

**HISTORICAL VERSION
FOR REFERENCE PURPOSES ONLY**

LOS ANGELES ADMINISTRATIVE CODE

**DIVISION 4, CHAPTER 11
HEALTH AND WELFARE PROGRAMS FOR RETIRED CIVILIAN EMPLOYEES**

Effective July 25, 2013, this Chapter was replaced, in its entirety, by Ord. No. 182,629.

CHAPTER 11

HEALTH AND WELFARE PROGRAMS FOR RETIRED CIVILIAN EMPLOYEES

(Title Amended by Ord. No. 182,196, Eff. 8-8-12.)

Article

- 1 Purpose and Administration of Retired Employee Health and Welfare Programs
- 2 Authorized Health and Welfare Programs
- 3 Medical Plan Premium Subsidy
- 4 Medicare Part B Premium Reimbursement Program
- 5 Dental Plan Premium Subsidy
- 6 Medical Premium Reimbursement Program
- 7 Survivor Medical Plan Premium Subsidy
- 8 Retiree Health Insurance Reciprocal Subsidy Credit Program (LACERS and LACERA)

CHAPTER 11, ARTICLE 1

PURPOSE AND ADMINISTRATION OF RETIRED EMPLOYEE HEALTH AND WELFARE PROGRAMS

(Title Amended by Ord. No. 182,196, Eff. 8-8-12.)

Section

- 4.1100 Purpose of Programs.
- 4.1100.1 Funding of Programs.
- 4.1101 Administration.
- 4.1101.1 Definition of Health Service Credit.

Article 2 of this Chapter to be made available to former employees retired pursuant to the provisions of Division 4, Chapter 10 of the Administrative Code, and shall have the power to adopt such rules as it deems necessary to administer the health and welfare programs.

SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.
Amended by: Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1100. Purpose of Programs.

It is the purpose of this Chapter to establish Los Angeles City Employees' Retirement System ("LACERS") health and welfare programs, as authorized by the City Council, for employees who are retired pursuant to the provisions of Division 4, Chapter 10 of the Administrative Code and their eligible dependents.

SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.
Amended by: Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; Chapter and Section In Entirety, Ord. No. 174,365, Eff. 12-14-01; Title, Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1101.1. Definition of Health Service Credit.

For purposes of this Chapter, Health Service Credit shall include any service credit authorized in Chapter 10 of Division 4 of this Code which may be taken into consideration for purposes of qualifying for benefits provided in this Chapter, but shall exclude any buy back of service under Section 4.1052.1 or any other provision that prohibits purchased service or service credit from being used to qualify for benefits provided in this Chapter. Provided, however, that employees whose service credit is based on periods of part-time and less than full-time employment and who became members of the Los Angeles City Employees' Retirement System prior to April 23, 1990, shall receive full, rather than pro-rated, Health Service Credit for periods of service for which their service credit is pro-rated due to being less than full-time.

Sec. 4.1100.1. Funding of Programs.

The health and welfare programs authorized in this Chapter, including all administrative costs, shall be funded solely from the 401(h) account within the Los Angeles City Employees' Retirement Fund established by Section 1154 of the Charter of the City of Los Angeles.

SECTION HISTORY

Added by Ord. No. 182,196, Eff. 8-8-12.

SECTION HISTORY

Added by Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1101. Administration.

The health and welfare programs established in this Chapter shall be administered by the Board of Administration of the Los Angeles City Employees' Retirement System (Board). In furtherance thereof, the Board shall contract for suitable plans as authorized in

CHAPTER 11, ARTICLE 2

AUTHORIZED HEALTH AND WELFARE PROGRAMS

Section
4.1102 Establishment of Programs.
4.1102.3 Discretionary Medical Plan and Dental Plan
Benefit Changes.

Sec. 4.1102. Establishment of Programs.

The following health and welfare programs are established herein:

(a) A Medical Plan Program which the Board is to administer in accordance with the provisions of Section 4.1101 and Article 3 of this Chapter.

(b) A Medicare Part B Premium Reimbursement Program which the Board is to administer in accordance with the provisions of Section 4.1101 and Article 4 of this Chapter.

(c) A Dental Plan Program which the Board is to administer in accordance with the provisions of Section 4.1101 and Article 5 of this Chapter.

(d) A Medical Premium Reimbursement Program which the Board is to administer in accordance with the provisions of Section 4.1101 and Article 6 of this Chapter.

(e) A Survivor Medical Plan Premium Subsidy Program which the Board is to administer in accordance with the provisions of Section 4.1101 and Article 7 of this Chapter.

