

# LACERS NEWS

ACTIVE MEMBERS  
FALL 2021



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# LACERS NEWS



## A MESSAGE FROM BOARD PRESIDENT, CYNTHIA M. RUIZ

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As I reflect upon the past year, I continue to be grateful and appreciative for what we have accomplished in spite of hardship. Year two of living through a pandemic has challenged us all whether mentally, physically and/or financially. And while many things remain uncertain, I want to reassure you that your Plan benefits continue to be secure.



Our professional investment consultants and LACERS Investment staff have done a tremendous job at implementing the Board's long-term investment strategies and funding policies which have ensured that our benefits remain intact. Even with the market volatility due to COVID-19, the Plan's return for this past fiscal year ending June 30, 2021, was an impressive 29.09% (net of fees). As the Board President, I am honored to lead this effort and reaffirm my continuing dedication to the Plan and our Members. The LACERS Board will continue to examine our investment strategies to promote growth and security for the benefits you all have worked so hard for. One of the ways we are doing this is through reinvigorating our LACERS Emerging Managers Program. In case you are not familiar with the program, LACERS adopted the Emerging Investment Manager Policy in 2012, with a goal to hire and retain Emerging Managers that would otherwise not be identified in the standard LACERS investment manager search process. These managers provide a much needed and diverse presence to our portfolio, and we look forward to welcoming more of them into the program in the New Year.

As a reminder, Board meetings are still being held virtually every 2nd and 4th Tuesday of the month and are open to the public. The LACERS' website is an invaluable resource for you to view upcoming agendas as well as instructions on how to participate in these meetings via public comments. I welcome and encourage you all to attend and hear firsthand, the amazing things LACERS staff is working on, on your behalf.

Stay safe and healthy and enjoy the holiday season!

Cynthia Ruiz

**A MESSAGE FROM GENERAL MANAGER,  
NEIL GUGLIELMO**

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As you enjoy the holiday season, I want to assure you that although the way you celebrate may have changed over these past two seasons, something that hasn't changed is the hard work being done here at LACERS to ensure you and your loved ones continue to receive your benefits timely

and accurately.

LACERS' staff continue to work both remotely and in-person to provide the service and benefits that you have earned. While a shift to open up more in-person interactions has begun around the City, LACERS currently remains closed for in-person office visits. Once we are able to welcome you back in-person, we will do so on an appointment-basis only. More information will follow once we get closer to identifying a potential reopening date and you may visit [lacers.org](http://lacers.org) to stay informed on this and other important information.

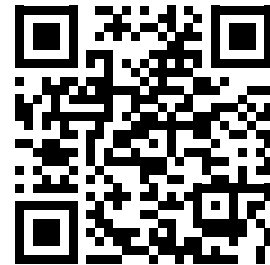
In addition to our office hours, there are a few highlights from the past several months that I would like to share with you regarding LACERS' operations.

The construction on our new building in Chinatown is in full swing and we are anticipating that LACERS staff will make the move from the Los Angeles Times building to our new building in mid, to late 2022.

Our new Retirement Application Portal (RAP) launched in July and is now your go-to source to retire completely online. This new tool streamlines

the retirement process and makes it more convenient than ever to apply. If you are planning to retire within the next several months, I encourage you to attend one of our RAP demos where you can see how the portal works and ask any questions you may have about how to use it. You can register for these demos on your MyLACERS account.

Finally, I would like to you give you a brief recap of our recent Emerging Investment Managers Symposium that was held virtually on October 20. The purpose of the event was to engage and inform prospective investment managers about the LACERS' Emerging Manager Policy program requirements and selection process. Approximately 200 participants attended and I truly hope that this high level of interest will lead to future partnerships that will add to the diversity of the LACERS investment portfolios. To learn more, the recorded symposium is available to view on our YouTube channel, [youtube.com/lacersyoutube](https://youtube.com/lacersyoutube).



I look forward to sharing a lot of exciting things with you in the New Year but until then, I wish you all a healthy and safe holiday season.

