

### Tier 3 Chart

Features	Tier 3
<b>RETIREMENT BENEFITS</b>	
<b>Type of Plan</b>	Defined benefit plan for eligible Members hired on or after February 21, 2016.
<b>Member Contribution Rate</b>	Members contribute at a rate of 11%.  Note: No part of the Members' contribution is attributable to the ERIP obligations.
<b>City (Employer) Contribution Rate</b>	Actuarially defined based on active Member payroll.
<b>Vesting</b>	Five years of Continuous City Service.
<b>COLA</b>	Based on CPI; 2% maximum. No COLA bank.
<b>Final Average Compensation</b>	Annual compensation earnable during Member's last 36 months or any other consecutive 36 months that Member designates.
<b>Active Member Benefits – Retirement Formulas</b>	<p>Retirement allowance may not exceed 80% of final compensation.</p> <p><u>Normal Retirement</u> Age 60 or older and 10 years of Service (5 years must be Continuous Service):  1.5% X 36-month final average compensation X years of Service Credit</p> <p>Age 60 or older and 30 years of Service (5 years must be Continuous Service):  2% X 36-month final average compensation X years of Service Credit</p> <p><u>Enhanced Retirement</u> Age 63 and 10 years of Service (5 years must be Continuous Service):  2% X 36-month final average compensation X years of Service Credit</p> <p>Age 63 and 30 years of Service (5 years must be Continuous Service):  2.1% X 36-month final average compensation X years of Service Credit</p> <p><u>Early Retirement</u> Any age prior to age 60 and 30 years of Service (5 years must be Continuous Service):  2% X 36-month final average compensation X years of Service Credit X *early retirement adjustment factor</p> <p>*If the Member is age 55 or older at the date of retirement, his/her allowance shall not be subject to reduction on account of age. If the Member is younger than age 55 at the date of retirement, a reduction factor will be applied based on age.</p>
<b>Deferred Vested Member Benefits – Retirement Formulas</b>	<p>Retirement allowance may not exceed 80% of final compensation.</p> <p><u>Full Retirement</u> Age 60 or older with 5 years of Continuous Service and 10 years have elapsed since membership:</p>

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	<p>1.5% X 36-month final average compensation X years of Service Credit</p> <p>Age 70 or older with 5 years of Continuous Service:</p> <p>1.5% X 36-month final average compensation X years of Service Credit</p> <p>Age 60 or older with 30 years of Service (5 years must be Continuous Service) and 10 years have elapsed since membership:</p> <p>2% X 36-month final average compensation X years of Service Credit</p> <p>Age 63 or older with 10 years of Service (5 years must be Continuous Service) and 10 years have elapsed since membership:</p> <p>2% X 36-month final average compensation X years of Service Credit</p> <p>Age 63 or older with 30 years of Service (5 years must be Continuous Service) and 10 years have elapsed since membership:</p> <p>2.1% X 36-month final average compensation X years of Service Credit</p> <p><u>Early Retirement</u>        Age 55, prior to age 60, with 5 years Continuous Service and 10 years have elapsed since membership:</p> <p>1.5% X 36-month final average compensation X years of Service Credit X        *early retirement adjustment factor</p> <p>*Reduction factor will be applied based on age.</p>
<p><b>Eligibility for Retirement Benefits (Active Full-time Members)</b></p> <p><b>Note: Eligibility for Part-time Members may differ</b></p>	<p><u>Normal Retirement</u>        - Age 60 or older and 10 years of Service (5 years must be Continuous Service)</p> <p><u>Enhanced Retirement</u>        - Age 63 and 10 years of Service (5 years must be Continuous Service)</p> <p><u>Early Retirement</u>        - Any age prior to age 60 and 30 years of Service (5 years must be Continuous Service)        Reduction factor will be applied based on age.</p>
<p><b>Eligibility for Retirement Benefits (Deferred Vested Full-time Members)</b></p> <p><b>Note: Eligibility for Part-time Members may differ</b></p>	<p><u>Normal Retirement</u>        - Age 60 or older with 5 years of Continuous Service and 10 years have elapsed since membership</p> <p>- Age 70 or older with 5 years of Continuous Service</p> <p><u>Early Retirement</u>        - Age 55, prior to age 60, with 5 years Continuous Service and 10 years have elapsed since membership        Reduction factor will be applied based on age.</p>
<p><b>Disability Benefits</b></p>	<p>5 years of Continuous Service</p>

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	Retirement Allowance: 33.333% of final average compensation or 1/70 X Service Credit  Must apply within one year of the last day on active payroll (some exceptions apply).
<b>Death Benefits</b>	Survivor benefits are available for both duty and non-duty related deaths and will depend on the length of the Member's City Service.  <u>Active Death</u> Refund of contributions Family Death Benefit Program (FDBP) Limited Pension Optional Retirement Allowance Duty related death Service, Disability, or Deferred Survivorship  <u>Retired Death</u> Refund of contributions Optional Retirement Allowance Continuance to Spouse/Domestic Partner Funeral Expense Allowance: \$2,500, payable to one designated beneficiary  <u>Deferred Vested Death</u> Refund of contributions Optional Retirement Allowance Deferred or future retirement
<b>Service Credit Purchases/ Reciprocity</b>	Service Credit purchases and/or reciprocity may be possible.  - Back Contributions - Redeposit - Government Service Buyback - Reciprocity  Note: Tier 3 buyback calculations may differ from Tier 1 calculations. Certain limitations may apply.
<b>Community Property Payment Options</b>	In-Kind
<b>HEALTH BENEFITS</b>	
<b>Retiree Medical Plan Premium Subsidy Eligibility</b>	Minimum 10 whole years of Service required; AND  Retiree must be age 55; AND  Enrollment in Medicare Parts A and B to the extent eligible; AND  Must be enrolled in a LACERS medical plan or the Medical Premium Reimbursement Program.
<b>Maximum Retiree Medical Plan Premium Subsidy for those not eligible for Medicare</b>	\$1,580.08 for calendar year 2016.  LACERS shall adjust the maximum monthly amount of the medical plan premium subsidy provided to retirees to maintain a monthly amount equal to the Kaiser

