

LACERS NEWS

ACTIVE MEMBERS
WINTER 2023





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LACERS NEWS



A MESSAGE FROM BOARD PRESIDENT, NILZA SERRANO

Leading efforts that deliver on the promise of a dignified retirement with the City of Los Angeles means the world to me. As your Board President, I am proud of the collaboration and focus exhibited by the LACERS Board of Administration to forge ahead against the profound challenges of the COVID-19 Pandemic and perform our fiduciary duties in an exemplary fashion. With the handling of the pandemic transitioning from emergency footing to sustainable strategies, new and different challenges are moving to the forefront.



Inflation has been reaching levels not seen in decades. The current economic environment caused by high inflation has left many LACERS retirees wondering, "Who can help?" As your advocate, the Board acted to lessen inflationary impacts by approving the maximum Cost of Living Adjustment (COLA) allowed by the City Charter. As challenges continue to present themselves, know that they will be met with appropriate measures that reflect our commitment to ensuring that all current and future generations of LACERS Members can enjoy the dignified retirement they have worked so hard for.

Representation is paramount, and making your voice heard is vital to LACERS. We conduct our board meetings in an open, transparent, and impartial way. Regular Board of Administration Meetings are held at 10:00 a.m. on the second and fourth Tuesdays of each month. Please visit the [LACERS' website](#) for meeting access and special dial-in information to participate. A LACERS Pension Symposium will be held during a special board meeting on February 22, 2023 via Zoom. A list of guest speakers who are pension industry leaders, topics, agenda items, and more details are available at lacers.org/pension-symposium. Take this opportunity to learn more about the LACERS plan and trends leading pension systems across the country.

Finally, I hope this past holiday season allowed for reflection, gratitude, and memorable moments with friends and loved ones; know that the LACERS Board of Administration continues forging ahead for the benefit of all LACERS Members.

Warmly,

Nilza Serrano

I'd like to wish you all a very Happy New Year! This past holiday season felt a bit different; there



was more optimism in the air, and rightfully so. With practical tools and resources in place to help reduce the threat of COVID-19, individuals once again could take part in long-awaited celebrations with loved ones. And while COVID-19 continues to be an ever-present part of our lives, it is encoura-

ging to see that it can be managed when the right precautions are taken.

Optimism is in full swing here at LACERS, too. I am thrilled to share that the relocation and expansion of our headquarters at 977 N. Broadway is nearing completion. Veiled in Navy Blue and boasting state-of-the-art equipment, our new space augments our amazing staff and positions at LACERS to continue delivering the highest quality service to our Members.

As I have stated at LACERS Board Meetings, we are working with our actuary to explore the feasibility of

allowing reimbursement of Medicare Part B Income-Related Monthly Adjustment Amounts (IRMAAs) and to reimburse Medicare Part B basic premiums for LACERS Members who started City employment before April 1, 1986, and are currently excluded from reimbursement. Admittedly, we are in the early stages of this endeavor, but our actuary will provide analysis back to the LACERS Board and staff in 2023. From this analysis, potential options for changing the benefits will be developed and shared with the City Council and the Mayor for their consideration.

In other news, LACERS, like all of you, is eagerly awaiting a resolution between Russia and Ukraine while simultaneously navigating the current economic environment marked by inflation and stock market volatility. We have also welcomed a new Mayor, Karen Bass, who has replaced Mayor, Eric Garcetti. We look forward to seeing the new innovations and leadership she will bring to our great city. As much as these scenarios bring uncertainty, one thing is sure: The Team at LACERS is steadfast in our commitment to serving our cherished membership and ensuring that we deliver promised benefits accurately and on time.

Sincerely,

Neil

Get to Know Your Benefits : Attend a Planning for Retirement Webinar

People don't plan to fail, but sometimes they fail to plan. And whether you are new to the City or have been an employee for some time, Planning for Retirement webinars are essential for learning about your LACERS' benefits.

LACERS makes participating safe and easy by using Zoom Webinars so you can join from the comfort of your home. We also offer multiple sessions

a month, including evenings and weekends. Webinars are conducted based on your LACERS' Tier (determined primarily by your hiring date) and include information about how to determine:

- When you can retire
- Your monthly allowance
- Retiree health benefit eligibility
- Benefits for your survivors

Get the information you need to ensure you know what to do to have the best retirement possible. View [upcoming sessions](#) and register to attend today via [MyLACERS](#).



LACERS Larger Annuity Program

The news is filled with stories of the rising cost of housing, gas, health care, and the overall cost of living. Many people live paycheck to paycheck, and the thought of retirement is a distant concept.

