

ORDINANCE NO. _____

An ordinance amending Section 5.495 of Chapter 95 of Division 5 of the Los Angeles Administrative Code to authorize the issuance of refunds,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The title of Chapter 95 of Division 5 of the Los Angeles Administrative Code is amended to read as follows:

EMPLOYEE BENEFITS TRUST FUND

Sec. 2. Subsections (a) and (b) of Section 5.495 of the Los Angeles Administrative Code are amended to read as follows:

(a) There is hereby created and established in the Treasury of the City of Los Angeles a special trust fund to be known as the **"Employee Benefits Trust Fund,"** hereinafter referred to in this chapter as the **"Fund."**

(b) The purpose of the Fund shall be for the receipt and retention of contributions made by the City and Program participants for the funding of the Civilian Benefits Program.

Sec. 3. Subsection (d) of Section 5.495 of the Los Angeles Administrative Code is amended to read as follows:

(d) Monies deposited in the Fund shall be used to pay for all premiums, cash in lieu of coverage, administrative and operating costs, as approved by the Joint Labor-Management Benefits Committee, incurred in the administration of the Civilian Benefits Program in accordance with established practice; provided however, that no expenditure shall be made from the Fund for any purpose which is contrary to the budget policy of the Joint Labor-Management Benefits Committee, as established by the Mayor and City Council, with respect to the Fund.

Sec. 4. Subsection (h) of Section 5.495 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

(h) Refunds from the Fund.

(1) Any premium contribution monies returned to the Fund from benefit program service providers contracted under the Civilian Benefits Program or its successor program, hereinafter referred to in this chapter as **"Returned Premium Contributions,"**

shall be separately identified and deposited into a separate account of the Fund known as the **"Refund Account."**

(2) Returned Premium Contributions deposited in the Refund Account shall be used to issue refunds to a Program participant or former Program participant whose premium contributions or portion thereof was returned to the Fund by benefit program service providers contracted under the Civilian Benefits Program or its successor program.

(3) In the event a Program participant or former Program participant described in Subsection (h)(2) is unable to be located by reason of death, the refund shall be made available to such Program participant or former Program participant's estate, heir, assignee or designee.

(4) Except as provided under Subsection (h)(8), Returned Premium Contributions deposited in the Refund Account shall remain in the account and be made available to issue refunds to the persons described in Subsection (h)(2) or (h)(3).

(5) Returned Premium Contributions shall not revert to the Reserve Fund.

(6) Returned Premium Contributions shall accrue interest at the rate accrued by the City until collected by the persons described in Subsection (h)(2) or (h)(3).

(7) Any accrued interest attributable to a Returned Premium Contribution shall be included in any refund issued to the persons described in Subsection (h)(2) or (h)(3).

(8) Any refund, including attributable accrued interest, that remains uncollected within three years from the date made available to a person described in Subsection (h)(2) shall revert to the Fund.

(9) Following the period described in Subsection (h)(8), any refund, including attributable accrued interest, issued to a person described in Subsections (h)(2) and (h)(3) shall be paid from the transfer of such amount from the Fund to the Refund Account.

(10) Returned Premium Contributions deposited in the Refund Account shall not be considered interest or other earnings

of the Fund except to the extent described under Subsection (h)(8), as modified by Subsection (h)(9).

Sec. 5. A new Subsection (i) is added to Section 5.495 of the Los Angeles Administrative Code and is to read:

(i) **Severability.** If any provision, clause, sentence, phrase, or portion of this Section 5.495, or the application thereof to any person or circumstance, is held unconstitutional or invalid by any court or tribunal of competent jurisdiction, the remaining provisions, clauses, sentences, phrases, or portions of this Section shall remain in full force and effect, and to this end the provisions, clauses, sentences, phrases, or portions thereof, are severable.

Sec. 6. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
CHARLES S. HONG
Deputy City Attorney

Date 4/25/18

File No. _____

m:\econ dev_pub finance\public finance\charles hong\ordinances\benefits trust fund\final- laac 5.495_employee benefits trust fund ordinance amendment (4-25-18) a.doc.docx

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____