2022, Eileen Longo (Latham and Watkins LLP) sent one (1) responsive letter and second production of records.</i></p>
3-2-22	Wurtz, Laura	<p>Request: all proposals submitted in response to the Private Equity Emerging Manager Discretionary Separate Account RFP issued on 6/22/21.</p> <p><i>On March 2, 2022, Counsel responded that LACERA would post the RFP's once LACERA completed the migration to a new system.</i></p> <p><i>On March 9, 2022, Counsel updated the response that LACERA was still in process of migrating the files to the new server.</i></p>
2-22-22	Williams, Lacey and Chugh, Kevin – Mainstreet Computing	<p>Request: LACERA's solicitation for Case Management System that was submitted in late 2021.</p> <p><i>On March 2, 2022, Counsel responded that LACERA was in the process of reviewing the Case Management RFP responses.</i></p> <p><i>On April 7, 2022, Requestor requested that the scoring sheet and contract made available, and the cost summaries made public.</i></p> <p><i>On April 7, 2022, Counsel responded that while the initial selection has been established, the scoring and evaluation is not complete so there are no scoring records available. No contract has been issued since no selection has been made.</i></p>
3-1-22	Ballesterio, Irene	<p>Request: the number of Sr. Secretaries, Management Secretaries, and Sr. Management Secretaries who were active for each year including salary information and names for each position from 2015 to 2022.</p> <p><i>On March 09, 2022, Counsel responded that LACERA was in the process of extracting the information and would respond by March 18, 2022.</i></p> <p><i>On March 15, 2022, Counsel sent the spreadsheet with the salary information for the Senior Secretaries, Management Secretaries, and Senior Management Secretaries for the years 2015 through 2022.</i></p>
3-3-22	Kemble, Sioned	<p>Request: Information from LACERA's investment pools, relating to the performance of all the closed-end funds LACERA invested in for Q1 in 2022.</p> <p><i>On March 9, 2022, Counsel informed requestor that the report would be available March 15, 2022.</i></p> <p><i>On March 15, 2022, Counsel sent the Alternatives report.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
3-7-22	Campbell, Ben	Request: A breakdown of individual fund performance relating to the performance of all the hedge funds/absolute return funds you invest in for the dates detailed below, or the most recent month/quarter available. <i>On March 15, 2022, Counsel sent the Hedge Fund report.</i>
3-15-22	k2carbonpro@gmail.com	Request: Video and audio recordings of the BOI and BOR in January 2022. <i>On March 21, 2022, Counsel sent the links to requestor for the requested recordings.</i>
3-15-22	Wurtz, Laura	Request: All proposals submitted in response to long-term U.S. treasury investment management services RFP issued on Oct 1 re: LACERA. <i>On March 21, 2022, Counsel sent two responses that LACERA received for the long-term U.S. treasury investment management services RFP.</i>
3-16-22	Tuten, Will – eVestment	Request: A copy of LACERA DVD recordings for the open sessions of the BOI and Committee Meetings held from June 2021 to March 2022. <i>On March 21, 2022, Counsel sent the links to requestor for the requested recordings.</i>
3-17-2022	Sayas, Vincent – FOIA Team	Request: Copies of records to funds: Revelstoke Capital Partners, Silver Rock Financial, STG Capital Partners, Atlantic Street Capital. <i>On March 25, 2022, Counsel sent the holdings report with listed managers.</i>
3-23-2022	Lee, Nanette	Request: 1. A list of ALL hedge funds and fund of hedge funds in which Los Angeles County Employees' Retirement Association is an investor; and 2. For each hedge fund and fund of hedge funds, may I please have a copy of any records that would show some or all of the following information: a. the month by month market value of Los Angeles County Employees' Retirement Association's holding in each fund from October 1 2021 to December 31 2021, b. the month by month amount invested by Los Angeles County Employees' Retirement Association in each fund from October 1 2021 to December 31 2021, c. the month by month net returns (net of fees) earned by Los Angeles County Employees' Retirement Association on its investment in each fund from October 1 2021 to December 31 2021.
3-25-2022	k2carbonpro@gmail.com	Request: All "Brown Bag" meeting recordings from November 2019, December 2019, and January 2020. <i>On March 29, 2022, after confirming with Exec office, Counsel responded to Requestor that LACERA's brown bag meetings are not recorded.; therefore, LACERA has no recordings in response to this request.</i> On March 29, 2022, Requestor inquired information regarding November 2019, December 2019 and January 2020 Brown Bag meetings were recorded, and reason why they are not available. <i>On April 5, 2022, Counsel sent response to Requestor stating that LACERA does not have a policy of recording Brown Bag meetings. Additionally, there</i>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<i>were no recording made after November 2019. Prior to that any meetings that may have been recorded but subsequently deleted according to LACERA's retention schedule.</i>
3-30-22	Campbell, Ben	Request: Copies of records relating to fund AE Industrial Partners III. <i>On April 4, 2022, Counsel sent AEI III – LACERA redacted memo in response to this request.</i>
4-4-22	Toroy, Maria	Request: Information from LACERA investment pool, relating to the performance of all the closed-end funds including Private Debt, Private Equity, Real Estate, and Real Assets that LACERA invested in Q4 2021. <i>On April 5, 2022, Counsel responded and attached Q4 year 2021 holdings report.</i>
4-5-22	Scott, Blake	Request: The most recent and complete portfolio of LACERA investment fund holdings. <i>On April 12, 2022, Counsel responded and attached LACERA holdings report as of February 15, 2022.</i>
4-8-22	LASD	Request: Sheriff/Fire Listings for April 2022 <i>On April 8, 2022, Exec forwarded a Sheriff Listing and Fire Listing for April 2022.</i>
4-11-22	HR La County	Request: BOR Disability Retirement List <i>On April 11, 2022, Exec forwarded the BOR Disability Retirement List.</i>
4-11-22	Ceballos, Melquisedic	Request: information from LACERA investment pools, relating to the performance of all the Real Estate, Private Equity, Private Credit/Debt, and Infrastructure for the previous performances from Q1 2020 – Q4 2020. <i>On April 12, 2022, Counsel responded and attached the 2020 Quarterly reports.</i>
4-11-22	Stoltze, Frank	Request: total number of retirements and the average age for all retirements within the last five years, the same for the Sheriff's Department, and the same for the Department of the District of Attorney. <i>On April 13, 2022, Counsel responded and attached data to fulfil this request.</i>