(f) A Health Insurance Reciprocal Subsidy Credit Program which the Board is to administer in accordance with the provisions of Section 4.1101 and Article 8 of this Chapter.

SECTION HISTORY

Added by Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1102.1 Establishment of Medical Plan Program.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Repealed by Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1102.2 Establishment of Dental Plan Program.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Repealed by Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1102.3 Discretionary Medical Plan and Dental Plan Benefit Changes.

The Board may make discretionary Medical Plan and Dental Plan benefit changes as long as these involve cost increases of no more than one-half of one percent in total annual premium cost. The Board may make changes greater than the above level as long as the changes are submitted to the City Council for review. Any increases that are not acted upon by the Council within 30 days after receipt by the City Clerk of the report to Council for consideration of the increase are deemed approved. Should the Council reject the increase approved by the Board, the Council shall determine the amount, if any, by which the total annual premium cost shall be increased and shall adopt such change by resolution.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Amended by: Title and Section, Ord. No. 182,196, Eff. 8-8-12.

CHAPTER 11, ARTICLE 3

MEDICAL PLAN PREMIUM SUBSIDY

Section

- 4.1103 Medical Plan Premium Subsidy.
- 4.1103.1 Maximum Medical Plan Premium Subsidy.
- 4.1103.2 Eligibility for a Retired Employee Medical Plan Premium Subsidy.
- 4.1103.3 Verification of Medical Plan Coverage.
- 4.1103.4 Vested Right to Maximum Medical Plan Premium Subsidy Increases.

(1) Does not exceed the dollar increase in the Kaiser two-party non-Medicare Part A and B premium; and

(2) The average percentage increase for the first year of the increase and the preceding two years does not exceed the average assumed actuarial medical trend rates for the same period.

Sec. 4.1103. Medical Plan Premium Subsidy.

In order for a medical plan premium subsidy to be provided for a retired employee as hereinafter provided, the retiree must be enrolled in plan(s) administered by the Board as part of the Medical Plan Program.

The medical plan premium subsidy and administrative costs will be provided solely from the 401(h) account within the Los Angeles City Employee's Retirement Fund established by Section 1154 of the Charter of the City of Los Angeles, upon the conditions hereafter set forth in order to lessen or defray part or all of the cost of such medical plan(s) to such eligible employee, as hereinafter defined.

SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.
Amended by: Subsec. (c), Ord. No. 157,226, Eff. 12-10-82, Oper. 1-1-83; In Entirety, Ord. No. 165,622, Eff. 4-22-90; Subsec. (g), Added by Ord. No. 171,305, Eff. 10-2-96; Subsecs. (d) and (e), Ord. No. 171,743, Eff. 10-1-97; Subsecs. (a), (b), (c) and (f), Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1103.1. Maximum Medical Plan Premium Subsidy.

(a) **For Tier 1 Retirees.** The maximum monthly medical plan premium subsidy is \$1,190 for retired employees who are retired from Tier 1. Beginning July 1, 2011, the Board, in its discretion, may change by resolution the maximum monthly amount of the medical plan premium subsidy provided to Tier 1 members retired on or before June 30, 2011, so long as any increase:

Any change made by the Board that exceeds the limits set forth in (a)(1) or (a)(2) herein must be submitted for Council review accompanied by an actuarial report. Any increases that are not acted upon by the Council within 30 days after receipt of the report to Council for consideration of the increase are deemed approved. Should the Council reject the subsidy set by the Board, the Council shall determine the amount, if any, by which the subsidy shall be increased and shall adopt such change by resolution.

No increases in the maximum monthly medical plan premium subsidy shall be provided to Tier 1 members retired on or after July 1, 2011. Notwithstanding all of the forgoing, increases in the monthly medical premium subsidy provided to retired Tier 1 members subject to Section 4.1103.4 shall be governed by the provisions of that Section, regardless of the date of retirement.

(b) **For Tier 2 Retirees.** The maximum monthly medical plan premium subsidy is \$596 for retired employees who are retired from Tier 2. The Board shall, by resolution, adjust the maximum monthly amount of the medical plan premium subsidy provided to these retirees to maintain a monthly amount equal to the single-party premium for the lowest cost standard plan, as defined by the Board, available to participants without Medicare Parts A and B.

SECTION HISTORY

Added by Ord. No. 159,915, Eff. 7-5-85.
Amended by: In Entirety, Ord. No. 165,622, Eff. 4-22-90; Subsecs. (a), (b), (d), (e), Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Subsec. (a), Ord. No. 181,746, Eff. 6-20-11; In Entirety, Ord. No. 182,296, Eff. 11-12-12.

Sec. 4.1103.2. Eligibility for a Retired Employee Medical Plan Premium Subsidy.