As a member of LACERS, you have a pension plan in which the benefit amount varies depending on years of service, age at retirement, and your final average salary. But the question that most people ask themselves is, will I have enough money to retire and keep my lifestyle?

One way to increase your retirement benefit is to participate in the Larger Annuity Program (LAP) administered by LACERS. The LAP is an optional retirement investment account that allows

Members to invest post-tax contributions. The Member decides the investment amount (up to the IRS 415(c) limit, in 2023 it's \$66,000), or can rollover qualified pre-tax funds.

Members of the LAP will have the option to convert the value of their LAP account into a monthly annuity at the time of retirement based on their selection of available monthly annuity options. Sign up now, because only Active Members who have not yet reached their retirement effective date may elect to participate in the LAP.

There are annual contributions limits and several investment options. To find out more information please visit the [Larger Annuity Program webpage](#).

End of Life Education and Grief Counseling



Most people will experience loss at some point in their lives. Some might have to care for a loved one toward the end of their life. Yet others might face a serious illness and choose to prepare for their death. Dealing with any of these situations can be emotionally and physically draining. The process of adjusting or understanding a significant loss can vary dramatically from one person to another. The grief process can range from deep sadness to anger and dealing with it may not be easy.

Anyone dealing with tragedy can benefit from having a solid support system. Family and friends are typically the primary sources of support. Still, if that is

not enough, or you do not have friends or family support nearby, professional help might be an option. As part of the City of Los Angeles Employee Benefits, various programs are designed to provide support, including the Employee and Family Assistance Program (EFAP). Additional information can be found on the [Keeping LAWell website](#).

As a reminder, any Member facing an end-of-life circumstance should reach out to LACERS to discuss options as early as possible to ensure they avail themselves of the widest array of available options.





In the last newsletter article, I discussed the unfolding of the pandemic and its impact on the global investment market. Despite the steep decline in early 2020, a rapid reversal resulted in a net return of 29.09% for LACERS' one-year total fund ending June 30, 2021.

With the worst of the pandemic behind us, we find ourselves in a different economic paradigm. Have you noticed higher consumer prices and interest rates? And if that wasn't enough, the political situation with Russia and lingering supply chain issues adversely impacted investments within LACERS' total fund, which delivered a negative 7.01% net

Submit an Article for a Chance to be Included in a Future LACERS Publication!

We know you have a lot to say! LACERS is looking for article submissions from our Members to be featured in future e-blasts and newsletters. You can submit a 250 words or less article based on the following topics:

- How you're planning for your retirement
- Money saving tips
- Your hobbies

Every quarter, one submission will be selected, and the Member chosen will receive a gift card! Take this opportunity to share some of your insights with your fellow members.

Please visit our [Member Article Submission page](#) for more information.

"...the Board continues to navigate market uncertainty using its strategic asset allocation roadmap..."

return for the one-year period ending June 30, 2022.

The lifting of interest rates (a monetary policy tool to tame inflation) was not unexpected, but the magnitude of interest rate increases did catch investors by surprise, leading to steep declines in the public equity market and a higher cost to businesses, which are then passed on to consumers. Since LACERS invests much of its investment portfolio in these businesses, we have experienced declines in our investment valuations.

Despite these concerns, the Board continues to navigate market uncertainty using its strategic asset allocation roadmap to ensure the delivery of earned retirement benefits without interruption.

Apply for Retirement Using the Retirement Application Portal (RAP)

LACERS' new online Retirement Application Portal (RAP) is the most secure and convenient place for eligible Tier 1 Members* to submit their retirement applications. Upload your documents, enter your information, and complete the retirement process in one convenient place.

Visit our [Applying for Retirement page](#) to learn about the RAP and start your application!

Please note, it is highly advisable that you contact LACERS at least 90 days prior to your desired retirement date to make sure you have the information you will need to complete your application in the RAP.

**Deferred Vested, Tier 1 Enhanced, and Tier 3 Members are not yet eligible to apply via the RAP.*



LACERS' 85th Anniversary... Did You Know?

Did you know that LACERS is older than our average retiree? The average retirement age is almost 61, and the average age of our service retirees is 71 and a half!

LACERS celebrated its 85th year serving the City Employees of Los Angeles, having been established on May 12, 1937, when the City Council certified the results of the May 4th election, which passed the Charter Amendment and established LACERS for City Employees.

LACERS has been around longer than the ballpoint pen and instant coffee, which weren't invented until the following year!

You may also be familiar with some celebrities who share their birth year with LACERS- Morgan

Freeman, Jack Nicholson, Jane Fonda, among others!

Do you remember 1937? Pepperidge Farm remembers. They were established that year! Other notable things established that year include the incorporation of Toyota and the foundation of Volkswagen car companies! MGM Metro Goldwyn Mayer cartoon studio was established, producing animated shorts for popular characters like Droopy and Tom & Jerry.