REPORT OF FELONY FORFEITURE CASES PROCESSED


April 27, 2022

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	FINAL STATUS	DISABILITY STATUS	SERV. LEVEL
60	CABRERA	MIGUEL	LASD	3/4/2022	3/22/2022			PEND		
59	GONZALEZ	PAUL	PARKS	10/19/2021	11/4/2021	12/30/2021		PEND		
57	ANTRIM	MARC	LASD	4/1/2021	5/12/2021	7/9/2021		PEND		
56	BERK	MICHAEL	LASD	2/24/2021	4/14/2021	12/30/2021		APPEAL		
55	FISK	JUSTIN	LASD	2/24/2021	4/14/2021	12/30/2021		APPEAL		

FOR INFORMATION ONLY

April 25, 2022

TO: Operations Oversight Committee
Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

FROM: Allan Cochran, Division Manager, Member Services 

FOR: May 5, 2022, Operations Oversight Committee Meeting

SUBJECT: Semi-Annual Member Services Update

Background:

At our last Semi-Annual report in October 2021, Member Services reported a high demand for services, a successful re-opening of our Member Service Center (MSC) in July 2021, and was optimistically looking at a new retirement season. Our focus at that time was to continually increase in person appointments while continuing to offer virtual appointments. Members and Survivors enjoy having the choice of either an in person or virtual appointment. We knew in October the months ahead would be challenging with our diminishing staffing and demands for service, but Member Services was prepared to move forward as pandemic cases were diminishing.

After the Thanksgiving holiday, COVID cases began to rise and the MSC was temporarily closed again on December 30, 2021, for the safety of our Outreach staff members and visiting members and beneficiaries. Member Services found ways to adjust to the circumstances as we continued help and provide services. Our staff demonstrated extraordinary commitment and dedication to our members while facing constant, unrelenting, heavy workloads. They have done this while facing their own personal challenges. Many of our staff became ill and the ones who felt they were able to, continued their remote work. Many of our staff members care for their families; their parents, grandparents, and children, who became ill, and at least are pandemic weary, yet our staff members continued by serving our members.

With the advent of Member Services demonstrated capability to productively work remotely, we continued to provide service at the highest level possible. Due to promotions, attrition, and a delay in hiring new staff, Member Services has had a growing deficit of trained Specialists which, with the explosion of service demand brought on by COVID, has reduced our Grade of Service to levels we would not have imagined. As LACERA offers more self-service options for transactions through My LACERA, together with an injection of newly trained Specialists in the Autumn of 2022, we will gradually see an improvement in our Grade of Service, and Member Services Specialists will be able to work at a more substantiable pace. In May 2022, Member Services remains optimistic, knowing there may be more unforeseen twists, but we will successfully face any new challenges.

Achievements:

Member Service Center Temporary Closing and Appointment Conversion Project

With the optimism of the autumn, the MSC was focusing on increasing member appointments and adjusting staff members tasks to prioritize more in person appointments. For November 2021 the MSC staff completed 650 appointments that included 243 in person MSC meetings. Following the Thanksgiving holiday COVID cases began moving up, then rapidly shot up. Los Angeles County reported 860 cases with a 7-day average of 848 on November 30. By December 30 new cases were 20,169 and a 7-day average of 12,033. Two weeks later on January 16, cases reached a daily total of 43,838 with a 7-day average of 41,437.

As cases were moving up during December, the MSC staff continued to meet with our members with masks required for everyone and following established COVID-19 safety protocols. By the end of December, it became clear the Omnicom strain of COVID was moving so rapidly that staff members, as well as members with appointments, were uncomfortable meeting. We saw an increase in cancelled appointments and our staff communicated their concern. With the Executive Office's support we made the difficult decision to close the MSC late in the day on December 30th. When we temporarily closed the MSC we were looking at a month of in person appointments that needed to be either converted to a virtual meeting or a phone appointment.

