



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

Enhanced Benefits Summary Guide

For LACERS
Airport Peace Officer Members





This Enhanced Benefits Summary Guide (Guide) for Airport Peace Officer Members of the Los Angeles City Employees' Retirement System (LACERS, or the Plan) summarizes the enhanced benefits available exclusively to Airport Peace Officer Members, which differ from the general benefits available to other LACERS Tier 1 Members. For a complete summary of the benefits available to Airport Peace Officer Members, this Guide should be read in conjunction with the Summary Plan Description for LACERS Tier 1 Benefits. This Guide is intended to provide a summary of the enhanced benefits established by the Los Angeles City Charter, Los Angeles Administrative Code, and LACERS Board Rules. In the event of discrepancies between this Guide and the provisions of the Los Angeles City Charter, Los Angeles Administrative Code, and LACERS Board Rules (referred to as the Plan provisions), the Plan provisions will govern at all times.

Board of Administration

The Plan is managed by a Board of Administration (Board) composed of seven Commissioners:

- Four are appointed by the Mayor (at least one LACERS retiree)
- Two are elected by active LACERS Members
- One is elected by retired LACERS Members

Board Members serve five-year terms.

The Board determines general policy and adopts rules and regulations necessary to the Plan. The General Manager is responsible for implementing the Board's policies and administering the Plan on a day-to-day basis.

The Board usually meets on the second and fourth Tuesdays of each month. All Board and Committee meetings are open to the public.

Introduction

LACERS aspires to be valued by our Members for excellence in all we do.

The LACERS Board of Administration and Staff are committed to reflecting these **Guiding Principles** in all we say and do:

- We continually seek to present a **character** that demonstrates honesty, integrity, prudence, superior judgment, and transparency.
- We strive to demonstrate **professionalism** in our work, expert knowledge and skill, and the initiative to share and enhance this body of knowledge.
- We treat our Members, co-workers, and others with **respect**. We appreciate and consider everyone's beliefs, experience, knowledge, opinions, and values without judgment, and respond in a manner that facilitates collaboration.
- We perform our work guided by the principle of **kindness** and with it practice patience, listen carefully, and respond to our Members, co-workers, and others in a friendly, open, and considerate manner.
- **Teamwork** is our foundation for effective communication, exchange of ideas, and the success of the organization.

Name of Plan: Los Angeles City Employees' Retirement System (LACERS)

Employer Sponsoring the Plan: City of Los Angeles

Plan Administrator:

Board of Administration of the Los Angeles City Employees' Retirement System
202 W. First Street, Suite 500, Los Angeles, CA 90012-4401 (800) 779-8328

Agent for Service of Legal Process: General Manager

Los Angeles City Employees' Retirement System
202 W. First Street, Suite 500, Los Angeles, CA 90012-4401 (800) 779-8328

Type of Plan: Defined Benefit Plan

ELIGIBLE MEMBERS

The Enhanced Benefits described in this Guide are available to Airport Peace Officer Members, Former Airport Peace Officer Members, and Retired Airport Peace Officer Members, as defined by Los Angeles Administrative Code Section 4.1001(a), who have paid the requisite **one-time lump sum contribution payment of \$5,700** to LACERS.

In the event the Airport Peace Officer Member converts to a civilian classification prior to retirement, the additional contributions will not be refunded. The additional funds will remain a part of the Member's account as regular contributions and the former Airport Peace Officer will revert to Tier 1 status.

TIER 1 ENHANCED RETIREMENT FORMULA

Your retirement allowance is paid in monthly installments and calculated using a three component formula: 1) Your Final Compensation (FC)¹, 2) Service Credit (SC) and, 3) **an Enhanced Retirement Factor of 2.3% (RF)**.

$$\text{FC x SC x 2.3\% RF} = \text{Retirement Allowance}$$

Final Compensation is the average of your **monthly compensation earned** for the last 12 consecutive month period prior to your retirement or any other 12 consecutive month period you designate. If you do not make a designation, the 12 month period immediately preceding your retirement, termination or death is used.