So please celebrate with us in your own way as LACERS continues to serve its over 25,000 active Tier 1 and Tier 3 employees and over 22,000 retirees and beneficiaries. You might consider taking Polaroid photos with your loved ones and cracking open a can of Dad's Root Beer, both created in 1937! If you do, please share them with us!

Do you Earn a High Salary Now While Working? Learn about IRMAA Costs in Retirement

LACERS Medicare requirement states that all Retired Members (Members) or dependents covered in a LACERS medical plan must enroll in Medicare at age 65, or as soon as they are eligible. Medicare Part B has a monthly premium cost that Members must pay, whether deducted in the Social Security benefit check or paid out-of-pocket directly to Centers for Medicare & Medicaid Services (CMS). Additionally, all LACERS Members enrolled in Medicare will have Medicare Part D as part of their LACERS Senior Medical Plan.



It is essential to know that some Members and/or their dependents may have to pay an additional premium amount for their Medicare Parts B and D. This extra premium amount is called an IRMAA, which stands for Income-Related Monthly Adjustment Amount. Whether or not you pay an IRMAA is determined by Social Security based on your tax return income and filing status from two years earlier. For example, if you turn age 65 in 2023 and retire, Social Security will use your tax return information from 2021 to determine if an IRMAA is to be applied for 2023. If in 2021, you filed Single and made over \$97,000 modified adjusted gross income (MAGI), or filed Married Filing Joint (MFJ) and made over \$194,000 MAGI, you would be billed for an IRMAA. Before you are billed for an IRMAA, Social Security will typically send a notice, and you will have the opportunity to appeal. IRMAA income brackets change yearly and are announced on the [Social Security website](#). This extra amount must be paid in full in order to maintain eligibility for LACERS medical subsidy and medical plan.

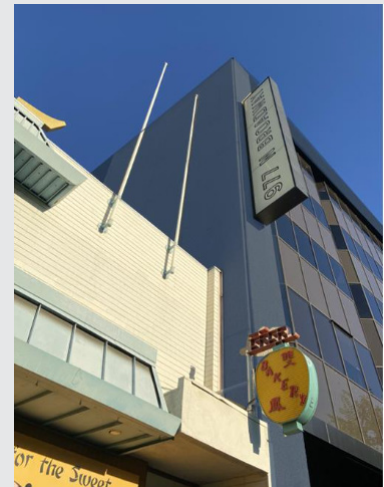
Retirees can receive a Medicare Part B basic premium reimbursement if they have both Medicare Parts A and B, are enrolled in a LACERS Senior Medical Plan, or participate in LACERS Medical Premium Reimbursement Program (MPRP) and receive a subsidy. However, IRMAAs are not part of the basic premium and, therefore, are not reimbursed.



THE LATEST :

Update on the New LACERS Headquarters

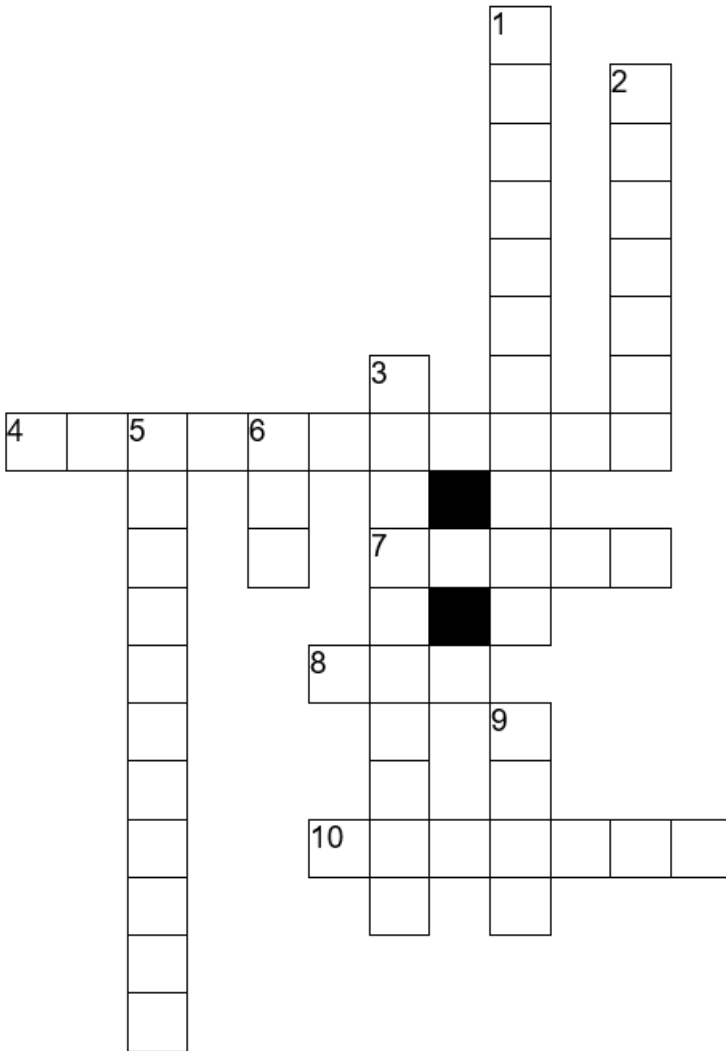
We are excited to share that this Spring, LACERS will begin operating at our expanded headquarters at 977 N. Broadway in Chinatown.