Upon written application by an eligible retired employee and verification that the applicant is and remains enrolled, to the extent of the retiree's entitlement, in Part B or Part A and Part B of Medicare, the following medical plan premium subsidy shall be paid:

(a) Those retired employees who are receiving a service retirement allowance or a disability retirement allowance, who do not qualify for benefits under Part A of Medicare, who have at least ten years of Health Service Credit and who are age fifty-five years or older, shall have paid to their approved medical plan carrier on their behalf the following amount:

Basic Monthly Subsidy: For ten years of Health Service Credit, 40% of the maximum monthly medical plan premium subsidy amount established pursuant to the provisions of Section 4.1103.1 or Section 4.1103.4, as applicable.

Additional Monthly Subsidy. For more than ten years of Health Service Credit:

- For Tier 1 retirees, add 4% of the maximum monthly medical plan premium subsidy to the Basic Monthly Subsidy for each whole year of Health Service Credit in excess of ten years.

- For Tier 2 retirees, add 3% of the maximum monthly medical plan premium subsidy to the Basic Monthly Subsidy for each whole year of Health Service Credit in excess of ten years.

Maximum Monthly Subsidy. No retired employee shall have paid to his or her medical plan carrier an amount exceeding the maximum monthly amount established pursuant to Section 4.1103.1 or Section 4.1103.4, as applicable, or receive an amount in excess of the premium of the plan in which they are enrolled.

Dependent Monthly Subsidy.

- For Tier 1 retirees, the monthly medical plan premium subsidy shall be applied first to the retiree's medical plan coverage with any balance applied toward the coverage of the retiree's dependent(s).

- For Tier 2 retirees, none of the subsidy may be applied toward coverage for dependents of Tier 2 retirees.

(b) For both Tier 1 and Tier 2 Retirees: Those retired employees with at least ten years of Health Service Credit who are receiving an allowance pursuant to Chapter 10 of the Los Angeles Administrative Code and who qualify for benefits under Part A and Part B of Medicare, shall have paid to the medical plan carrier providing them with a plan supplemental to Medicare coverage the following amount: For ten years but less than fifteen years of Health Service Credit, 75% of the single-party monthly premium of the approved medical plan supplemental to Medicare coverage in which the retired employee is enrolled. For fifteen years or more but less than twenty years of Health Service Credit, 90% of the single-party monthly premium of the approved medical plan supplemental to Medicare coverage in which the retired employee is enrolled. For twenty or more years of Health Service Credit, 100% of the single-party monthly premium of the approved medical plan supplemental to Medicare coverage in which the retired employee is enrolled.

For Tier 1 retirees, the amount of the medical plan premium subsidy which is applied toward the coverage of dependents of a retiree enrolled in both Part A and Part B of Medicare shall not exceed that amount which may be applied toward the coverage of the dependent(s) of a Tier 1 retiree not enrolled in both Medicare Part A and Part B of Medicare and covered by the same medical plan and with the same years of Health Service Credit.

For Tier 2 retirees, none of the subsidy may be applied toward coverage for dependents of Tier 2 retirees.

Effective July 1, 2011, no increases in the amounts paid to the medical plan carriers under this Subsection (b) shall be provided on behalf of Tier 1 members retired on or after July 1, 2011, or their dependents. Notwithstanding all of the foregoing, increases in the amounts paid to medical plan carriers provided on behalf of retired Tier 1 members subject to Section 4.1103.4 shall be governed by the provisions of this Subsection (b) regardless of the date of retirement.

(c) The Board may require retirees to enroll in and assign to LACERS any coverage that is provided by Medicare in order to qualify to receive the subsidy provided in this Section.

(d) In no event shall the subsidy provided in this Section, when added to any other medical plan subsidy provided by the Department of Water and Power or the Fire and Police Pension Plan, exceed the maximum amount established in Section 4.1103.1 or in Section 4.1103.4, as applicable.

SECTION HISTORY

Added by Ord. No. 170,748, Eff. 12-3-95, Oper. 12-3-95.
Amended by: Subsecs. (c) and (e), Ord. No. 171,743, Eff. 10-1-97; Subsecs. (a), (b) and (c), Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Subsecs. (a), (b) and (d), Ord. No. 181,734, Eff. 6-8-11; Last Para. of Subsec. (c) Added, Ord. No. 181,746, Eff. 6-20-11; Title and Section, Ord. No. 182,196, Eff. 8-8-12; Title and Section, Ord. No. 182,296, Eff. 11-12-12.

Sec. 4.1103.3. Verification of Medical Plan Coverage.

