

BOARD MEETING DATE: March 3, 2017

AGENDA NO. 11

PROPOSAL: Execute Administrative Service Agreement with Los Angeles County Employees Retirement Association to Continue to Administer Healthcare and Death Benefits for SCAQMD Retirees Participating in Los Angeles County Employees Retirement Association

SYNOPSIS: Los Angeles County Employees Retirement Association (LACERA) currently administers healthcare and death benefits for 63 retirees and beneficiaries who participated in LACERA while being employed by SCAQMD. LACERA is seeking to execute a new agreement to formalize the administration of these benefits.

COMMITTEE: Administrative, February 10, 2017; Recommended for approval.

RECOMMENDED ACTION:

Authorize the Executive Officer to execute an Administrative Service Agreement with LACERA to continue to provide health care and death benefits to eligible SCAQMD employees.

Wayne Natri
Executive Officer

MBO:SJ:tam

Background

Employees who became employed by SCAQMD after December 31, 1978, were required to join SBCERA and no longer had an option to join LACERA. Existing employees were allowed to continue membership in LACERA and were not required to switch to SBCERA. These employees who elected to continue membership did so, at least partly, because LACERA offered a health care and death benefit that would not be provided through SBCERA. LACERA paid these benefits from “excess earnings” until June 30, 1982. At that time, LACERA required these benefits to be paid by the participating employers. On July 9, 1982, the SCAQMD Governing Board adopted a resolution to reimburse LACERA for the cost of these benefits.

There are currently 63 SCAQMD retirees and beneficiaries receiving these benefits at the cost of approximately \$20,000 per month (\$317 per retirement benefit), or \$240,000 annually. Additionally, there is one active remaining SCAQMD employee with participation in LACERA who will receive these benefits upon retirement. The number of employees and beneficiaries will continue to decrease over time.

Proposal

Staff is requesting Board approval to execute an Administrative Services Agreement with LACERA to formalize the responsibility of LACERA and SCAQMD in the administration of these benefits.

Resource Impacts

The current cost of health care and death benefits for SCAQMD employees with LACERA membership is \$240,000 annually and is included in the current general fund budget and additional funding will be requested in future budgets.