If you have not completed 12 consecutive months, your FC is based on the monthly average compensation of all consecutive calendar months completed. If you've completed less than one month of service, the compensation actually received shall be used to calculate your FC.

If you received less than your full pay due to injury or illness, your FC is based on the regular compensation for your classification.

FC includes your base pay, regularly assigned bonuses, and/or premium pay. The following are examples of types of pensionable bonuses, and/or premium pay, you may receive during the designated 12 consecutive month period prior to retirement, so long as you are in a permanent rank (i.e., have completed probation):

- **Assignment Pay** – Any additional gross monthly pay which, by reason of assignment to perform special duties or hazardous duties in a higher class, position, grade, code or other title than the lowest thereof within your permanent rank as provided by ordinance or Memorandum of Understanding (MOU).
- **Hazard Pay** – Additional gross monthly pay received by reason of assignment to perform helicopter duties, two-wheel motorcycle duties, or any other hazardous duties as provided by ordinance or MOU.
- **Length of Service (Longevity) Pay** – Any additional gross monthly compensation you receive based on your length of service as provided by ordinance or MOU.

¹ Overtime pay is not included in your Final Compensation

- **Special Pay** – Additional gross monthly pay for the performance of special, non-hazardous duties as provided by ordinance or MOU.

Service Credit

Service Credit refers to the component of your benefit calculation based on your hours worked. Full-time employees receive 0.03835 years of Service Credit per pay period. It is used in the calculation of your retirement allowance and is credited for periods you receive compensation such as regular pay, and/or Injury on Duty pay (IOD).

You do not earn service credit for suspensions or unpaid leaves of absence.

Service Eligible for Purchase

If you are eligible to purchase Service Credit, doing so may count toward your retirement eligibility and may increase your Retirement Allowance and health subsidy. Service Purchases can include Re-deposits, Back Contributions, Government Service Buyback, and Public Service Buyback. Other Service that may be purchased includes:

- Workers' Compensation temporary disability time (**State Rate**).
- Nonservice-Connected Disability Retirement – time spent on this type of disability retirement can be purchased after restoration to active duty, subject to certain restrictions.
- Military Service or maternity leave
- Other U.S. Government Time
- Recruit training time, if applicable – time a Member spends in the Fire Department Drill Tower

Note: There are certain Internal Revenue Code (IRC) requirements and limitations on Service purchases. To comply with the IRC, LACERS will evaluate requests for Service purchases to determine whether they comply with federal law limits. A Service purchase that does not comply may be disallowed in whole or in part by LACERS.

SERVICE RETIREMENT

NORMAL SERVICE RETIREMENT (FULL ALLOWANCE)

- Age 55 or older with at least 30 years of City Service*
- Age 60 or older with at least 10 years of Continuous Service*
- Age 70 or older regardless of your length of City Service*

EARLY SERVICE RETIREMENT (REDUCED ALLOWANCE)

- Age 55 or older with at least 10 years of Continuous Service*
- Less than age 55 with least 30 years of City Service*

*At least five years of Continuous Service must come from City employment and/or service recognized under full reciprocity. Certain exceptions may apply.

ENHANCED DISABILITY RETIREMENT BENEFIT

If you become disabled while an active Member, you may be eligible for a Disability Retirement. Your disabling condition need not be job-related, but it must prevent you from performing your regular job duties. A Disability Retirement is normally paid for a Member's lifetime. However, the Board has the authority to review your disability status at any time. Based on the Board's review, the allowance awarded may remain the same, be increased, decreased, or terminated completely. You may also request a medical review if you feel you have recovered sufficiently to return to full active duty.