Retired employees who are receiving a medical plan premium subsidy payable to their medical plan carrier pursuant to the provisions of this Chapter may be required from time to time to provide evidence satisfactory to the Board that their medical plan coverage or Medicare or other federal or state funded medical plan is in full force and effect.

SECTION HISTORY

Added by Ord. No. 171,305, Eff. 10-2-96.
Amended by: Subsec. (e), Ord. No. 171,854, Eff. 12-18-97; In Entirety, Ord. No. 174,365, Eff. 12-14-01.

Sec. 4.1103.4. Vested Right to Maximum Medical Plan Premium Subsidy Increases.

Notwithstanding the provisions of Section 4.1103.1, any member who at any time made an additional contribution to the Retirement Fund as provided in Section 4.1031.2(c) of this Code shall obtain a vested right to, and the Board by resolution shall set, the increase in the maximum medical plan subsidy provided to such members at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium.

SECTION HISTORY

Added by Ord. No. 181,734, Eff. 6-8-11.
Amended by: Ord. No. 182,196, Eff. 8-8-12.

CHAPTER 11, ARTICLE 4

MEDICARE PART B PREMIUM REIMBURSEMENT PROGRAM

(Title Amended by Ord. No. 182,196, Eff. 8-8-12.)

Section

4.1104 Reimbursement for Medicare Part B Premium.

4.1104.1 Verification of Eligibility for Medicare Part B Premium Reimbursement.

Sec. 4.1104. Reimbursement for Medicare Part B Premium.

In order to participate in the Medicare Part B Premium Reimbursement Program, a retired employee must be eligible to receive a medical plan premium subsidy, enrolled in Medicare Parts A and B, and must be either enrolled in a medical plan supplemental to Medicare administered by the Board or be participant in the Medical Premium Reimbursement Program. Only retired employees may participate in this program.

The Medicare Part B reimbursement and administrative costs will be provided solely from the 401(h) account within the Los Angeles City Employee's Retirement Fund established by Section 1154 of the Charter of the City of Los Angeles, upon the conditions hereafter set forth in order to reimburse the cost of Medicare Part B to such eligible employee, as hereafter defined. Medicare Part B premium reimbursement shall be limited to the Medicare Part B basic premium (Medical Insurance). No reimbursement shall be paid for Medicare Part B costs that exceed the basic premium.

SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.
Amended by: In Entirety, Ord. No. 174,365, Eff. 12-14-01; Title and Section, Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1104.1. Verification of Eligibility for Medicare Part B Premium Reimbursement.

Premium reimbursement shall be paid to a retiree who qualifies to participate in this program when sufficient proof of the retiree's Medicare Part A and Part B enrollment, coverage, and premium payment has been made as required by the Board.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Amended by: Title and Section, Ord. No. 182,196, Eff. 8-8-12.

CHAPTER 11, ARTICLE 5

DENTAL PLAN PREMIUM SUBSIDY

Section

- 4.1105 Dental Plan Premium Subsidy.
- 4.1105.1 Maximum Dental Plan Premium Subsidy.
- 4.1105.2 Eligibility for a Retired Employee Dental Plan Premium Subsidy.

Sec. 4.1105. Dental Plan Premium Subsidy.

In order for a dental plan premium subsidy to be provided for a retired employee as hereafter provided, the retiree must be enrolled in a dental plan administered by the Board as part of the Dental Plan Program.

The dental plan premium subsidy and administrative costs will be provided solely from the 401(h) account within the Los Angeles City Employee’s Retirement Fund established by Section 1154 of the Charter of the City of Los Angeles, upon the conditions hereafter set forth in order to lessen or defray part or all of the cost of such dental plan to such eligible employee, as hereafter defined.

SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.
Amended by: Ord. No. 173,272, Eff. 6-25-00, Oper. 7-1-00; In Entirety, Ord. No. 174,365, Eff. 12-14-01; Title and Section, Ord. No. 182,196, Eff. 8-8-12.

Sec. 4.1105.1. Maximum Dental Plan Premium Subsidy.

The maximum subsidy shall be the amount provided by the Council for active employees. The Board, in its discretion, may by resolution, increase or decrease the monthly amount of dental subsidy to reflect changes in the subsidy provided by the City for active employees, or to offset any increases or decreases in the level of benefits or the cost thereof, as the result of changes in existing benefits or the addition of newly created benefits by federal or state funded programs.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.

Sec. 4.1105.2. Eligibility for a Retired Employee Dental Plan Premium Subsidy.

