



WATER AND POWER EMPLOYEES' RETIREMENT PLAN

Retirement Funding as of June 30, 2025

Date: October 06, 2025

The Retirement Trust Fund is fully funded at 100.52% for the valuation that was completed June 30, 2025. This is an amazing achievement by WPERP Members, the Retirement Board, LADWP, and the Unions representing our employees. The last time we recorded 100% funding was in 2003.

To be fully funded means that at this point in time, WPERP has sufficient assets to pay for the promised retirement benefits for both current and future retirees. A fully funded plan indicates strong financial health and provides security for our future retirement. This is not an easy achievement. Defined benefit plans nationwide average around 75% - 80%.

WPERP has been able to achieve 100% funding by having responsible labor partners who understood the need to negotiate Tier 2 to address the influx of City transfers after the 2009 Recession, a Retirement Board with the fortitude to adopt strong funding policies and conservative assumptions, and a responsible sponsor able to make the required contributions.

Tier 2 has ensured the longevity of our promised retirement benefits for generations. At the same time that LADWP created Tier 2 for WPERP, the City also created a Tier 2 and Tier 3 for LACERS. However, LACERS's funding has not rebounded after the Recession. You may think that this is because WPERP's investment returns are much better. However, on a 15-year average, our returns are only 0.11% different from LACERS.

The reason that WPERP is so much better funded than LACERS has to do with you. You voted for active employee representatives to work alongside ex officio members and a Retiree Representative on the Retirement Board to take care of your contributions held in trust. By adopting strong Funding Policies and Assumptions, the Retirement Board has done just that and has ensured that the LADWP (the plan sponsor) continues to provide the necessary funding to the Plan.

Even more extraordinary, our 100% funding was achieved with conservative Assumptions that will provide us protection when there is a downturn in the market. Although we cannot completely shield ourselves, our low return assumption of 6.5% has positioned the Retirement Board to take less risk in their investment decisions.

Thank you to all of our contributors (Unions, LADWP, Retirement Board, and Members) for making this a healthy and sustainable Plan.

The valuation will be presented to the Retirement Board at its meeting on Wednesday, October 8, 2025 at 10:00 am. You can listen to the presentation by calling (323) 433-2408. When prompted for the meeting access code enter: 520 506 712#. The report is posted on our website at <https://retirement.ladwp.com>.

Linda P. Le

Retirement Plan Manager