IMPORTANT! *A Disability Retirement Allowance is determined by a different formula than a Service Retirement Allowance.*

DISABILITY RETIREMENT BENEFIT

Disability Retirement Benefit	Service-Connected Injury or Illness	
	If your claimed disabling condition is the result of an injury or illness sustained during the execution of your regular job duties, you should file for a Service-Connected Disability Retirement.	
Disability Retirement Benefit	Nonservice-Connected Injury or Illness	
	If your claimed disability is not the result of an injury or illness sustained during the execution of your regular job duties, you should file for a Nonservice-Connected disability retirement.	
	Service-Connected	Nonservice-Connected
Eligibility	Graduated from basic training and taken the Oath of Office	Completed five years of continuous service
Allowance Base Percentage	30% to 90% of your Final Compensation with a 3% Cost of Living Adjustment (COLA) cap. Your base allowance will not be less than 2% of your Final Compensation for each year of Service Credit.	30% to 50% of your Final Compensation with a 3% COLA cap
Taxability	Generally is not subject to State or Federal income tax. However, if the percentage of disability determined by the Board is less than the minimum allowance you will receive based on your years of Service Credit, the difference of the two is subject to taxation.	Is a fully-taxed benefit and reported as taxable income as provided under the Internal Revenue Code.
Disability Loan	You may apply for a loan while your disability application is being processed. The loan amount cannot exceed four times your current bi-weekly salary or one-half the contributions and interest in your LACERS account or \$50,000. Interest will be charged on the loan. Upon approval of your Disability Retirement application, LACERS will deduct the entire loan balance and accrued interest from your retroactive benefit payment (first retirement allowance check). If your Disability Retirement application is denied, you may continue your regular monthly repayment schedule as specified under the terms of the loan agreement.	You may apply for a loan while your disability application is being processed. The loan amount cannot exceed four times your current bi-weekly salary or one-half the contributions and interest in your LACERS account or \$50,000. Interest will be charged on the loan. Upon approval of your Disability Retirement application, LACERS will deduct the entire loan balance and accrued interest from your retroactive benefit payment (first retirement allowance check). If your Disability Retirement application is denied, you may continue your regular monthly repayment schedule as specified under the terms of the loan agreement.
Return to Active Duty	Must occur within five years of Board action granting the retirement benefit.	Must occur within five years of Board action granting the retirement benefit.
Filing Period	You must file your Disability Retirement application with LACERS within one year of your last day on the City payroll or within one year of the final settlement date for a related Worker's Compensation claim.	

DISABILITY APPLICATION PROCESSING

Generally, it can take one year or more to complete the Disability Retirement application process due to the time required to schedule medical examinations and compile documentation supporting your application (e.g., medical records, personnel records and examination physician reports). If you are considering filing a Disability Retirement application, please contact LACERS at (800) 779-8328 and ask to speak with a Disability Counselor.

DISABILITY RETIREMENT FOR FORMER AIRPORT PEACE OFFICER MEMBERS

If you are an Airport Peace Officer Former Member, who because of termination of your employment for any reason, including Service Retirement and believe that you are eligible for a Disability Retirement, you may file your written application for a Disability Retirement within one year from the service retirement effective date; one year from your resignation or termination date; or, one year from your last day on active payroll, whichever occurs first. An open, related and accepted Workers' Compensation claim may extend the filing period.

APPROVAL OF YOUR DISABILITY RETIREMENT APPLICATION

After you have been examined by physicians selected and paid for by LACERS, the Board will review your medical reports and other evidence to determine whether you have become physically or mentally incapacitated and are incapable of performing your job duties.

If the Board approves your Disability Retirement application, your allowance will usually be paid retroactively from the day after your last day on payroll.

MEDICAL REVIEW

The Disability Retirement Benefit is payable only while you remain disabled². After your benefit is approved, you may be required to undergo periodic re-examinations to determine whether you remain disabled. You may also request a medical review if you believe your condition has improved enough to allow you to return to active duty. If you are found to no longer be disabled, you may be restored to active duty if you did not resign or have your employment terminated. Your Disability Retirement monthly allowance will cease once you return to work.