(a) Those retired employees who are receiving a service retirement allowance or a disability retirement allowance, and who have at least ten years of Health Service Credit as members of the Los Angeles City Employees’ Retirement System and who are age fifty-five years or older, shall have paid to their approved dental plan carrier on their behalf the following amount:

Basic Monthly Subsidy: For ten years of Health Service Credit, 40% of the maximum monthly dental plan premium subsidy amount established pursuant to the provisions of Section 4.1105.1.

Additional Monthly Subsidy. For more than ten years of Health Service Credit:

- For Tier 1 retirees, add 4% of the maximum monthly dental plan premium subsidy to the Basic Monthly Subsidy for each whole year of Health Service Credit in excess of ten years.

- For Tier 2 retirees, add 3% of the maximum monthly dental plan premium subsidy to the Basic Monthly Subsidy for each whole year of Health Service Credit in excess of ten years.

Maximum Monthly Subsidy. No retired employee shall have paid to his or her dental plan carrier an amount exceeding the maximum monthly amount established pursuant to Section 4.1105.1 or receive an amount in excess of the premium of the plan in which they are enrolled.

Dependent Monthly Subsidy. There is no dental plan premium subsidy for dependents.

(b) In no event shall the subsidy provided in this Section, when added to any other dental plan subsidy provided by the Department of Water and Power or the Fire and Police Pension Plan, exceed the maximum subsidy established in Section 4.1105.1.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Amended by: Ord. No. 182,196, Eff. 8-8-12; Subsec. (a), Ord. No. 182,296, Eff. 11-12-12.

CHAPTER 11, ARTICLE 6

MEDICAL PREMIUM REIMBURSEMENT PROGRAM

(Title Amended by Ord. No. 182,196, Eff. 8-8-12.)

Section
4.1106 Medical Premium Reimbursement Program.

- For Tier 2 retirees, add 3% of the maximum monthly medical plan premium reimbursement amount to the Basic Monthly Reimbursement for each whole year of Health Service Credit in excess of ten years.

Sec. 4.1106. Medical Premium Reimbursement Program.

(a) Upon written application and verification, as required by the Board, those retired employees who are receiving an allowance pursuant to Chapter 10 of Division 4 of this Code and who have at least ten years of Health Service Credit, are age fifty-five years or older, and reside more than three months of the year:

- (1) outside the state of California; or
- (2) in the state of California, but not within a LACERS administered HMO medical plan zip code service area,

and are enrolled in a federally qualified HMO or a state regulated health insurance plan, shall be eligible for the medical plan premium reimbursement, as follows:

1. Not Enrolled in Medicare Part A and Part B.

A. Basic Monthly Reimbursement: For ten years of Health Service Credit, 40% of the maximum monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (b) herein.

B. Additional Monthly Reimbursement: For more than ten years of Health Service Credit:

- For Tier 1 retirees, add 4% of the maximum monthly medical plan premium reimbursement amount to the Basic Monthly Reimbursement for each whole year of Health Service Credit in excess of ten years.

Maximum Monthly Subsidy. The amount paid shall not exceed the maximum monthly medical plan premium reimbursement established pursuant to the provisions of Subsection (b) herein or the amount of the plan premium being reimbursed.

Dependent Reimbursement. For Tier 1 retirees, the monthly medical plan premium reimbursement shall be applied first to the retiree's medical plan coverage with any balance applied toward the coverage of the retiree's dependent(s) under the same medical plan. Premium reimbursement may not be applied toward coverage for dependents of Tier 2 retirees.

2. Enrolled in Medicare Part A and Part B. For ten years or more, but less than 15 years of Health Service Credit, 75% of the monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (c) herein. For 15 years or more but less than 20 years of Health Service Credit, 90% of the monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (c) herein. For 20 or more years of Health Service Credit, 100% of the monthly medical plan premium reimbursement amount established pursuant to the provisions of Subsection (c) herein.

The Board shall establish the reimbursement policy for dependents of Tier 1 members, but there shall be no reimbursement for dependents of Tier 2 members.

(b) The Board shall set the maximum medical plan premium reimbursement for non-Medicare eligible retirees in the same manner as in Section 4.1103.1 or Section 4.1103.4, as applicable, of this Chapter.

(c) Effective January 1, 2011, the maximum monthly medical plan premium reimbursement for retirees enrolled in Parts A and B of Medicare shall be \$480.41. The Board, in its discretion, may by resolution increase the monthly amount of medical plan premium reimbursement of retirees enrolled in Parts A and B of Medicare, provided that the amount of the maximum monthly medical plan premium reimbursement shall not exceed 100% of the single-party monthly premium of the highest cost approved medical plan supplemental to Medicare coverage provided by LACERS.