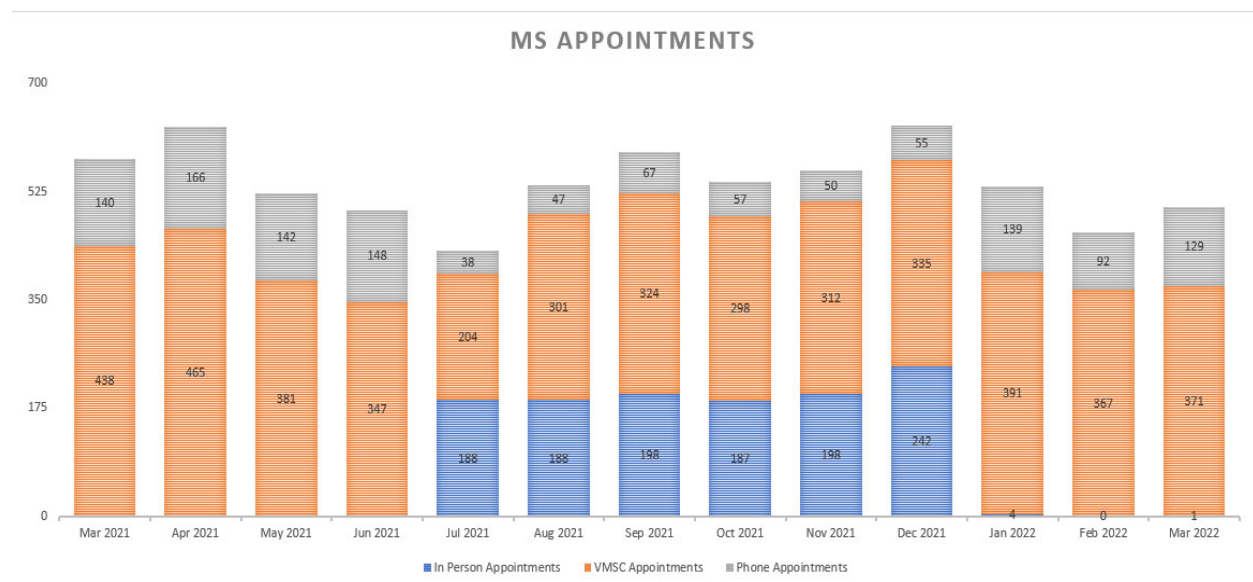
The Outreach team pulled together and devised a plan to reach out to 240 members who had scheduled a January in person appointment. Logistically, this could have been disastrous as we were short on time to contact members about what was happening and ideally, we wanted to let our members know as quickly as possible. The team logged and tracked all members with January appointments, allocated call out responsibilities to each

Semi-Annual Member Services Update

April 25, 2022

Page 3

staff member while staff members continued to virtually meet with members. We established a process where a member would be called twice and emailed once in our attempt to reach them. If unsuccessful, then more intense attempts to reach our member or beneficiary was done. For January, Outreach eventually completed 560 appointments: 162 by phone and the remainder done virtually. With all of the dedication our staff members made in converting the in person January appointments, we wouldn't have been successful without the support of our members and beneficiaries. They were willing to work with us, understood the emergency we were in, and ultimately received the full level of service they deserved. Member Services wants to give a grand "shout out" to our members and beneficiaries. Thank you for working together!



Saturday and Late Afternoon Virtual Appointments

In past years Member Services has offered Saturday appointments during the high retirement season we call "March Madness." This March Madness season we offered extra counseling appointments under exceptionally challenging conditions. Shrinking staffing and the COVID environment can throw us some unexpected barriers such as the reduced ability to work extra Saturday hours because of family care concerns. However, during this March Madness season Member Services did have 60% of its staff members willing to commit to an overtime project.

With the unexpected temporary closing of the MSC in December and the fallout from having to convert appointments from in person appointments, we started our Saturday counseling service a little later than scheduled. In anticipation of offering virtual Saturday

appointments beginning January 6, we began training five RBS II's from our Call Center who volunteered to be trained in virtual counseling. Although a Specialist has the skills to counsel a member on the phone, they must learn the techniques of face-to-face virtual counseling that includes sharing and viewing documents together. These Specialists and their trainers dedicated themselves to extra hours in the evening beginning late November so they would be ready to begin helping with Saturday counseling in early January.

We ultimately kicked off Saturday virtual counseling, and phone appointments for members who felt more comfortable not using virtual tools, on January 25th. This continued throughout February and March. As an innovation, this year, beginning February 1st, volunteer Specialists offered virtual counseling in the late afternoon with schedules beginning at 4:30 pm and typically ending about 6 pm. This made for a very long day for Specialists who volunteered and shows the dedication of our staff members. The team who participated in Saturday counseling and late afternoon counseling this year provided an additional 300 appointments and this is a substantial additional contribution to serving our members.