RETURN TO ACTIVE DUTY FROM DISABILITY RETIREMENT AND ACCRUING SERVICE

If you remain on a Service-Connected Disability Retirement for five or more years from the date the Board approves your application, you will be ineligible to return to active duty. However, if you are re-examined and found capable of performing your regular job duties within those five years and are restored to active duty, you may earn time toward a Service Retirement for the period you were on disability retirement. After completing one to three years of uninterrupted Service, you can receive credit for the time spent on disability retirement to the extent that the length of Service following your return to active duty is equal to the length of time you spent on disability retirement or at least three years if you were on a Service-Connected Disability Retirement for more than three years.

² If you are found to no longer be disabled after five years your retirement allowance is subject to reduction.

Members receiving a Nonservice-Connected Disability Retirement who are restored to active duty within five years, may purchase years of Service Credit for the time spent on Disability Retirement after completing one year of Service. Please contact the LACERS Service Purchase Unit at (800) 779-8328, if you are interested in purchasing this time as special rules may apply.

PAYMENT OPTIONS FOR YOUR RETIREMENT ALLOWANCE

When you retire, you will need to make decisions that may change the amount of your monthly allowance.

DECISION – ALL RETIREES MUST CHOOSE ONE OF THE FOLLOWING:

Cash Refund Annuity

Under this payment option, any unused contributions remaining after your death will be paid to your beneficiary.

Life Annuity

If you choose this payment option, you will receive a slightly larger monthly Retirement Allowance; however, you give up the right to have any unused contributions refunded to a beneficiary. No contributions will be refunded when you and any eligible Survivors die.

DECISION – FOR RETIREES WITH AN ELIGIBLE SPOUSE/DOMESTIC PARTNER:

Part of the contributions you pay to LACERS helps fund a lifetime monthly Continuance benefit to your eligible Spouse/Domestic Partner equal to 70% of your Retirement Allowance. You may provide a larger Continuance, but your monthly Retirement Allowance will be reduced to pay for the increased Continuance. If you make this choice, the reduction of your allowance is permanent and cannot be undone even if your Spouse/Domestic Partner dies before you do, or if your marriage or domestic partnership is terminated.

IMPORTANT! *If you make contributions to LACERS while you are married or have a domestic partnership registered with the State of California and you subsequently legally terminate the relationship or legally separate, the court may award part of the community interest in your LACERS benefits to your Spouse/Domestic Partner. LACERS may also be ordered to pay this share directly to your Spouse/Domestic Partner. When a community property claim is filed with LACERS, LACERS is required to withhold contested benefits until served with a court order disposing of the community interest in these benefits.*

ENHANCED DEATH AND SURVIVORSHIP BENEFITS

In the event of your death, your survivor(s) may be entitled to benefits from LACERS. The types of survivor benefits will vary depending on these factors:

- **Whether your death is Service-Connected or Nonservice-Connected**
- **Whether you die before or after retirement**
- **Your years of Service**
- **The survivor's relationship to you**
- **Your designation of beneficiaries**

An **Eligible Survivor** is defined as the person who is either an Eligible Surviving Spouse or Eligible Surviving Domestic Partner.

Service-Connected Death is defined as the death of a Member due to illness or injury, either of which arose out of the performance of his or her duties as an employee of the City of Los Angeles.

Nonservice-Connected Death means the Member's death occurred as the result of an illness or injury not arising from the performance of his or her duties as an employee of the City of Los Angeles.

Active Death Survivor Benefits

Active Death Survivor Benefits are benefits payable to your beneficiary (-ies) if you pass away while an Active Member of LACERS.

