

WHOA! 56 L.A. County Cities Have No Money To Pay For Retiree Healthcare

Grace Wyler | Jul. 7, 2011, 10:36 AM | 1,493 | 5

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Los Angeles County, Calif., has almost completely neglected to fund retiree healthcare benefits for public-sector employees, according to a startling new report from a Civil Grand Jury, which in California investigates the county and municipal governments on an annual basis.

The [report](#) — aptly titled "Whoa! The State of Public Pensions In Los Angeles County" — found that at least 56 of L.A. County's 88 cities have not funded retiree healthcare at all.

You read that right. They have set aside exactly **\$0.00** to pay for health benefits promised to their retirees.

The Grand Jury states that the combined unfunded retiree healthcare liability for L.A. County and its cities is about \$33.9 billion. With only \$3.7 billion in combined [assets](#), the retiree healthcare plans are only 10.8% funded.

The largest portion of that liability — about 71% — is held by the L.A. County government, which has an unfunded benefit obligation of \$24 billion.

Surprisingly, the City of Los Angeles is better off than most of the county's municipalities — L.A.'s three benefit plans are, on average, 52% funded. That's still well below the 80% [funding](#) level considered healthy for public benefit plans.

To solve the retiree healthcare problem, the Grand Jury notes that "there may be some opportunity to modify benefits for both future and current employees," depending on how those benefits and contracts are structured.

Given the political might of California's [public employee](#) unions, the task is much easier said than done.

h/t [LA Weekly](#)

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