Now You Have Sworn Members in Your Civilian Plan
What Do You Do?

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Los Angeles City Employees’ Retirement System

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Los Angeles City Employees’ Retirement System
Los Angeles Airport Peace Officer Project
Los Angeles City Employees’ Retirement System
Airport Police Peace Officer Project

I. Project Background
II. Research and Due Diligence
III. Assemble the Team
IV. Logistics and Implementation Timeline
V. Documentation
VI. Systems and Other Considerations
VII. Assess and Fine Tune
VIII. Questions
Quick Facts

- City of Los Angeles has an active workforce of 42,000
- There are three Retirement Plans
  - Los Angeles City Employees’ Retirement System (LACERS) – Civilian and Sworn
  - Los Angeles Fire and Police Pensions (LAFPP) – Sworn
  - Water & Power Employees’ Retirement Plan (WPERP) – Civilian
## Quick Facts

### Membership Stats

<table>
<thead>
<tr>
<th></th>
<th>Active</th>
<th>Retired*</th>
<th>Fund Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>LACERS</td>
<td>26,042</td>
<td>19,379</td>
<td>18 Billion</td>
</tr>
<tr>
<td>LAFPP</td>
<td>13,442</td>
<td>12,890</td>
<td>20 Billion</td>
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<tr>
<td>WPERP</td>
<td>10,362</td>
<td>9,315</td>
<td>12.9 Billion</td>
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</tbody>
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*Includes survivor benefit recipients*
Project Background

- Full Sworn Status Achieved
- Union Negotiates Upgraded Benefits
- Preliminary Costs Determined (Actuarial Study)
- Voters Approve Change
- Options Available
Research and Due Diligence
Research and Due Diligence

- Identify all the stakeholders
- Determine if existing civilian benefits remain applicable
- Determine if the proposed sworn benefits are all inclusive
- Determine if there are other related applicable statutes or policies
- Understand the basis for new benefits
- Identify direct and indirect impacts
- Determine if IRS limitations will be impacted by additional benefit
- Determine if there are possible additional compliance regulations
Assemble the Team
Assemble the Team

- Subject Matter Experts – internal and external
- Counselors
- Technicians
- Systems/IT Support
- Administrative Support
- Plan Attorneys
- Tax Counsel
Logistics and Implementation Timeline
Managing and Optimizing Your Resources
Logistics and Implementation Timeline

- Develop timeline based on stakeholder agreements and resources available
- Team assignments
- Identify counseling locations
- Train staff – eligibility rules, new benefit types, calculation methodologies
- Interface with command and department human resources staff
- Schedule and counsel members
- Meet with other pension plans
Documentation
Documentation

- Written notification, summary plan description, actuarial information
- Acknowledgement (counseling, documents given etc.)
- Options: remain or transfer
- Decision period
- Loan documents, if applicable
Systems and Other Considerations
Systems and Other Considerations

Your Pension Administration System (PAS)

- Can your PAS incorporate the new tier benefits without an upgrade
- If not, is it an easy fix to add the new benefits to the existing system
- Do the upgrades need to be handled by an outside contractor and what is the time frame to complete the upgrade
- External or manual calculation workbooks will need actuarial review for applicable factors
Systems and Other Considerations

- Calculation methodologies may be different
- New eligibility rules
- Different benefit types
- Do you need to split your personnel into two different groups
  - Civilian
  - Sworn
Systems And Other Considerations

Ancillary Support

- Disability medical evaluation contractor
  - Experience providing sworn disability evaluations
- Investigative service provider
  - Sworn sub rosa surveillance
- Court reporting services
- Human resources – personnel file management
Assess and Fine Tune
Assess and Fine Tune

- Consistent communication is key
- Mid-course corrections inevitable
- Encourage feedback and out-of-the-box thinking
- Debrief with internal staff and external partners
Questions