	SURVIVOR BENEFITS FOR MEMBER'S WITH LESS THAN FIVE YEARS			
	LESS THAN ONE YEAR NONSERVICE-CONNECTED	LESS THAN ONE YEAR SERVICE-CONNECTED	MORE THAN ONE YEAR BUT LESS THAN FIVE YEARS NONSERVICE-CONNECTED	MORE THAN ONE YEAR BUT LESS THAN FIVE YEARS SERVICE-CONNECTED
Refund of Accumulated Contributions plus accrued interest.	√	√	√	√
Basic Death Benefit - Equal monthly payments of half of the average monthly compensation earnable for Member's last year of Service. For each year of Service, two monthly payments shall be paid, not to exceed six years of Service.		√	√	√
Survivorship		√		√

Note: The Basic Death Benefit and Refund of Accumulated Contributions are not payable if a Survivorship is elected.

FC - Final Compensation RA - Retirement Allowance	ACTIVE			RETIRED		
	Service-Connected	Non-Service Connected	Military	Service Retirement	Service-Connected Disability	Non-Service Connected Disability
Eligible Survivor Requirements	Status as Spouse or Domestic Partner on the Date of Death, or Minor Child, Dependent Child, or Dependent Parent	Status as Spouse or Domestic Partner one year prior to and on the date of death, or Minor Child, Dependent Child, or Dependent Parent	Status as Spouse or Domestic Partner on the date of death, or Minor Child, Dependent Child, or Dependent Parent	Status as Spouse or Domestic Partner one year prior to the date of retirement, on the date of retirement and the date of death, or Minor Child, Dependent Child, or Dependent Parent	Status as Spouse or Domestic Partner on the effective date of retirement, and the date of death, or Minor Child, Dependent Child, or Dependent Parent	Status as Spouse or Domestic Partner one year prior to the date of retirement, on the date of retirement and the date of death, or Minor Child, Dependent Child, or Dependent Parent
Continuance Allowance Base Percentage	80% of FC	50% of FC	50% of FC	70% of RA	80% of FC if within three years, or 80% of RA after three years	70% of RA
Additional Allowance Amounts for Minor and Dependent Children	one child, additional 25%; two children, additional 40%; and three or more children, an additional 50%	one child, additional 25%; two children, additional 40%; and three or more children, an additional 50%	one child, additional 25%; two children, additional 40%; and three or more children, an additional 50%	one child, additional 25%; two children, additional 40%; and three or more children, an additional 50%	one child, additional 25%; two children, additional 40%; and three or more children, an additional 50%	one child, additional 25%; two children, additional 40%; and three or more children, an additional 50%
Burial Allowance	N/A	N/A	N/A	\$2,500.00	\$2,500.00	\$2,500.00

MINOR CHILD

A Minor Child means a person who is the natural child or adopted child of a deceased Airport Peace Officer Member or Airport Peace Officer Retired Member but such person shall be a Minor Child only until such person shall attain the age of 18 years or until he or she reaches the age of 22 years if such person is enrolled in school on a full-time basis as determined by the Board.

DEPENDENT CHILD DOCUMENTATION

A Dependent Child means a person who is a child of a deceased Airport Peace Officer Member or Airport Peace Officer Retired Member, who, while under the age of 21 years, becomes disabled, either prior to or after the death of such Member, and is unable to earn a livelihood. Such person shall be a Dependent Child only until he or she ceases to be disabled from earning a livelihood³.

If you have a Dependent Child, you are encouraged to submit copies of any documentation you may have that substantiates your child's disabling condition. Eligibility for Dependent Child benefits is determined following a Member's death and relies on qualifying documentation and independent medical evaluations confirming the child's disability occurred prior to the age of 21 and the child's inability to earn a livelihood. To determine eligibility, LACERS will request the following documentation from the guardian or conservator of the dependent child:

³ LAAC §4.1010.1 (a) Definitions

- A written request for the child to be granted Dependent Child status
- Child's Birth Certificate
- Medical release form
- Medical records
- School records
- Social Security benefits statement
- Assisted living or institutionalization records (if applicable)
- Guardianship/Conservatorship papers (if applicable).

