

RESOLUTION NO. 17-09

RESOLUTION TO ADOPT THE AMENDMENT TO THE WATER AND POWER EMPLOYEES' RETIREMENT PLAN TO CORRECT CLASSES ELIGIBLE FOR TIER 1 MEMBERSHIP

WHEREAS, the classes of Construction Electrical Mechanics and Construction Electrical Helpers were identified as eligible for membership to Tier 1 upon qualification during the settlement discussion in the Romero lawsuit (*Javier Romero, et al. vs. City of Los Angeles, Los Angeles Superior Court Case No. BC 449834*); and

WHEREAS, the employees were ineligible for membership in the Water and Power Employees' Retirement Plan (Plan) on December 31, 2013, due to employment in the Department as Construction Electrical Mechanics or Construction Electrical Helpers; and

WHEREAS, Segal Consulting (Segal), the Plan's actuary, completed a cost study and determined the estimated contribution rate for the Department's Normal Cost will increase by 10.38% of compensation which is approximately 0.43% of the estimated total Department contributions; and

WHEREAS, the additional Department Normal Cost contribution rate would be expected to continue for each year throughout these employees' careers; and

WHEREAS, at its regular meeting on June 8, 2016, the Retirement Board approved Resolution 16-101, to recommend the Board of Water and Power Commissioners of the City of Los Angeles (Board of Commissioners) approve the proposed Plan amendment to correct classes eligible for Tier 1 Membership; and

WHEREAS, at its regular meeting on August 2, 2016, the Board of Commissioners approved the proposed Plan amendment, Resolution No. 017 029.

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Board adopts the attached proposed Plan amendment as hereinafter provided:

Plan section VII B is amended by the addition of the underlined language. Words underlined in this resolution shall not be underlined in the Plan document.

Section VII B

- (3) Every Department employee whose employment status changes from an ineligible to an eligible class of employment in Department service on or after January 1, 2014, shall become eligible for membership in Tier 2 on the first day of the payroll period following such change in employment status, with the following exceptions:

- (a) an employee who was previously a member of Tier 1 of the Plan and whose prior Tier 1 contributions remain in the Plan shall become eligible for, and shall return to membership in, Tier 1, rather than Tier 2, on the first day of the payroll period following such change in employment status.
- (b) an employee who was ineligible for membership in the Plan on December 31, 2013 due to employment in the Department as a Utility Pre-Craft Trainee (represented by the Operating, Maintenance and Service bargaining unit), Construction Electrical Helper, or Construction Electrical Mechanic upon regular appointment in the Department, without a break in Department service, to a position that renders him or her eligible for membership in the Plan shall become a member of Tier 1, rather than Tier 2, on the first day of the payroll period following such change in employment status.

I HEREBY CERTIFY, the foregoing is a full, true, and correct copy of a Resolution adopted by the Retirement Board of Administration [created by Section 1102 (b) of the Los Angeles City Charter] at its regular meeting held on September 14, 2016.



Linda P. Le
Retirement Plan Manager