Effective July 1, 2011, no increases in the maximum reimbursement amount paid to retired members of Tier 1 under this Subsection (c) shall be provided to members of Tier 1 who retired on or after July 1, 2011. Notwithstanding all of the foregoing, increases in the reimbursement amount provided to retired Tier 1 members subject to Section 4.1103.4 shall be governed by the provisions of this Subsection (c) regardless of the date of the member's retirement.

(d) In no event shall the reimbursement provided in this section, when added to any other medical plan subsidy provided by the Department of Water and Power or the Fire and Police Pension Plan, exceed the maximum amount established in Subsection (b) herein.

(e) Any person who is eligible to receive the survivor medical plan premium subsidy provided in Section 4.1107 of this Chapter, but who lives outside the state of California or in the state of California, but not within a LACERS administered HMO medical plan zip code service area, may qualify for the medical premium reimbursement program provided in this section except that the amount of reimbursement shall not exceed the amount that he or she would have received as a medical plan premium subsidy under Section 4.1107.

SECTION HISTORY

Added by Ord. No. 145,067, Eff. 10-8-73.

Amended by: In Entirety, Ord. No. 174,365, Eff. 12-14-01;
Subsec. (a), Ord. No. 175,224, Eff. 5-22-03; Subsec. (c),
Ord. No. 181,734, Eff. 6-8-11; Last Para. of Subsec. (d)
Added, Ord. No. 181,746, Eff. 6-20-11; Title and Section,
Ord. No. 182,196, Eff. 8-8-12; Subsecs. (a), (b) and (c),
Ord. No. 182,296, Eff. 11-12-12.

CHAPTER 11, ARTICLE 7

SURVIVOR MEDICAL PLAN PREMIUM SUBSIDY

(Title Amended by Ord. No. 182,196, Eff. 8-8-12.)

Section
4.1107 Survivor Medical Plan Premium Subsidy.

continuance benefit funded solely by a reduction in his or her retirement allowance, shall not be eligible for the survivor benefit provided in this section.

Sec. 4.1107. Survivor Medical Plan Premium Subsidy.

The survivor medical plan premium subsidy authorized in this Section shall only be provided to the survivors of Tier 1 members or retirees, on the terms set forth herein, and shall not be provided to the survivors of Tier 2 members or retirees.

In order to receive the medical plan premium subsidy provided in this Section, the eligible survivor must be enrolled in a medical plan administered by the Board.

(b) The survivor medical plan premium subsidy for an eligible survivor who does not qualify for benefits under Part A of Medicare Part A shall be:

(a) A survivor medical plan premium subsidy shall be provided to the following survivors ("eligible survivors"):

Basic Monthly Subsidy. For ten years of the member's Health Service Credit, 40% of the maximum monthly medical plan premium subsidy amount established in this subsection.

A surviving spouse who is receiving a monthly benefit as either an eligible spouse under Section 4.1044 of this Code, an eligible surviving spouse under Section 4.1054 of this Code, or a surviving spouse who elected to receive the benefit provided in Subsection 4.1062(a)(3) of this Code, shall become eligible for the medical plan premium subsidy provided in this section either on the date of the deceased's death, if the deceased was eligible for a medical plan premium subsidy at that time, or on the date the deceased would have become eligible for a medical plan premium subsidy had he or she not died, based upon the deceased's Health Service Credit.

Additional Monthly Subsidy. For more than ten years of the member's Health Service Credit, add 4% of the maximum monthly medical plan premium subsidy to the Basic Monthly Subsidy for each whole year of Health Service Credit in excess of ten years.

A surviving domestic partner who is receiving a monthly benefit pursuant to Subsection 4.1044.4(a)(1) or 4.1044(a)(2) of this Code or who elected to receive the monthly benefit provided in Subsection 4.1062(a)(3) of this Code, shall become eligible for the medical plan premium subsidy provided in this section either on the date of the deceased's death, if the deceased was eligible for a medical plan premium subsidy at that time, or on the date the deceased would have become eligible for a medical plan premium subsidy had he or she not died, based upon the deceased's Health Service Credit.

Maximum Monthly Subsidy. The maximum monthly medical plan premium subsidy shall be the single-party premium for the lowest cost plan available to participants without Medicare Parts A and B.

(c) The survivor medical plan premium subsidy for an eligible survivor who qualifies for benefits under Part A and Part B of Medicare shall be:

For ten years but less than 15 years of the member's Health Service Credit, 75% of the single-party monthly premium of the approved medical plan supplemental to Medicare coverage in which the eligible survivor is enrolled.

Provided, however, that a surviving spouse or domestic partner who would not have been eligible for a survivor benefit except for an election made by a retiree to provide a

For 15 years but less than 20 years of the member's Health Service Credit, 90% of the single-party monthly premium of the approved medical plan supplemental to Medicare coverage in which the eligible survivor is enrolled.