Other helpful documentation includes:

- Adoption papers (if applicable)
- Marriage Certificate (if applicable)
- Dissolution Decree (if applicable)

DEPENDENT PARENT

In the event an Airport Peace Officer Member or Retired Airport Peace Officer Member dies leaving no Eligible Surviving Spouse, Eligible Surviving Domestic Partner, or Eligible Minor/Dependent Child(ren), but has at least one Eligible Dependent Parent, the Dependent Parent may receive the same monthly pension benefit (unmodified by the Optional Survivor Benefit) that the Eligible Surviving Spouse or Eligible Surviving Domestic Partner would have received for as long as the Dependent Parent remains qualified. The parent must have received at least one-half of their necessary living expenses from the Member during the Member's last year of Service. Supporting documentation from both Member records and the parent records will be required to establish eligibility.

A Dependent Parent means a person who is the parent of a deceased Airport Peace Officer Member or Retired Airport Peace Officer Member and to or for whom such deceased Member, during at least one (1) year immediately preceding his or her death, contributed one-half or more of such Dependent Parent's necessary living expenses and who is unable to pay such expenses without the receipt of an allowance. Such person shall be a Dependent Parent only until he or she shall be able to pay his or her necessary living expenses⁴.

SURVIVOR BENEFIT PURCHASE PROGRAM

If you marry or enter into a domestic partnership after you have retired, you have the option to provide a survivor benefit (Continuance) to your post-retirement spouse or domestic partner. The Survivor Benefit Purchase Program allows you to designate a percentage of your monthly allowance for a Continuance payable to your surviving spouse or domestic partner for their lifetime. In order to qualify and receive the benefit, the survivor must be your spouse or domestic partner at the time you elect to purchase the benefit and at the time of your death. The following provisions also apply:

⁴ LAAC §4.1010.1 (a) Definitions

- You must pay the full actuarial cost of the survivor benefit through a reduction in your Monthly Retirement Allowance.
- Unless your death is determined by the Board to be an accident, you must survive at least one year from the date you make your election in order for this benefit to vest and provide a Continuance to your spouse or domestic partner. If you pass away prior to vesting the Continuance benefit, payments are refunded as a lump sum to your spouse or domestic partner. If your spouse or domestic partner predeceases you, the lump sum will be paid to your estate.
- This election may only be exercised once.
- **Once the election is made, it is irrevocable.** Your monthly allowance will be permanently reduced and will not increase if your spouse or domestic partner predeceases you or if your marriage or domestic partnership is dissolved.
- Your survivor is not eligible for the health subsidy benefit.

DISSOLUTION OF MARRIAGE OR STATE-REGISTERED DOMESTIC PARTNERSHIP

Retirement benefits and retirement contributions are considered community assets according to community property law and may be subject to division upon dissolution or legal separation of your marriage or State-registered domestic partnership. If LACERS is “joined” in your dissolution proceeding, LACERS will be bound by the court order and may be required to distribute a former spouse or domestic partner’s community property share of your retirement benefits.

If you remarry or enter into another domestic partnership and subsequently die leaving an eligible survivor, a portion of the survivor Continuance may, under the terms of a previous court order be payable to a former spouse and/or domestic partner.

In California, when a former spouse or domestic partner who has been awarded a portion of the Member’s benefits by the court predeceases the retired Member, the former spouse or domestic partner’s community property share passes to his or her designated beneficiary, or beneficiaries, or to his or her estate, unless the court order provides otherwise.

INTERNAL REVENUE SERVICE CODES AFFECTING RETIREMENT AND SURVIVOR BENEFITS

The Plan is considered a qualified plan under the Internal Revenue Code. Federal tax laws set limits on the amount of benefits you or survivor(s) can receive from a qualified plan. The Plan will be required to limit a benefit payment if it would exceed these federal tax law limitations.

For information on City Service after Retirement and Medical & Dental Benefits, please review the Summary Plan Description – A Guide to LACERS Tier 1 Benefits.

For questions or more information regarding your Enhanced Benefits, please contact LACERS at (800) 779-8328