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LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM

2021 POPULAR ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2021

Our Popular Annual Financial Report is a summary of the Annual Comprehensive Financial Report for the Employees' Retirement System of the City of Los Angeles in California.

Available online at www.lacers.org/reports-and-statistics

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**Award for
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Financial Reporting**

Presented to

Los Angeles City Employees Retirement System

California

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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NEIL M. GUGLIELMO
General Manager

SINCE OUR FOUNDING....

In 1937, LACERS was established as a retirement trust fund to provide qualifying employees of the City of Los Angeles, a defined benefit retirement plan inclusive of service retirements, disability retirements, and survivor benefits. Today, approximately 25,200 Active Members and 22,000 Retired Members and beneficiaries count on LACERS to provide a lifetime of retirement benefits.

Since the days of our founding, the world has changed dramatically and we right along with it, but what has not changed is our commitment to our Members in providing best in class retirement and health benefits services for all who carry the distinction of being a civilian employee for the City of Los Angeles.

As the world evolves, LACERS will continue to respond by finding new and innovative ways to improve our operations, while ensuring the best experience for our Members.

NEIL M. GUGLIELMO
General Manager

LACERS



OUR MISSION

To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members.

\$4,304

AVERAGE MONTHLY PENSION

change from 2012: +31.4%

56,835

TOTAL MEMBERSHIP

change from 2012: +18.5%

\$259.3

MILLION IN MEMBER CONTRIBUTIONS

change from 2012: +45.5%

60.7

AVERAGE AGE AT RETIREMENT

change from 2012: +1.0%

71.5

AVERAGE AGE OF RETIREE

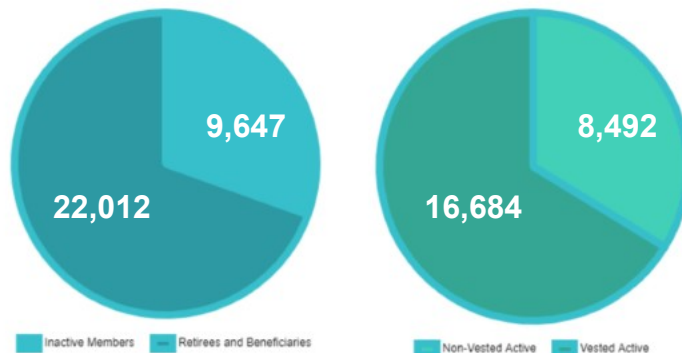
change from 2012: +0.4%

WORKING TO SURPASS MEMBER EXPECTATION

LACERS is committed to providing the best experience for our Members by modernizing and simplifying how they can initiate their retirement and manage their benefits. From the launch of our web-based Retirement Application Portal to the implementation of a cutting edge customer service center, we are now able to reach our Members faster, in multiple languages, and through multiple channels.

As the world evolves, so do the expectations of our Members. **And at LACERS, there is no greater priority than meeting that expectation.**

MEMBER BREAKDOWN



ADVANCING OUR POSITION DURING A GLOBAL PANDEMIC

From the outset of the COVID-19, LACERS applied its steady hand to ensure the System was appropriately buffered from any economic volatility brought on by the pandemic. The result was ending net positive from the prior year.

Going into the second year of the pandemic, the long view philosophy, along with a variety of strategic initiatives at play in LACERS has helped us reach a new high for the System.

NET INCREASE WITHIN THE YEAR

\$4,942,015,575

Learn about some of the actions the Board  took here.

\$22,805,339,941

FIDUCIARY NET POSITION



Allocation

The total Fiduciary Net Position is allocated between the Retirement Plan and the Postemployment Health Care Plan.

83%
RETIREMENT

17%
HEALTH

ADDITIONS and DEDUCTIONS

(Dollars in Thousands)

	2021	2020	% Change
BEGINNING NET POSITION	\$ 17,863,324	\$ 17,707,910	0.9%
ADDITIONS			
City Contributions	658,408	665,358	(1.0%)
Member Contributions	259,285	263,936	(1.8%)
Insurance Premium & Reserve	11,843	12,501	(5.3%)
Net Investment Income	5,288,787	365,492	1,347%
Other Income	637	792	(19.6%)
TOTAL ADDITIONS	\$ 6,218,960	\$ 1,308,079	375.4%
DEDUCTIONS			
Benefit Payments	1,228,276	1,112,911	10.4%
Contribution Refunds	17,584	12,332	42.6%
Administrative Expenses	31,084	27,422	13.4%
TOTAL DEDUCTIONS	\$ 1,276,944	\$ 1,152,665	10.8%
NET INCREASE WITHIN YEAR	\$ 4,942,016	\$ 155,414	3,079.9%
ENDING NET POSITION	\$ 22,805,340	\$ 17,863,324	27.7%

