

## ANALYSIS

This ordinance amends Title 5 – Personnel of the Los Angeles County Code relating to the County of Los Angeles Deferred Compensation and Thrift ("Horizons") Plan, the Pension Savings Plan, and the County of Los Angeles Savings ("Savings") Plan by:

- Amending subsections 5.19.020 I, 5.25.020 L, 5.25.020 S, 5.26.020.13, and 5.26.020.19 to clarify that, except in the limited case of certain "Settlement Awards," retroactive adjustments to salary and pay items are taken into account only when paid for the purposes of calculating "Eligible Earnings" and "Compensation" upon which contributions are based.
- Amending subsections 5.25.050 E and 5.26.110 G to treat certain employees in specified classifications as though they received a retroactive adjustment to salary after the restart of matching contributions in order to align their treatment with other employees in the same classification.

RODRIGO A. CASTRO-SILVA  
County Counsel

By:   
RICHARD D. BLOOM  
Principal Deputy County Counsel  
Labor & Employment Division

RBD:bd

Requested: 08/03/2021

Revised: 08/11/2021

**ORDINANCE NO. 2021-0051**

An ordinance amending Title 5 – Personnel of the Los Angeles County Code, relating to the County of Los Angeles Deferred Compensation and Thrift Plan, the Pension Savings Plan, and the County of Los Angeles Savings Plan.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 5.19.020 is hereby amended to read as follows:

**5.19.020 Definitions.**

...

I. "Compensation" means the amount of an Employee's wages as defined for purposes of Section 3121 of the Code; provided that the amount of an Employee's wages taken into account under the Plan for any Plan Year (1) shall include any Deferred Compensation Contributions made on behalf of the Employee for such Plan Year, but (2) shall not exceed the contribution and benefit base determined under Section 230 of the Social Security Act for such Plan Year. For the avoidance of doubt, if a Participant's Compensation is adjusted retroactively, then, except in the case of a "settlement award," as defined in the Summary of County Administrative Correction Protocols, which shall be handled as provided in such Summary, any amount paid for the retroactive period of adjustment shall be taken into account as Compensation for the pay date on which such amount is actually paid rather than the pay period to which it is attributable

...

**SECTION 2.** Section 5.25.020 is hereby amended to read as follows:

**5.25.020 Definitions.**

The following terms when used herein with initial capital letters, unless the context clearly indicates otherwise, shall have the following respective meanings:

...

L. "Compensation" means base rate, as established in Title 6 of the Los Angeles County Code, as amended, plus any monthly bonus established as a designated percentage of the base rate in the Level Percentage Conversion Table contained in such Title 6. Compensation shall not include any of the following:

1. Overtime compensation;

...

6. Except as provided in Section 5.25.055, any Settlement Award (as defined in Section 5.25.055).

Effective beginning on and after April 1, 2010, or such later date as may be determined by the Chief Administrative Office when the human resources management system reflecting this provision is implemented, each reference to "monthly bonus" in this Section 5.25.020.L shall be deemed to be a reference to "payroll period bonus." Notwithstanding the foregoing, if a Participant's Compensation is adjusted retroactively, then, except as otherwise provided in Section 5.25.055 with regard to Settlement Awards, any amount paid for the retroactive period of adjustment shall be taken into account for the pay date on which such amount is actually paid rather than the pay period to which it is attributable.

...

S. "Eligible Earnings" means any compensation for service performed for the County which is currently includible in gross income under the Code. Any monetary award received for recruitment of registered nurse employees shall not be included in Eligible Earnings. On or after January 1, 2003, Eligible Earnings shall have the same meaning as Includible Compensation. Notwithstanding the foregoing, for purposes of calculating a Participant's Deferred Compensation Contribution, if a Participant's Compensation is adjusted retroactively, then, except as otherwise provided in Section 5.25.055 with regard to Settlement Awards, any amount paid for the retroactive period of adjustment shall be taken into account as Eligible Earnings for the pay date on which such amount is actually paid rather than the pay period to which it is attributable.

...

**SECTION 3.** Section 5.25.050 is hereby amended to read as follows:

**5.25.050 Matching eContributions.**

...

E. Notwithstanding subsection A, no Matching Contributions shall be made by the County with regard to Compensation in, and Deferred Compensation Contributions made with respect to, payroll periods starting May 1, 2020, and continuing through June 30, 2021 (i.e., pay dates from May 29, 2020 through July 15, 2021); provided, however, that Participants in the Deputy District Attorney II (9272) classification who made Deferred Compensation Contributions from a retroactive pay adjustment made after October 1, 2020, but before June 30, 2021, shall be entitled to receive a Matching

Contribution as though those Deferred Compensation Contributions were made on the July 31, 2021 pay date. This subsection E shall not apply to: (1) Trial Court Employees or judges, (2) Participants providing services to the Los Angeles County Employees' Retirement Association, or (3) Represented Employees (other than those covered by an agreement providing that they receive all employee benefits as are provided currently for non-represented employees), who shall continue to receive Matching Contributions pursuant to the provisions set forth in the foregoing subsections of this Section 5.25.050.