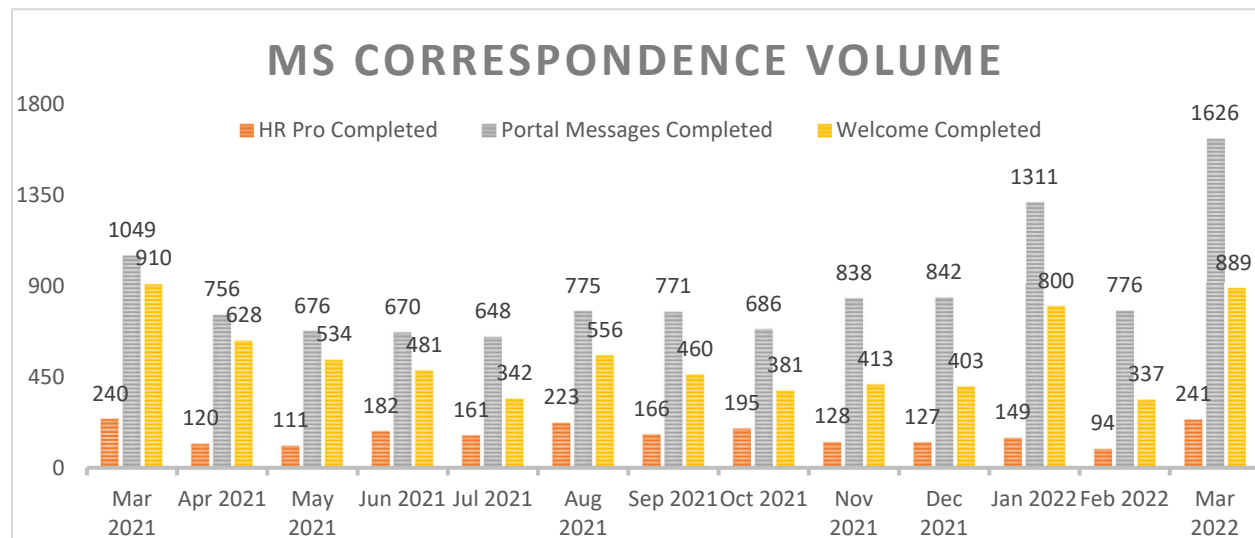
Board Letter Project

In October, Benefits and Member Services were seeing an early increase in retirement elections and interest, indicating it would become a very busy retirement season. To support our members, Benefits and Member Services worked together to build a Saturday "Board Letter Project" where a team from Member Services works with Benefits to process retirements and issue the very important Board Letter. We started with a team of 13 MS Specialists and a MS Supervisor on November 6th. Nearly every Saturday since, this team, which is now comprised of six MS Specialists and a MS Supervisor, has dedicated themselves to processing retirements. Their contribution helped many members timely receive their board letter and to receive their first retirement payment when they anticipate it. To maintain this intensity of focus for this long demonstrates true dedication.

Secure Messaging Communication Channel

Members have multiple channels to communicate with us and receive service in a manner they find most comfortable. Members can send Secure Messages to Member Services through My LACERA. Members can ask any question they like or send us documents with a message through this secure service which can only be accessed by logging successfully into My LACERA. Retirement Benefit Specialists can provide complete responses, discussing member specific data in a secure manner.

During the pandemic, and increasingly over the last several months, we found this communication channel has jumped in frequency (see chart below). With the 55% increase in messages in March 2022 from a year earlier we have found Member Services has been allocating more Specialists to quickly answer these messages. The success and acceptance of Secure Messaging by our members supports the concept of multiple channels of communication selected by the preference of the member.



Facing our Challenges

The challenge of filling Member Services vacancies is underway. We expect our CORE Benefit Training classes to graduate in October and in November 2022. The new Specialists who will be assigned to Member Services and Benefits will improve our staff levels and our ability to provide services to members and beneficiaries. We will nurture and help these new staff members to grow into knowledgeable and compassionate LACERA Retirement Benefits Specialists. For Member Services it will be a welcomed challenge to get these new Specialists prepared for our next Retirement season. My expectation is our grade of service will rise with the new Specialists and with Systems support to launch more self-service options we will reduce calls and increase service and satisfaction of members.

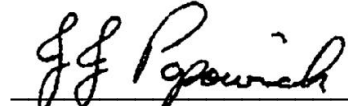
Reopening the Member Service Center occurs on May 2nd when LACERA welcomes all staff members back to our offices on a hybrid schedule (both remote and in person).. The MSC staff are anxious to meet with members again, and on a limited basis, offer offsite presentations. We are finding some presentations are most effective and efficient when

offered through a webinar while other presentations are best in person. We will do our best to carefully consider all requests for in person presentations and will participate as we can.

Our next six months.....

From now until our next Semi-Annual report we are optimistic that Member Services will continue to offer services through our Member Service Center. We will focus on increasing the number of in person appointments as the COVID environment and MS staffing levels allow. We are looking to our Systems partners in the release of self-serve features such as Multi Factor Authentication (MFA) messages that will eliminate a member's need to reset passwords and the incoming phone calls it creates. And, we are looking to having newly graduated Specialists join Member Services to help our take on the next March Madness and to continually innovate and improve our operations.