Neil



## Complete Your Retirement Application Online

LACERS has partnered with Box.com, a trusted, publicly-traded Fortune 500 company known for the highest level of information security, to create the Retirement Application Portal (RAP) for retiring LACERS Members. Since the inception of RAP in July 2021, over 100 LACERS Members have enjoyed a streamlined process that offers the convenience of retiring completely online.

Tier 1 Members\* who are eligible for either a normal or early service retirement can apply and complete their entire retirement application

process online. Although RAP is simple to navigate, LACERS continues to offer RAP demonstrations on a regular basis for interested LACERS members. Please visit [lacers.org/calendar](https://lacers.org/calendar) to see the dates and times of our demonstrations or visit our YouTube Channel to watch a recording and other informative videos at [youtube.com/laceryoutube](https://youtube.com/laceryoutube).

Are you ready to retire? Preparation is key. We recommend that you begin your retirement preparation as soon as possible, but at least four (4) to six (6) months in advance of

your planned retirement date to allow for ample time to gather all the necessary documents and information. However, if you are experiencing unusual circumstances such as a disability, a terminal illness, and/or an administrative proceeding, please contact us immediately.

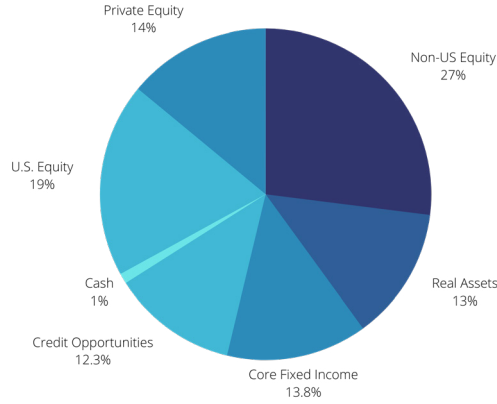
*\*Deferred Vested, Tier 1 Enhanced, and Tier 3 are not yet eligible to apply via the RAP.*

# Understanding Investment Reports: An Inside Look

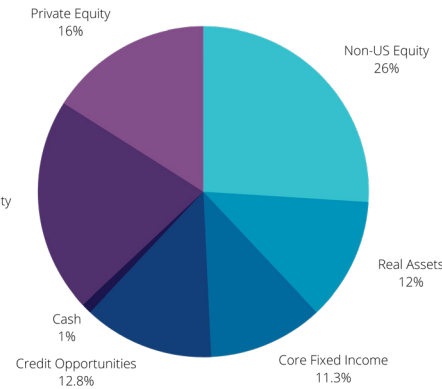
Reading and understanding investment reports can be challenging, complicated, and intimidating. At the encouragement of the Board, staff developed a set of reporting templates to help LACERS' members and stakeholders ease their interface with asset allocation and performance information. With simplicity in mind, we enable you to get to the information that is most important for your understanding of the strength and character of LACERS investment portfolio.

These new reports are updated monthly and posted on the LACERS website. Please [click on this link](#) to discover a new experience in reading financial reports.

**Previous Asset Allocation Policy  
Adopted April 10, 2018**



**New Asset Allocation Policy  
Adopted May 11, 2021**





Despite the backdrop of the COVID-19 pandemic and significant uncertainty in the markets, LACERS investment portfolio produced a 29.09% return (net of fees) for the fiscal year ending June 30, 2021, one of the highest returns on record for LACERS! In dollar terms, the total market value of the

portfolio grew from \$17.7 billion at the end of the previous fiscal year to \$22.6 billion as of June 30, 2021. Thanks to diversification across different types of investments, such as stocks, bonds, and private equity, the LACERS investment portfolio has been able to weather the challenges of the COVID-19 pandemic.

*"In dollar terms, the total market value of the portfolio grew from \$17.7 billion at the end of the previous fiscal year to \$22.6 billion as of June 30, 2021."*

To position the LACERS investment portfolio more effectively to meet investment objectives going forward, the Board approved a new strategic asset allocation policy on May 11, 2021. The new policy slightly increases the portfolio's exposure to public and private equities and reduces exposure to fixed income. These changes will be implemented over a five-year period via a series of interim policy targets and will help protect the portfolio against an anticipated rise in interest rates and inflation, which generally erode the value of fixed income securities. The new asset allocation policy will ensure that your hard-earned retirement benefits will continue to be delivered for many years to come.