**SECTION 4.** Section 5.26.020 is hereby amended to read as follows:

**5.26.020 Definitions.**

The following terms when used herein with initial capital letters, unless the context clearly indicates otherwise, shall have the following respective meanings:

1. "Account" means a Participant's Tax Deferred Contributions Account, Matching Contributions Account, After-Tax Contributions Account, Termination Pay Contribution Account and Rollover Contributions Account as specified in Section 5.26.190.

...

13. a. "Compensation" means base rate, as established in Title 6 of the Los Angeles County Code, as amended, plus:

(1) Any monthly bonus established as a designated percentage of the base rate in the Level Percentage Conversion Table contained in

such Title 6 or established as a percentage of base rate pursuant to Parts 2 or 3 of Chapter 6.08 of such Title 6;

...

b. Compensation shall not include any of the following:

(1) Overtime compensation;

...

(6) Except as provided in Part 4.5 of Chapter 5.26, any Settlement Award (as defined in Part 4.5).

Effective beginning on and after April 1, 2010, or such later date as may be determined by the Chief Administrative Office when the human resources management system reflecting this provision is implemented, each reference to "monthly bonus" in this Section 5.26.020.13. shall be deemed to be a reference to "payroll period bonus." Notwithstanding the foregoing, if a Participant's Compensation is adjusted retroactively, then, except as otherwise provided in Part 4.5 with regard to Settlement Awards, any amount paid for the retroactive period of adjustment shall be taken into account for the pay date on which such amount is actually paid rather than the pay period to which it is attributable.

...

19. "Eligible Earnings" means any compensation paid to an Employee for service performed for the County which is currently includible in gross income under the Code, or which would be so includible had the Employee not signed a Compensation Deferral Agreement. On or after March 1, 2003, Eligible Earnings shall

have the same meaning as "415 Compensation." Notwithstanding the foregoing, for purposes of calculating a Participant's Tax Deferred Contribution as provided in Part 3, if a Participant's Compensation is adjusted retroactively, then, except as otherwise provided in Part 4.5 with regard to Settlement Awards, any amount paid for the retroactive period of adjustment shall be taken into account as Eligible Earnings for the pay date on which such amount is actually paid rather than the pay period to which it is attributable.

...

**SECTION 5.** Section 5.26.110 is hereby amended to read as follows:

**5.26.110 Amount of Matching Contributions.**

...

G. Notwithstanding the foregoing, no Matching Contributions shall be made by the County with regard to Compensation in, or Tax Deferred Contributions made with respect to, payroll periods starting May 1, 2020, and continuing through June 30, 2021 (i.e., pay dates from May 29, 2020 through July 15, 2021); provided, however, that Participants in the Deputy District Attorney II (9272) classification who made Tax Deferred Contributions from a retroactive pay adjustment made after October 1, 2020, but before June 30, 2021, shall be entitled to receive a Matching Contribution as though those Deferred Compensation Contributions were made on the July 31, 2021 pay date. For the avoidance of doubt, subject to the forgoing provisions, the year-to-date determination of Matching Contributions shall not take into account a Participant's Tax Deferred Contributions made on and after the May 29, 2020 pay date and continuing

through the July 15, 2021 pay date. This subsection G shall not apply to (1) Trial Court Employees or judges, or (2) Participants providing services to LACERA, who shall continue to receive Matching Contributions pursuant to the provisions set forth in the foregoing subsections of this Section 5.26.110.

**SECTION 6.** Pursuant to Government Code Section 25123(f), this ordinance shall take effect immediately upon final passage.

[525020MRCEO]

**SECTION 7** This ordinance shall be published in The Daily Commerce a newspaper printed and published in the County of Los Angeles.



\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Celia Zavala  
Executive Officer -  
Clerk of the Board of Supervisors  
County of Los Angeles

I hereby certify that at its meeting of September 28, 2021 the foregoing ordinance was adopted by the Board of Supervisors of said County of Los Angeles by the following vote, to wit:

Ayes

Noes

Supervisors Hilda L. Solis  
Holly J. Mitchell  
Sheila Kuehl  
Janice Hahn  
Kathryn Barger

Supervisors None  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Effective Date: September 28, 2021

~~Operative Date:~~ \_\_\_\_\_

\_\_\_\_\_  
Celia Zavala  
Executive Officer -  
Clerk of the Board of Supervisors  
County of Los Angeles

APPROVED AS TO FORM:  
RODRIGO A. CASTRO-SILVA  
County Counsel



By \_\_\_\_\_  
Dawyn Harrison  
Chief Deputy County Counsel