Noted and Approved:



JJ Popowich,
Assistant Executive Officer, LACERA

FOR INFORMATION ONLY

April 25, 2022

TO: Each Trustee
Board of Retirement

FROM: Carlos Barrios *CB*
Interim Manager, Benefits Division

FOR: May 5, 2022, Board of Retirement Meeting

SUBJECT: Status of Reducing the Death Claims Backlog

Death Claims Backlog

The death of a loved one is one of the most sensitive and difficult times for our members families. LACERA has long focused our efforts on being supportive and caring during this difficult time and ease the families transition as much as possible. We approach this process with urgency and empathy.

Over the last several years the Benefits Division has accrued a growing backlog of death benefit claims. One of the tasks assigned to me upon being asked to take on the interim role was to work with our staff to identify critical areas with backlogs and develop a plan of action to resolve the open cases and ensure that we do not develop future backlogs.

This memo addresses the circumstances that led to a backlog that accumulated with processing death benefit payments, efforts to eliminate the backlog, and plans to prevent backlogs from occurring in the future. We recognize that it is a difficult time during the loss of a loved one, and we recognize that receiving the death benefits is an important component of bringing closure to the member's financial affairs, whether it be for an ongoing monthly continuance or a final one-time lump sum payment.

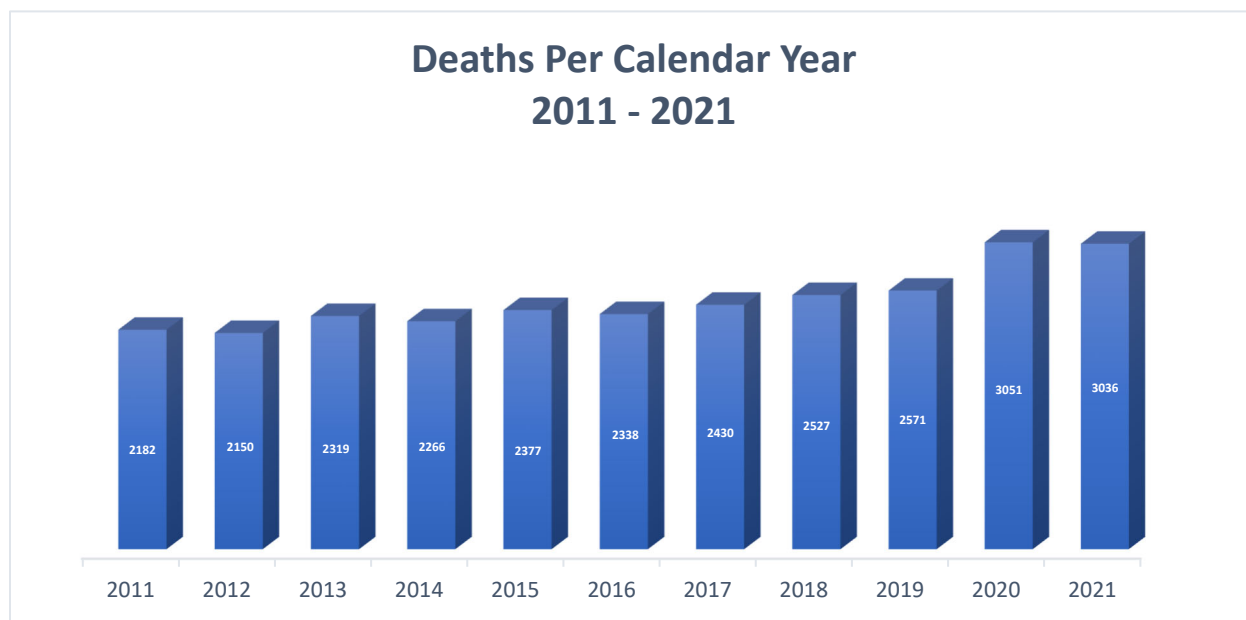
Background

Upon the death of a member, death benefit payments are made to a named beneficiary(ies). When there is no beneficiary, either because the beneficiary predeceased the member or none was named, payment is made to the estate of the member or an individual within the interest. The death benefit payments may include a final one-time lump sum payment, an ongoing lifetime continuance, or a combination of both based on whether a member passed away in active service, during retirement, or while on deferred status.