While just a short drive from our current office, our new location conforms to Leadership in Energy and Environmental Design (LEED) standards and provides improved collaboration capabilities for our dedicated team through best-of-breed technology and activity-based workspaces. Our building has received Fitwel Certification based on various required components including its proximity to transit, location within a walkable community, and its universal pedestrian access.

Whether attending a LACERS Board Meeting, an in-person Planning for Retirement Seminar, or seeking in-person counseling, we look forward to welcoming you to our new home.

Benefits Crossword Puzzle



Hint: Don't know the answers? Use our website as reference.

Answer key is available at lacers.org/newsletter

Across

4. An agreement among certain California public retirement systems allowing some portability of retirement benefits
7. The LACERS membership tier for those employees who started on or after February 21, 2016
8. The LACERS membership tier for those employees who started on or before February 20, 2016
10. Another name for a service purchase, which may count toward your retirement eligibility and may increase your retirement allowance and health subsidy

Down

1. Any person or legal entity entitled to receive a benefit provided by LACERS
2. A monthly dollar credit applied to the cost of a Retired Member's medical plan premium
3. Type of service where a Member has no break in service of more than 3 years
5. A lifetime monthly benefit provided to a qualified beneficiary as the result of the death of a Retired Member
6. The acronym for a legal document that allows someone you select to take care of your financial affairs, including retirement benefits and health insurance benefits, in the event that you become incapable of managing your own affairs, either before or after you retire
9. The acronym for the voluntary program that provides a monthly financial benefit that may give the Members' family an increased financial protection should they die before retiring

LACERS NEWS

STAFF

Taneda K Larios Chief Benefits Analyst
Heather Ramirez.....Sr. Benefits Analyst II
Tiffany Obembe.....Sr. Benefits Analyst I
Nathan Herkelrath.....Benefits Analyst
Carlos Jovel Jr......Benefits Analyst
Gabriel J Perez.....Benefits Analyst

Khia Moore Benefits Analyst
Margaret Drenk.....Sr. Benefits Analyst II
James Kawashima.....Sr. Benefits Analyst I
Brittany Cotton.....Sr. Benefits Analyst I
Horacio Arroyo ...Sr. Management Analyst I

Division Spotlight: Administrative Services Office

LACERS Members may not interact directly on a day-to-day basis with LACERS' Administrative Services Office (ASO). Still, the support ASO provides to our organization allows us to consistently deliver on our motto of "Securing Your Tomorrows."

Here is a glimpse of the many mission-critical responsibilities that ASO oversees:

- LACERS New Headquarters Project
- Emergency Preparedness, Workplace Safety, COVID-19 Safety Protocols
- Mail Collection and Delivery
- Requests for Proposals (RFPs) and Contracts
- Purchasing and Procurement
- Coordinating Special Reporting Required by the City
- Records Retention

This dynamic group of passionate, talented individuals continues to promote the values we aspire to as an organization, and we hope that as you enjoy the many benefits of being a LACERS Member, you know that all the while, ASO is working behind the scenes to ensure your experience is the best it can be.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. For additional information or to make a request for documents in an alternative format, please contact (800) 779-8328 or RTT (888) 349-3996.

THERE'S MORE THAN ONE WAY TO REACH US!

WEBSITE:

[LACERS.org](https://www.lacers.org)

EMAIL:

lacers.services@lacers.org

lacers.health@lacers.org

MAILING ADDRESS:

**PO Box 512218
Los Angeles, CA
90051-0218**

VISIT:

Currently Suspended While Moving

CALL:

**(800) 779-8328
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FAX:

(213) 473-7297

FACEBOOK:

[facebook.com/lacerswell](https://www.facebook.com/lacerswell)

YOUTUBE:

[youtube.com/lacersyoutube](https://www.youtube.com/lacersyoutube)