For 20 or more years of the member's Health Service Credit, 100% of the single-party monthly premium of the approved medical plan supplemental to Medicare coverage in which the eligible survivor is enrolled.

(d) An eligible survivor who is age 65 or older must enroll in Medicare as required by the Board in order to receive the subsidy authorized in this Section.

(e) This benefit was enacted effective December 14, 2001, and shall not be paid for any period prior to that time.

(f) Effective July 1, 2011, no increases in the amounts paid to the medical plan carriers under Subsections (b) and (c) of this Section shall be provided on behalf of survivors of members retired on or after July 1, 2011, or on behalf of survivors of members who die on or after July 1, 2011, prior to retirement. Notwithstanding all of the foregoing, increases in the amounts paid on behalf of survivors of members subject to Section 4.1103.4 shall be governed by the provisions of Subsection (b) and (c) of this Section, as applicable, regardless of the date of the member's retirement or death.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Amended by: Subsec. (f) Added, Ord. No. 181,746, Eff. 6-20-11;
Title and Section, Ord. No. 182,196, Eff. 8-8-12; First Para.
Added, Ord. No. 182,296, Eff. 11-12-12.

Sec. 4.1107.1. Domestic Partner Eligibility for Medical Plan Premium Subsidy.

SECTION HISTORY

Added by Ord. No. 174,365, Eff. 12-14-01.
Repealed by Ord. No. 182,196, Eff. 8-8-12.

CHAPTER 11, ARTICLE 8

RETIREE HEALTH INSURANCE RECIPROCAL SUBSIDY CREDIT PROGRAM (LACERS AND LACERA)

Section
4.1108 Reciprocal Subsidy Credit Program.

(D) meet the requirements set forth in subdivisions (3) through (5) below, and

(E) for purposes of this subdivision:

Sec. 4.1108. Reciprocal Subsidy Credit Program.

(a) The City of Los Angeles (CITY) and County of Los Angeles (COUNTY) have agreed to enter into an "Agreement For Retiree Health Insurance Reciprocal Subsidy Credit for County General and City Civilian Retirement Members" (Agreement) that is subject to amendment or termination as specified in the Agreement. The Agreement provides a reciprocal health insurance subsidy credit for retiree health insurance for certain retirees of the Los Angeles City Employees' Retirement System (LACERS) and the Los Angeles County Employees Retirement Association (LACERA). Accordingly, the following provisions, substantially as contained in the Agreement, are incorporated in the CITY's Reciprocal Subsidy Credit Program;

(i) "full reciprocal retirement benefits" applies to persons who transferred within six months from the CITY to the COUNTY on or after July 14, 1997;

(ii) "limited reciprocal retirement benefits" applies to persons who transferred within six months from the CITY to the COUNTY prior to July 14, 1997; and

(iii) "eligible retirement service" with the CITY shall be limited to service otherwise recognized by the CITY under the CITY's retiree health insurance subsidy credit program.

(1) COUNTY agrees that all general members of LACERA who retire from COUNTY service on or after the effective date of the Agreement may receive reciprocal health insurance subsidy credit for eligible retirement service with the CITY in calculating the amount of the COUNTY contribution toward the premium for the COUNTY health insurance program for retired general members (or their eligible dependents or survivors) administered by LACERA pursuant to an agreement between COUNTY and LACERA dated April 20, 1982, as amended, provided such LACERA general members:

(2) CITY agrees that all members of LACERS who retire from CITY service on or after the effective date of the Agreement may receive reciprocal health insurance subsidy credit for eligible retirement service with the COUNTY in calculating the amount of the CITY contribution toward the premium for the CITY health insurance program for retired members (or their eligible dependents or survivors) administered by LACERS, provided such LACERS members:

(A) were previously employed by CITY;

(A) were previously employed by COUNTY;

(B) were members of LACERS;

(B) were general members of LACERA;

(C) receive full or limited reciprocal retirement benefits as defined below in (E)(i) and (ii) of this subdivision through agreement with the California Public Employees' Retirement System (PERS) from LACERA based on such prior CITY employment,

(C) receive full or limited reciprocal retirement benefits as defined below in (E)(i) and (ii) of this subdivision through agreement with PERS from LACERS based on such prior COUNTY employment,

(D) meet the requirements set forth in subdivisions (3) through (5) below; and

(E) for purposes of this subdivision:

(i) “full reciprocal retirement benefits” applies to persons who transferred within six months from the COUNTY to the CITY on or after July 14, 1997;

(ii) “limited reciprocal retirement benefits” applies to persons who transferred within six months from the COUNTY to the CITY prior to July 14, 1997; and

(iii) “eligible retirement service” with the COUNTY shall be limited to service otherwise recognized by the COUNTY under the COUNTY’S retiree health insurance subsidy credit program.