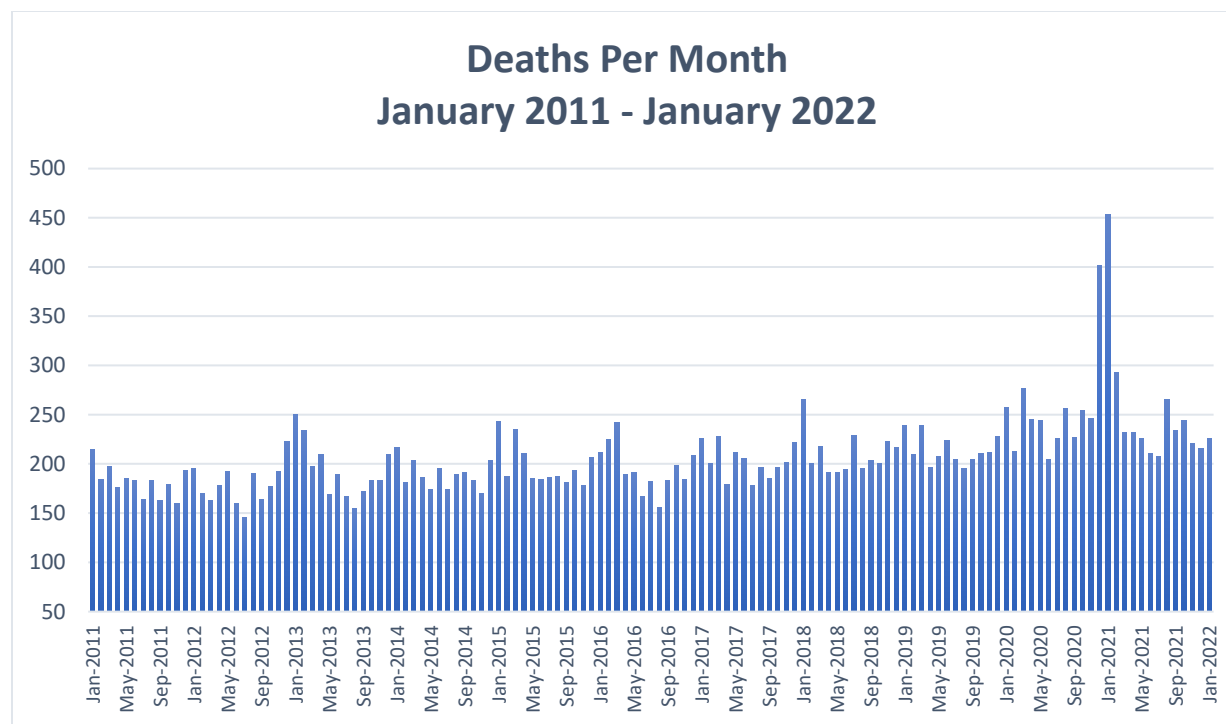
Over the last few years, the number of deaths has naturally increased with the increase in retirement population, and this, along with other circumstances, caused an accumulation of death claims.

1. Slow-down in processing during the beginning of the pandemic.
2. A substantial spike in deaths in December 2020 and January 2021.
3. Manual processing requires multiple reviews of each case to ensure accuracy, making the process cumbersome and time consuming.
4. A complicated, time consuming, and resource intensive process contributes to the backlog.

At the start of 2020, staff fell behind due to a lower rate of processing cases during our transition from the office to working from home. Mailing documents was not possible from home until staff's rotation into the office. A process was later developed that allowed staff to send print jobs from home to the office where temporary agency staff mailed the documents with their necessary enclosures. Shortly after, we experienced an increase in the number of deaths during the years 2020 and 2021. In 2018 and 2019, there were 2,527 and 2,571 deaths, respectively. In 2020 and 2021, there were 3,051 and 3,036 deaths, respectively.



Where deaths had averaged just over 200 per month, during 2020 and 2021 deaths increased to an average of 250 per month. The substantial increase in deaths during 2020 and 2021 appear to have resulted from a spike of in deaths in December 2020, with 402 deaths, and in January 2021, with 453 deaths. This appears consistent with the spiking deaths during the COVID pandemic. The following chart shows that the number of deaths has reduced since the spike but continues to be higher than normal.



The backlog was compounded by the retirement of one of the staff members and another was out on leave for three months. We filled two positions in February 2022, one position to replace the person who retired and the other that was due to a position that was added to the fiscal year 2021- 2022 budget.

Reducing the Death Claims Backlog

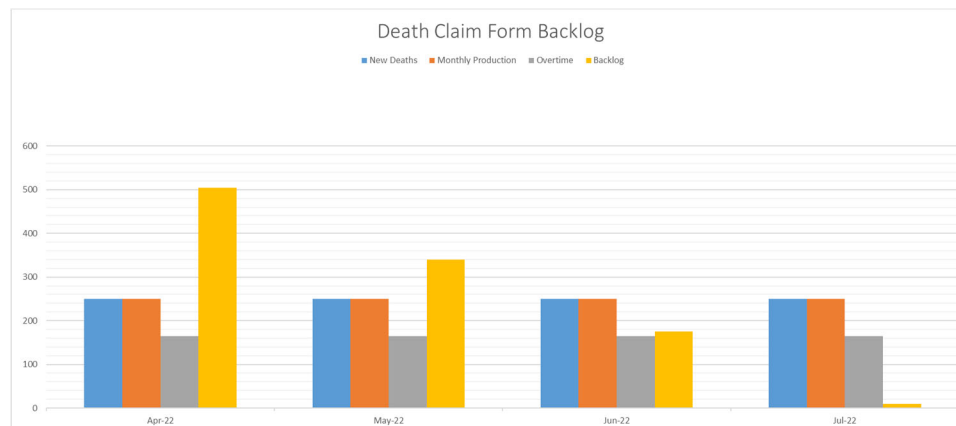
As of 2022, there were over 1,200 death related work objects available to process. As of April 26, 2022, the backlog has been reduced to 505. The work objects were a mixture of work objects related to death processing. Claim forms have been mailed out in 30 days. Those that had submitted the necessary documents to process their death benefits were processed in 90 days. Due to our Seamless Survivor programming, where a surviving spouse is automatically placed on payroll, the survivors are not affected by the increased service levels.