## **DIVISION SPOTLIGHT:**

### ***Legal Processing Unit***

LACERS' Legal Processing Unit (LPU) in conjunction with the Los Angeles City Attorney's office support Members and other related parties with counseling and general legal information as it relates to your retirement benefit. Together they assist members with determining and disbursing community property as awarded by a court. LPU provides members with information concerning required legal documents and procedures, and upon request, generate community property estimates. LPU also reviews legal documents including Divorce Decrees, Trusts, Power of Attorney, Conservatorships, Guardianships, and wage assignments.

LPU counselors do not provide referrals to outside counsel nor do they provide recommendations or advice regarding a Member's legal course of action.

If you need additional information regarding any of the topics mentioned above, please contact our main office and ask to speak to a counselor in LPU.

## **Digitization to Help You!: Secure Document Upload**

LACERS is excited to offer the new Secure Document Upload feature on the homepage of our website. When you visit [lacers.org/secure-document-upload](https://lacers.org/secure-document-upload), you can safely and securely submit forms and documents electronically to LACERS. Each document will be routed to the corresponding LACERS unit depending on which option you select from the "Forms" dropdown menu.

This new option provides increased safety levels for your personal information and ease-of-access, as you can now upload documents from your computer or device and send them directly to LACERS staff instantaneously. With the USPS' recent announcement regarding the extended delivery times, it is advised that Members take advantage of this new feature to avoid delays in processing. Use LACERS' Secure Document Upload feature today!



## How Does Divorce Affect Your Retirement?

Members may not realize that a dissolution of their marriage or domestic partnership can have an impact on their LACERS retirement benefits. If you and your spouse or state-registered domestic partner decide to legally dissolve your marriage or partnership, you should consider the following potential effects.

A divorce can affect your retirement payment. Community Property laws may lead the courts to divide your LACERS' retirement account. Depending on what the court awards an ex-spouse or domestic partner, money could be removed from your account which results in a loss of years of service credit, or a portion of your retirement allowance could be designated to your ex-spouse/domestic partner. Either way, this means less money for you in retirement.

After a divorce, benefits that were previously available to your spouse or domestic partner may no longer be available. One of those benefits is a Continuance which is comprised of a portion of your retirement contributions and provides a lifetime payment to the surviving spouse/domestic partner after the death of the Member. However, for a spouse or domestic partner to be eligible for this benefit, Members must be married or have their domestic partnership registered with LACERS or the State at least one year prior to retirement, at the time of retirement, and at the time of the Member's passing. Members who retire single will have the option of refunding the contributions or applying it to their retirement payment for a slight increase.

If you are already divorced or have been divorced before, you must provide the dissolution for any and all prior marriages to LACERS during the retirement process. You should also check your beneficiaries with LACERS to ensure that your designations are current.



# Things to Consider if Retiring Early

Members who started working for the City very young may begin to think about taking an early retirement once they find they meet the requirements found at [lacers.org/eligibility](https://lacers.org/eligibility). However, there are several important points to consider before opting to take an early retirement.

**Early Reduction Factor:** Taking an early retirement requires that a reduction factor be applied to your retirement allowance calculation - the younger you are, the more significant that reduction will be.

**Duration:** It is a lifetime reduction and will not be recalculated for any reason.

**Health Coverage:** One of the requirements to be eligible for a LACERS health subsidy is to be at least age 55. Members who retire prior to age 55 will not be eligible to receive the health subsidy. Paying full price for a LACERS Health Plan before one turns age 55 can be very costly and should be considered before applying for an early retirement.

Do yourself a favor and run several retirement estimates in your MyLACERS account before you decide to apply for an early retirement. If you do not have an account or need assistance with running an estimate, please call our main office line.

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## Your Payroll Deductions After Retirement

Voluntary payroll deductions that are included on your regular paycheck will not automatically continue into retirement. Automatic deductions such as life insurance, charitable contributions, or court orders that need to continue after retirement must be reestablished where applicable. You should contact the company to determine whether you can continue the benefit, and to set up any deductions on your retirement payment if possible.