<b>Features</b>	<b>Tier 3</b>
<b>Parts A and B</b>	two-party non-Medicare Part A and B premium. Eligible retirees shall have a vested right to the maximum medical plan premium subsidy as set by LACERS. All Tier 3 employees contribute towards the cost of this benefit.
<b>Retiree Medical Plan Premium Subsidy Formula for those not eligible for Medicare Parts A and B</b>	40% of maximum medical plan premium subsidy for 1-10 whole years of Service Credit;  4% for each additional whole year of Service Credit, up to 25 whole years total Service Credit for 100% of maximum medical plan premium subsidy;  If, after covering the retiree's own medical plan premium there is still subsidy left over, any remaining subsidy may be applied toward coverage of the retiree's eligible dependents on his/her medical plan.
<b>Retiree Medical Plan Premium Subsidy Formula for those eligible for Medicare Parts A and B</b>	For 1-14 years of Service Credit, 75% of the single-party Medicare plan premium.  For at least 15 years, but less than 20 years of Service Credit, 90% of the single-party Medicare plan premium.  For 20 or more years of Service Credit, 100% of the single-party Medicare plan premium.  Eligible to receive the same amount of subsidy toward dependent coverage as would a retiree with the same Health Service Credit enrolled in the corresponding non-Medicare medical plan. Does not apply to MPRP.
<b>Surviving Spouse/Domestic Partner Medical Plan Premium Subsidy Eligibility</b>	Survivor must receive a Continuance or Survivorship allowance from LACERS; AND  Retiree must have had a minimum of 10 whole years of Service; AND  Retiree's 55 <sup>th</sup> birthday must have passed; AND  Survivor must enroll in Medicare Parts A and B to the extent eligible; AND  Survivor must enroll in a LACERS medical plan or the Medical Premium Reimbursement Program.
<b>Maximum Eligible Surviving Spouse/Domestic Partner Medical Plan Premium Subsidy</b>	\$748.03 for calendar year 2016.  The maximum medical plan premium subsidy will be adjusted each year by Board resolution to an amount equal to the lowest-cost single-party plan for those not enrolled in Medicare Parts A and B.
<b>Eligible Surviving Spouse/Domestic Partner Medical Plan Premium Subsidy Formula for those not eligible for Medicare Parts A and B</b>	Based on retiree's years of Service Credit;  40% of maximum medical plan premium subsidy for 1-10 whole years of Service Credit;  4% for each additional whole year of Service Credit, up to 25 whole years total Service Credit for 100% of maximum medical plan premium subsidy;  Subsidy may not be applied toward dependent coverage.
<b>Eligible Surviving Spouse/Domestic Partner Medical Plan</b>	For 1-14 years of Service Credit, 75% of the single-party Medicare plan premium.

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<b>Premium Subsidy Formula for those enrolled in Medicare Parts A and B</b>	<p>For at least 15 years, but less than 20 years of Service Credit, 90% of the single-party Medicare plan premium.</p> <p>For 20 or more years of Service Credit, 100% of the single-party Medicare plan premium.</p> <p>Subsidy may not be applied toward dependent coverage.</p>
<b>Retiree Dental Plan Premium Subsidy Eligibility</b>	<p>Minimum 10 whole years of Service; AND</p> <p>Retiree must be age 55; AND</p> <p>Retiree is enrolled in a LACERS-sponsored dental plan.</p>
<b>Maximum Retiree Dental Plan Premium Subsidy</b>	<p>\$43.24 for plan year 2016.</p> <p>Dental subsidies are not provided for dependents or eligible Surviving Spouses/Domestic Partners.</p>
<b>Retiree Dental Plan Premium Subsidy Formula</b>	<p>40% of maximum dental plan premium subsidy for 1-10 whole years of Service Credit; OR 40% of the single-party cost of your dental plan, <u>whichever is less</u>.</p> <p>4% for each additional whole year of Service Credit, up to 25 whole years total Service Credit for 100% of the maximum dental plan premium subsidy.</p>
<b>Maximum Retiree Medicare Part B Reimbursement</b>	<p>Reimbursement of the <u>basic</u> Medicare Part B premium, available only to Retired Members enrolled in Medicare Parts A &amp; B and in a LACERS Senior Medical Plan or MPRP.</p>

*This chart is a general summary description of the main features of the benefits provided by the Los Angeles City Employees' Retirement System (the Plan), as set forth in the Los Angeles City Charter, the Los Angeles Administrative Code, and Internal Revenue Code. In the event of any discrepancies between this chart and the Plan, the Plan Provisions will prevail.*