We project staff will be able to keep up with the current trend of processing over 200 deaths per month, which will bring down the service levels to a reasonable time. We anticipate that with overtime the backlog will be eliminated by the beginning of the second quarter of fiscal year 2022-2023.

Status of Reducing the Death Claims Backlog

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April 25, 2022



Action Plans to Prevent Backlogs

Automated Death Notification Process

We have been developing an automated process in the DLU to replicate some of the benefits of the Seamless Survivor programming that has proven to be a great success over the years. The Seamless Survivor programming automatically sends claim forms to surviving spouses and sets up their survivor account automatically. We allow survivors three months to submit all the necessary documents, such as claim forms, death certificate, and related information.

The new Automated Death Notification Process will apply to one-time payee(s), beneficiaries who are not eligible for an ongoing survivor continuance. Aside from the Seamless Survivor process, this population makes up a large portion of retired deaths. The death claim forms will be automatically mailed immediately upon the death notification. This will eliminate delays resulting from having to review the account first and then send out the claim form. We anticipate this automated process will improve service levels compared to the current manual mailing process and shorten the overall time it takes to pay benefits. We anticipate completing this project during the first quarter of our fiscal year 2022-2023.

Claim Form Redesign

The Automated Death Notification Process required that the retired death claim form be redesigned to coincide with the changes to the automated process. An Account settlement agreement was merged into the new retired death claim form if an overpayment occurs when a death is not reported timely, and in the case a member received a Part B reimbursement payment (which are paid one month in advance of the member's actual payment to Medicare). The account settlement agreement gives the beneficiary the option to deduct the overpaid retirement benefits from the Burial Benefit. The ability to deduct the overpaid retirement benefits is optional because it is difficult to ascertain if the beneficiary had access to the member's account, or whether the

overpayment should be directed to the estate. The redesigned claim form requires a beneficiary who does not choose to deduct the overpayment from the Burial Benefit to indicate who had access to the member's account, if anyone would be petitioning the court for Administration of the Estate, or that they attest that they had no knowledge of either and did not have access to the member's account. The prior claim form had not requested this additional information and we believe it will add to our success at retrieving overpaid retirement benefits and reduce the case resolution time frames.

In addition, the burial benefit is only paid by the last CERL agency the member worked for. The new retired death claim form asks the beneficiary to indicate if the member had worked for a CERL agency after LACERA. The beneficiary may attest that they are not aware that the member worked for another CERL agency and that we are materially relying on their selection and LACERA would seek to retrieve any overpaid retirement Burial Benefits if we discover otherwise.

Certificate Attestation

In March of 2021 we implemented a new policy designed to make it easier for survivors and beneficiaries to submit required certificates. The Certificate Attestation has improved our ability to obtain certificates in a timely manner. In the past, only an original certified copy of a death certificate, birth certificate, or marriage certificate was accepted, and photocopies, faxes, or emails were not accepted. Due to the closing of the Member Service Center during the stay at home order, many members, survivors, and beneficiaries found it difficult to mail documents or visit our offices to use our Drop Off Box. Additionally, members, survivors, and beneficiaries have long expressed concerns over placing their documents in the mail, especially marriage certificates and birth certificates, which hold sentimental value and could be irreplaceable (especially for marriages that occurred outside of the United States). A Certificate Attestation was developed to allow individuals to attest that the certificate they were submitting was a true and unaltered copy. The ability to submit a copy or an electronic version had a positive impact on those concerned with submitting their original certificates. In addition, the Certificate Attestation was made available on their My LACERA portal account which allowed members to electronically complete the document and submit it with the certificate. There was no need for signature as members are required to log onto their My LACERA portal account through the normal verification process. This has allowed us to eliminate delays and process claims quicker.

Claim Form Processing Automation

Phase II of our efforts will be the Claim Form Processing Automation project. This phase seeks to automate the process once claim forms are signed, returned, and ready for processing. We seek to automate the death claim calculation, reminder letters, and the approval process. The death claim process is complex due to the number of situations that arise as a result of various categories of beneficiaries and documents that are needed

to process a death claim. The process depends on if a member passed away in service, during retirement, or in deferred status; as well as if the beneficiary is a qualified surviving spouse, a minor survivor, a beneficiary, an estate, or an ex-spouse.

Delays during this portion of the death claim process occur for multiple reasons. We have identified three contributing factors that we feel we can address to successfully improve the process and pay beneficiaries in a timelier manner. The three areas of focus are reducing manual processes, automating routine processes, improving communication and routine follow up. Additionally, the proposed changes will also lead to better metrics and reporting to share our true progress with leadership.

