

ORDINANCE NO. _____

An ordinance amending Chapters 11.5 and 22 of Division 4 of the Los Angeles Administrative Code to: (1) implement a case settlement that requires updating methods for determining the health insurance premium subsidy for Los Angeles Fire and Police Pension (LAFPP) Members, (2) authorize the amortization of costs and expenses for the Los Angeles City Employees' Retirement System (LACERS) Peace Officer Transfer Program (Program), and (3) make technical amendments to LAFPP plan provisions.

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

Section 1. The following is inserted immediately after the first paragraph of Subsection (e) of Section 4.1154 of the Los Angeles Administrative Code:

On an annual basis, beginning on July 1, 2026, the Board shall determine the increase to the maximum monthly subsidy towards the health insurance premium as the lesser of:

- (1) the average of the annual increase in the Los Angeles Medical Care Index published by the U.S. Bureau of Labor Statistics as of the previous December and seven percent;
- (2) seven percent; or
- (3) the actuarial assumed rate for medical inflation for pre-65 health benefits established by the Board for the applicable fiscal year.

To the extent the Board determines that the annual adjustments provided by the above formula are less than the amount required to keep pace with the actual premiums paid to eligible retired members' health insurance carriers, the Board may grant discretionary adjustments to the maximum monthly subsidy, in addition to the annual adjustments provided pursuant to the above formula, so long as the total increase provided each year does not exceed the lesser of a seven percent increase or the actuarial assumed rate for medical inflation for pre-65 health benefits established by the Board for the applicable fiscal year.

In no event shall the annual adjustment be less than zero percent.

Sec. 2. Paragraph (2) of Subsection (e) of Section 4.2216 of the Los Angeles Administrative Code is amended to read as follows:

- (2) Sufficient funds from the LACERS Health Care Coverage Account shall be transferred to cover all funded accrued liability related to the health benefits provided in Chapter 11 of Division 4 of the LAAC for all periods of the Member's LACERS Service to include, but not necessarily be limited to,

employer contributions and earnings. These funds shall be transferred in a manner consistent with the Internal Revenue Code directly to the LAFPP Health Care Coverage Account and credited toward satisfying the City's obligation to fund benefits provided in Chapter 11.5 of Division 4 of the LAAC. Sufficient funds from the LACERS Health Care Fund shall be transferred to cover all funded accrued liability related to the health benefits provided in Chapter 11 of Division 4 of the LAAC for all periods of the Member's LACERS Service to include, but not necessarily be limited to, employer contributions and earnings. These funds shall be transferred in a manner consistent with the Internal Revenue Code directly to the LAFPP Health Care Fund and credited toward satisfying the City's obligation to fund benefits provided in Chapter 11.5 of Division 4 of the LAAC.

Sec. 3. Subsection (g) of Section 4.2216 of the Los Angeles Administrative Code is amended to read as follows:

(g) Responsibility for Payment. The City's General Fund, the Airport Revenue Fund, and the Harbor Revenue Fund shall be responsible for all respective costs and expenses associated with the Program. Costs and expenses described in subsection (f) above, determined by the Plan's actuary for the Program, may be paid at the time of transfer to minimize any impact on the Plan's funded status. Any costs and expenses that are not paid at the time of transfer shall be amortized on a schedule that is determined by the Plan's actuary to ensure the City will pay the Full Actuarial Cost of the Program, and is consistent with any Board action, regardless of when the actuary makes such a determination. The Program will not affect the determination of Tier 5 contribution rates as provided in LAAC Section 4.2012(h). The Department of Airports and the Harbor Department shall pay the Plan for all costs and expenses, described in Subsection (f) above, for all transferring LACERS Peace Officer Members employed by their respective departments. The City's General Fund shall pay the Plan for all other costs and expenses, including those associated with the Members of the Police Department and Department of Recreation and Parks who elect to participate in the Program. LAFPP shall be responsible for preparing invoices for all costs and expenses incurred and submitting them to the City personnel responsible for review and payment, provided that any requests for reimbursement of LAFPP staff time shall be submitted as a separate invoice.

Sec. 4. 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

HYDEE FELDSTEIN SOTO, City Attorney

By _____
JOSHUA GELLER
Assistant City Attorney

Date July 21, 2026

File No. _____

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than two-thirds** of all its members.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____