The default deductions that will continue into retirement will be your State and Federal taxes defined by the withholding elections you make during the retirement process and Medical or Dental deductions if you have any out-of-pocket cost not covered by your health subsidy.

For information on the most common retirement deductions and agencies, visit [lacers.org/paystub-codes-defined](https://lacers.org/paystub-codes-defined).



## THE LATEST :

### **Explore the LACERS YouTube Channel**

Information about your retirement is now more accessible than ever! Over the past year LACERS has continued to embrace the use of digital resources for our Members, including expanding our YouTube channel. The channel now holds over 50 videos about topics including the retirement process, service credit, legal planning, and much more.

Explore the channel today at [youtube.com/lacersyoutube](https://youtube.com/lacersyoutube), and make sure to subscribe. When you subscribe, you'll join over 800 other Members to be notified when new content is posted!

### **Join LACERS for Upcoming Planning for Retirement Webinars**

'Tis the season to learn about the retirement process and your benefits! There's no better time than the present to plan for your future. Attend a Planning for Retirement webinar, hosted by LACERS' Member Engagement team. You'll learn about retirement topics from the comfort of your own home.

For upcoming dates and to sign up, visit [lacers.org/attend-seminar](https://lacers.org/attend-seminar).



## LACERS Word Search

Try your hand at the LACERS Word Search!

Discover familiar terms and note the ones you may need to review. Words can go in any direction and can share letters as they cross over each other. Good luck!

D C U R O L A C E R S W E L L C E J  
 T S E R V I C E C R E D I T B F Y R  
 I N H S O A E O W J Z F O L G D C T  
 E O J A W T X B J L B B W T C B N I  
 R R E C I P R O C I T Y E Y C P H E  
 T L S W M V O J S Q X A T K T A M R  
 H E Y A S F S W W L W P L A J D N O  
 R C Y O P E N E N R O L L M E N T N  
 E E V H H E A L T H S U B S I D Y E  
 E X Z O I K R D M Y L A C E R S A L  
 K B E N E F I C I A R Y Y N D H O R  
 T T J D W L T G A K Y W G M K U E Z

- Beneficiary
- LacersWell
- Reciprocity
- TierThree
- FDBP
- MyLacers
- ServiceCredit
- HealthSubsidy
- OpenEnrollment
- TierOne

# LACERS NEWS

## STAFF

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- Gabriel Perez . . . . . Benefits Analyst
- Alex Valdivia . . . . . Benefits Analyst
- Claudia Batres-Flores . . . . . Benefits Analyst



## Enhance Your LACERS Membership by Signing up for MyLACERS

Have you activated your MyLACERS online portal account? When you claim your MyLACERS account, you not only reduce the risk for potential fraud involving your sensitive information, but you also gain access to your important LACERS membership details. Within your account, you will be able to see the beneficiaries you have on file, create retirement estimates (Tier 1 only), view and print your Member Statements, register for Planning for Retirement Seminars, Retirement Application Portal Demonstrations, and more.

### STEP 1

Request an enrollment PIN by visiting <https://mylacers.lacers.org> and clicking "Enroll Now" and then "Request a PIN," or by calling LACERS at (800) 779-8328. For security purposes, your PIN will be mailed to you.

### STEP 2

Once you receive your enrollment PIN in the mail, log onto <https://mylacers.lacers.org> and click the "Enroll Now" button in the middle of the screen.

### STEP 3

Complete the information on the screen and click "Enroll."

*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://LACERS.org)

### EMAIL:

[lacers.services@lacers.org](mailto:lacers.services@lacers.org)

[lacers.health@lacers.org](mailto:lacers.health@lacers.org)

### MAILING ADDRESS:

PO Box 512218  
Los Angeles, CA  
90051-0218

### VISIT:

202 W. First Street, Suite 500  
Los Angeles, CA 90012

*(Currently suspended due to COVID-19)*

### CALL:

(800) 779-8328

RTT (888) 349-3996

### FAX:

(213) 473-7297

*(Delayed processing due to COVID-19)*

### FACEBOOK:

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

### YOUTUBE:

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