Claims that are pending documents currently require a Specialist to manually generate a letter to advise claimants of required documents needed to process their claim. The Specialist must routinely return to an open claim and review the account to refresh their memory on what is needed to process the account and then review the documents to determine if we have received documents. This requires the specialist to touch an account multiple times – which takes away from time available to process claims with all documents received. Additionally, this waiting period is not tracked separately and inflates processing times used to determine performance and efficiency metrics.

The re-designed process will allow the Specialist to document what is needed, notify the survivor or beneficiary and automatically notify the member. The system will then routinely check for receipt of the required documents and notify the Specialist when a document is received. Additionally, we have built in improved services and communication with the claimants by adding reminder notices, and at certain points personalized calls from Member Services. Cases will remain open for 90 days, after which the claim will be closed if no documents are received and can be re-opened whenever a claimant is ready to move forward. This also includes an auto-locking of the account to help satisfy audit findings and mitigate the risk of payment errors.

Replacing the manual process with an automated process would significantly improve service levels, accuracy, and metrics due to its complexity. The automated process would eliminate spreadsheets used to verify the Final Average Compensation (FAC) and would allow the FAC adjustments to be made directly into Workspace. The same spreadsheets are used to obtain the payment approvals; and this step in the process would instead be programmed into Workspace. By embedding the worksheets into Workspace, it adds consistency to our processes as they would be programmed directly into the system that pays the benefits. Moreover, it is possible to obtain metrics from the system which enhances oversight of the process. It enhances the ability to track the work, allow for the work to be directly noted into the account, and alleviates the need to upload documents to the member's account. We anticipate this second project to be completed by the end of the fiscal year 2022-2023.

Overtime

Overtime has been consistently used after hours and during weekends to prevent further backlogs. In addition, a retirement benefits specialist from Member Services has been assisting the DLU during overtime for over one year with processing death notifications and paying the \$5000 burial benefit. Our commitment to teamwork across the divisions has been a great help to prevent further backlogs.

Beneficiary Campaign

Several divisions, including Communications, Systems, Member Services, and Benefits are developing an initiative to encourage members to designate or update their beneficiary record. We have identified almost 21,000 active contributory members with no beneficiary on record. PEPRA members are most likely to not have a beneficiary designation on record, with 19,000 without a beneficiary. This is despite the fact that the beneficiary designation form is in every new hire packet alongside the Sworn Statement.

Having the beneficiary designation on file is critical at the time of death. Missing beneficiaries create delays in issuing claim forms and increases the workload to identify the appropriate party to pay death benefits. When a member dies in active service without a named beneficiary, a surviving spouse, a registered domestic partner, or minor children, we must seek the appropriate party to pay the death benefits. A claim form is sent to the deceased member's address to find out if a party intends to petition the court for Administration of the Estate. If no one intends to petition the court and the death benefits do not exceed a statutory limit of \$166,250, a Declaration Under Probate 13101 Form allows the next of kin or someone claiming to have an insurable interest in the members life to claim the remaining benefits in a lump sum. Finding the next of kin can be a cumbersome process and demonstrates the need for members to name a beneficiary.

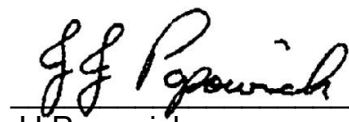
A beneficiary campaign will seek to reduce the number of members without a beneficiary on record. The Communications Division will be meeting with human resources professionals to obtain email addresses from members for an email campaign. In addition, HR Pros website will be leveraged to communicate with HR professionals the importance of having new hires submit their beneficiary designation forms. Communications will work with designers and writers to develop an email campaign and will update the most viewed pages on LACERA.com with a text link to the beneficiary page. Members who visit their My LACERA Portal account will be alerted if they do not have a beneficiary on their account.

Conclusion

We believe our efforts to redesign the current processes will prevent backlogs from accumulating in the future and will provide us enhanced tools for more efficient processing. We identified factors that led to the death claim processing to fall behind. Some of those issues were related to COVID, as it lowered the rate at which processing

occurred during our transition from the office to working at home and it directly affected the workload due to the increase in the number of deaths. Staff's ability to print letters in the office, from their remote location, and have an agency temporary staff enclose brochures in the envelopes, supports working remotely. A positive aspect of the pandemic is our ability to now work remotely, which allows for flexible teleworking schedules and enhances our ability to process work during a disaster. Where retirements and leave of absences inhibit productivity, a system that searches for documents instead of the current manual process would allow staff to spend valuable time processing instead of searching for documents. Changing the cumbersome death claim process will increase our ability to efficiently process the work and to keep pace with the workload. It would reduce the amount of overtime needed to keep up with workload and no longer require the assistance from another division. The Beneficiary Campaign will increase our ability to process death benefits by alleviating the additional work associated with locating an appropriate beneficiary to pay benefits. The effort includes making County HR professionals aware of the importance of having new members fill in the beneficiary designation form. It also includes an email campaign, updates to the most viewed pages on LACERA.com with a text link to the beneficiary page, and an alert to members when they visit their My LACERA Portal account if they do not have a beneficiary on their account. We believe that the efforts we have outlined will streamline the death process through automation, a redesigned process including updated forms, our ability to work remotely, and a beneficiary campaign, thus processing death benefits more efficiently.

Noted and approved:



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