ASSETS and LIABILITIES

FUNDED STATUS

2021 vs 2020 ASSETS AND LIABILITIES

(Dollars in Thousands)

ASSETS	2021	2020	% Change
Cash, Short-term Investments, and Receivables	\$ 1,306,219	\$ 818,311	59.6%
Investments, at Fair Value	22,235,243	17,530,909	26.8%
Capital Assets, Net of Depreciation	42,869	42,359	1.2%
TOTAL ASSETS	\$ 23,584,331	\$ 18,391,579	28.2%
LIABILITIES			
Securities Lending Collateral and Other Payables	\$ 778,991	\$ 528,255	47.5%
FIDUCIARY NET POSITION	\$ 22,805,340	\$ 17,863,324	27.7%

WHAT IS THE COMBINED FUNDED STATUS OF THE SYSTEM?

Funded ratio is the proportion or share of System's promised benefits that can be paid with current available assets. It is calculated by dividing the value of assets in a pension fund by the value of promised lifetime benefits.

84.7%

COMBINED SYSTEM
FUNDED STATUS

The Retirement System covers all eligible civilian and certain segments of sworn employees of the City who are not covered by the City's other Retirement Systems.

About the Retirement Plan

LACERS administers a defined benefit pension plan that provides for service and disability retirement benefits, as well as death benefits.

Plan Members have a vested right to their own contributions and accumulated interest posted to their accounts.

2021 RETIREMENT AND HEALTH PLANS

ASSETS	2021 Retirement Plan	2021 Health Plan	2021 Total
Cash, Short-term Investments, and Receivables	\$ 1,089,617	\$ 216,602	\$ 1,306,219
Investments, at Fair Value	18,548,128	3,687,115	22,235,243
Capital Assets, Net of Depreciation	35,760	7,109	42,869
TOTAL ASSETS	\$ 19,673,505	\$ 3,910,826	\$ 23,584,331
LIABILITIES			
Securities Lending Collateral and Other Payables	\$ 649,817	\$ 129,174	\$ 778,991
FIDUCIARY NET POSITION	\$ 19,023,688	\$ 3,781,652	\$ 22,805,340

RETIREMENT PLAN FUNDED STATUS

81.3%

About the Health Plan

LACERS administers, and provides single-employer postemployment healthcare benefits to eligible retirees and their eligible spouses/domestic partners who participate in the Retirement Plan regardless of their membership tiers.

These benefits consist of subsidies which may also apply to the coverage of other eligible dependent(s).

HEALTH PLAN FUNDED STATUS

107.4%



RODNEY JUNE
Chief Investment Officer

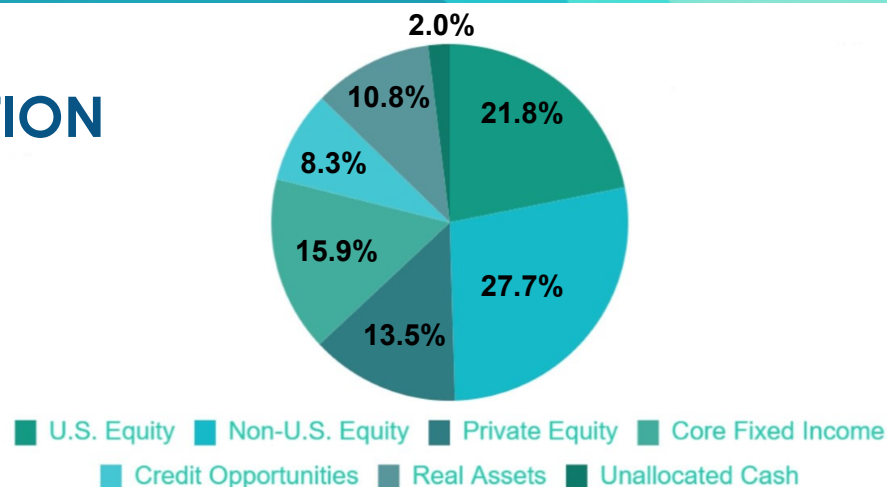
INVESTMENT PORTFOLIO SUMMARY

The 2021 fiscal year was a highly favorable period for the LACERS investment portfolio, with the global economy and financial markets rebounding sharply from the economic distress caused by the COVID-19 pandemic. For the one-year period ending June 30, 2021, the LACERS investment portfolio returned 29.29% (gross of fees), representing the strongest returns for the portfolio in more than 30 years.

