

ORDINANCE NO. _____

An ordinance amending Article 1 of Chapter 10, Division 4 of the Los Angeles Administrative Code to enable the Los Angeles City Employees' Retirement System to determine the effective retirement dates for Separation Incentive Program retirement applicants, establish a three-month retirement abeyance period for non-Separation Incentive Program retirement applications, and prevent the withdrawal of Separation Incentive Program retirement applications once such agreements are final.

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

Section 1. A new Section 4.1034 is added to Article 1 of Chapter 10, Division 4 of the Los Angeles Administrative Code to read as follows:

Sec. 4.1034. Separation Incentive Program.

(a) Wherever "SIP" is used in this Chapter, it shall refer to the Separation Incentive Program. The intent of the City in promulgating the SIP is to address the City's significant financial challenges while minimizing the impact on City services, by incentivizing eligible employees to retire. The SIP is not a retirement benefit. Under no circumstances shall the SIP payments made by the City be considered in any calculation of a retirement benefit or division of a LACERS member's retirement benefit. Rather, the SIP is a program whereby the City, as employer, has agreed with certain bargaining units to provide two lump-sum, non-pensionable incentive payments to those LACERS members who are eligible for a Full LACERS retirement and who the Office of the City Administrative Officer (CAO), in its sole discretion, has determined to have met all requirements of the SIP program (SIP Eligible Filers). The following provisions and limitations shall apply to the processing of retirement applications by LACERS under the SIP:

(b) To minimize the impact on City services, a SIP Eligible Filer who elects to retire under the SIP may not select their effective date of retirement. Instead, in order to effectuate the City's intent to assist the City's financial situation while minimizing the impact on City services, the LACERS General Manager or their designee (LACERS Management) shall determine the effective date of retirement for a person retiring under the SIP.

(1) The portion of Los Angeles Administrative Code Section 4.1005 stating that a person's effective date of retirement shall be not less than thirty (30) nor more than sixty (60) days from and after the filing of the person's LACERS retirement application shall not apply to persons retiring under the SIP.

(2) LACERS Management's decision as to a person's effective date of retirement under the SIP shall be final and binding, regardless of whether the SIP Eligible Filer agrees with LACERS Management's decision. The SIP Eligible

Filer may be required to retire as soon as administratively possible, or may be required to continue working for the City for a longer period of time. The CAO may promulgate rules that LACERS Management shall follow regarding the effective dates of retirement for SIP Eligible Filers. Such rules shall be determined solely by the CAO, based on the City's intent to minimize the impact on City services and maximize the ability of the SIP to address the City's financial challenges.

(c) The three-month period from November 1, 2020, through and including January 31, 2021, shall be referred to herein as the "SIP Period." During the SIP Period, LACERS shall not accept a non-SIP retirement application from a person eligible for Full Retirement or Early Retirement. After the SIP Period has expired, any LACERS member who is otherwise eligible to retire may apply to retire, and LACERS shall accept and process new non-SIP retirement applications pursuant to standard, non-SIP LACERS procedures and provisions.

(1) All applications for non-SIP LACERS retirements previously submitted to LACERS by persons eligible for Full Retirement or Early Retirement, and still pending as of the beginning of the SIP Period, shall be held in abeyance for the duration of the SIP Period. After the SIP Period has expired, LACERS shall continue to process previously submitted non-SIP retirement applications pursuant to standard, non-SIP LACERS procedures and provisions.


(d) Notwithstanding any other provision of the City Charter or Los Angeles Administrative Code, a SIP Eligible Filer who elects to participate in the SIP may not withdraw from LACERS their application to retire under the SIP after the time when their SIP agreement with the CAO becomes final. A SIP Eligible Filer's SIP agreement is final if it is not rescinded before 3:00 PM on the seventh business day after the SIP Eligible Filer submitted it to the CAO, and, for SIP applicants submitting their applications on or before August 3, 2020, if it is not rescinded before the additional rescission period ending at 3:00 PM on September 10, 2020.

Sec. 2. Urgency Clause. The City finds and declares that this ordinance is required for the immediate protection of the public peace, health, and safety for the following reasons: the SIP is intended to achieve payroll savings so that the City can avoid cuts to essential public services that protect public peace, health, and safety, and the ordinance is necessary to implement the SIP in a manner that maximizes payroll savings. Further, the ordinance enables the CAO to create rules regarding the effective dates of retirement for SIP Eligible Filers to minimize the impact on City services, including those that protect public peace, health, and safety. For these reasons, this ordinance shall become effective upon publication pursuant to Section 253 of the Los Angeles City Charter.

Sec. 3. 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  _____
ANYA FREEDMAN
Assistant City Attorney

Date 8/28/2020

File No. 20-0600-S56

M:\Proprietary_OCC\RETIREMENT BENEFITS\Draft Ordinance Re City Separation Incentive Program Abeyance Period.docx

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 three-fourths** of all its members.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____