(3) The Agreement shall apply to each COUNTY and CITY retiree who is eligible for reciprocal health insurance subsidy credit for retiree health insurance under the Agreement if, at the time of retirement, such retiree has eligible retirement service with the CITY and eligible retirement service with the COUNTY that, in the aggregate, totals at least ten (10) years.

(4) A retiree receiving reciprocal health insurance subsidy credit for retiree health insurance under the Agreement must elect the health insurance program of the party (COUNTY or CITY) with which the retiree has the most eligible retirement service. The retiree may, instead, elect to receive health insurance benefits from LACERA if the retiree has a minimum of eight (8) years of uncombined eligible retirement service with the COUNTY or from LACERS if the retiree has a minimum of eight (8) years of uncombined eligible retirement service with the CITY. The retiree’s election shall be irrevocable and is binding upon the retiree’s eligible dependents or survivor.

(5) An eligible survivor of a deceased active member shall be entitled to elect to receive reciprocal health insurance subsidy credit for retiree health insurance under the Agreement at such time as the member would have become eligible to receive reciprocal health insurance subsidy credit for retiree health insurance under the Agreement.

(6) Each COUNTY or CITY retiree or eligible survivor of a retiree or deceased active member retains the right to elect health insurance benefits otherwise

provided by LACERA or LACERS in lieu of electing reciprocal health insurance subsidy credit for retiree health insurance under the Agreement. Such election shall be irrevocable.

(7) In no event shall a COUNTY or CITY retiree (or his or her eligible dependents or survivor) be entitled to participate in both COUNTY and CITY health insurance programs provided by LACERA or LACERS based on the provisions of the Agreement, or to receive duplicate health insurance subsidy credit for service recognized by the COUNTY or CITY. Nothing in the Agreement shall be construed to confer benefits to any person who does not qualify for health insurance provided by LACERA or LACERS.

(8) The Agreement shall not extend reciprocal health insurance subsidy credit for retiree health insurance to safety members of LACERA or to members of any CITY retirement systems other than LACERS.

(9) The provisions of the Agreement shall be applicable commencing the later of:

(A) the date the Agreement is executed;

(B) the date the retiree meets the conditions set forth in the Agreement; or

(C) the date the retiree or eligible survivor of a deceased active member makes application to LACERA for the reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement, or to LACERS for the reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement.

(10) In no event shall the Agreement be construed to require any expenditure on the part of COUNTY or CITY for any period prior to the date a retiring employee or eligible survivor of a deceased active member makes application to LACERA or LACERS for the reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement.

(11) The COUNTY and CITY agree that the cost of reciprocal health insurance subsidy credit for retiree health insurance provided for in the Agreement will be reassessed at least every five (5) years. The cost of these valuations will be borne equally by the COUNTY

and CITY. The Agreement may be amended at any time upon mutual consent of the COUNTY and CITY to maintain a de minimis cost to both COUNTY and CITY.

(12) The Agreement may be terminated by either the COUNTY or CITY, in its sole discretion, at any time upon serving the other party with written notification. The effective date of termination shall be one year from the date of the termination letter.

(13) In the event of amendment or termination of the Agreement, each retiree or eligible survivor currently receiving reciprocal health insurance subsidy credit for retiree health insurance under the Agreement as of the date of such amendment or termination will continue to receive the same subsidy credit in calculating the amount of the COUNTY or CITY contribution toward the retiree's or eligible survivor's health insurance premium.

(14) In the event of amendment or termination of the Agreement, COUNTY or CITY employees in active service as of the date of such amendment or termination shall be eligible upon retirement to receive reciprocal health insurance subsidy credit for retiree health insurance under the Agreement as provided as of the earliest date of membership in either LACERA or LACERS, provided that:

(A) such employee has eligible retirement service with COUNTY and with CITY as of the date the program is amended or terminated, and

(B) such employee meets all other requirements of the Agreement, or of the Agreement as amended, as of the date the employee retires.

(b) The Board of Administration of the Los Angeles City Employees' Retirement System shall administer the Reciprocal Subsidy Credit Program for the CITY and shall make any changes to the Reciprocal Subsidy Credit Program that are necessitated due to Los Angeles City Council approved amendments or termination of the Agreement between the CITY and the COUNTY.

SECTION HISTORY

Added by Ord. No. 176,350, Eff. 12-27-04.