The strong returns and global economic recovery of the 2021 fiscal year are remarkable. However, it is also important to acknowledge the many risks facing the global economy. As a long term investor, LACERS moves forward with a carefully constructed, highly diversified portfolio designed to weather all market conditions.

[Read the Investment Portfolio details here.](#)

ASSET ALLOCATION (by Percent)



INVESTMENT PORTFOLIO VALUE

HOW DID OUR INVESTMENT PORTFOLIO DO?

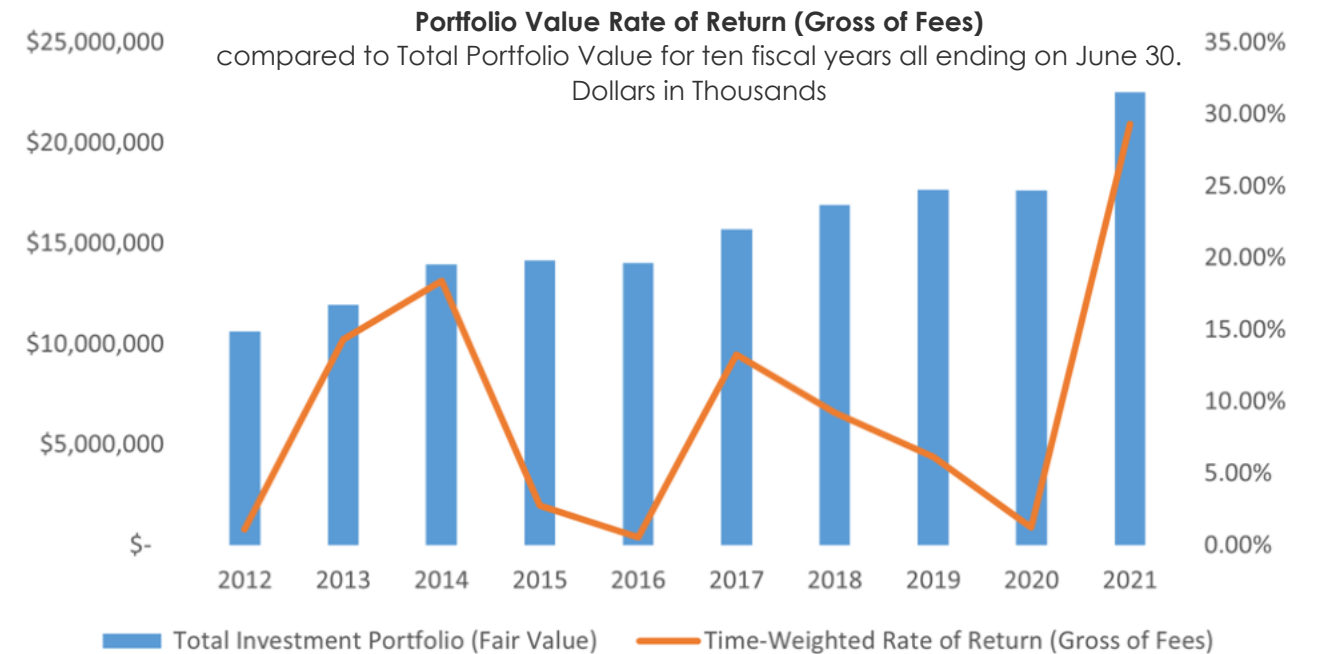
The total portfolio outperformed its policy benchmark by 190 basis points (gross of fees) for the fiscal year, mainly attributed to the relative outperformance of every asset class, with the exception of credit opportunities, which underperformed its benchmark by 64 basis points.

TOTAL INVESTMENT PORTFOLIO VALUE

\$22,518,983,000

ANNUALIZED RATES OF RETURN (GROSS OF FEES)

	1 YR (%)	3 YR (%)	5 YR (%)
LACERS Total Fund	29.29	11.58	11.45
LACERS Policy Benchmark	27.39	12.33	11.89



EXECUTIVE OFFICERS

Neil M. Guglielmo
General Manager

Lita Payne
Assistant General Manager
& Executive Officer

Todd Bouey
Assistant General Manager

Rodney June
Chief Investment Officer



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

Cynthia M. Ruiz
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Vice President

Annie Chao
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Elizabeth Lee
Commissioner

Sandra Lee
Commissioner

Nilza R. Serrano
Commissioner

Michael R. Wilkinson
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LACERS

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