



# **TIER 3 RETIREMENT BENEFITS SEMINAR**



# Attention

1. This presentation is intended to provide a summary of the benefits established by the Los Angeles City Charter, Los Angeles Administrative Code, and LACERS Board Rules (referred to as the Plan provisions). In the event of discrepancies in this presentation the Plan provisions will govern at all times.
2. Representatives of LACERS cannot offer financial, legal, or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.
3. This presentation is for **Tier 3 Members**. Tier 3 Members are LACERS Members hired on or after February 21, 2016.

*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 accommodations to ensure equal access to its programs, services and activities.*

# Topics to be Discussed

## First Half

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- LACERS Overview
- Service Explained
- Service Credit Purchases
- Retirement Eligibility and Allowance Calculation
- Taxes, SS, and COLAs

## Second Half

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- Leaving City Service Prior to Retirement
- Survivor Benefits
- Health & Dental Benefits
- Health & Dental Enrollment
- Medicare
- The Retirement Process

# LACERS Board of Administration

## 7 Members

LACERS is a Commission-Controlled Department

- (4) Members Appointed by the Mayor
  - (1) must be a Retired City Employee\*
- (2) Members elected by Active City Employees\*
- (1) Member is elected by Retired City Employees\*

\* Must be a LACERS Member

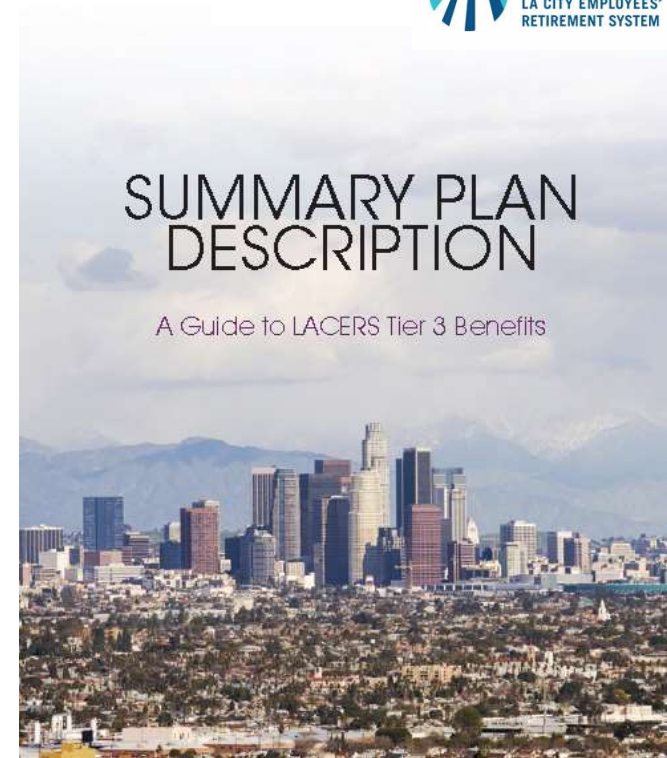
# Summary Plan Description

Your user's manual for your LACERS Retirement Plan

Topics covered:

- ✓ Retirement Eligibility
- ✓ Retirement Allowance Calculation
- ✓ Survivor benefits and more

Available 24/7 at [lacers.org](https://lacers.org)



## LACERS: A Defined Benefit Plan (401a)

**Defined Benefit Plans**, like LACERS, are professionally managed trust funds that provide specific benefits at retirement based on a formula

- ✓ **Offers lifetime benefits** to its Members who are vested (5 or more years of continuous service)
- ✓ The LACERS plan also may include cost of living adjustments



# LACERS Membership

## LACERS has Two Tiers

**Tier 1** Members were hired on or before February 20, 2016

**Tier 3** Members were hired on or after February 21, 2016



## LACERS Members are:

Non-sworn, non-DWP City of Los Angeles Employees

## Membership is Automatic

Once hired by the City and your employing department certifies you to the LACERS plan

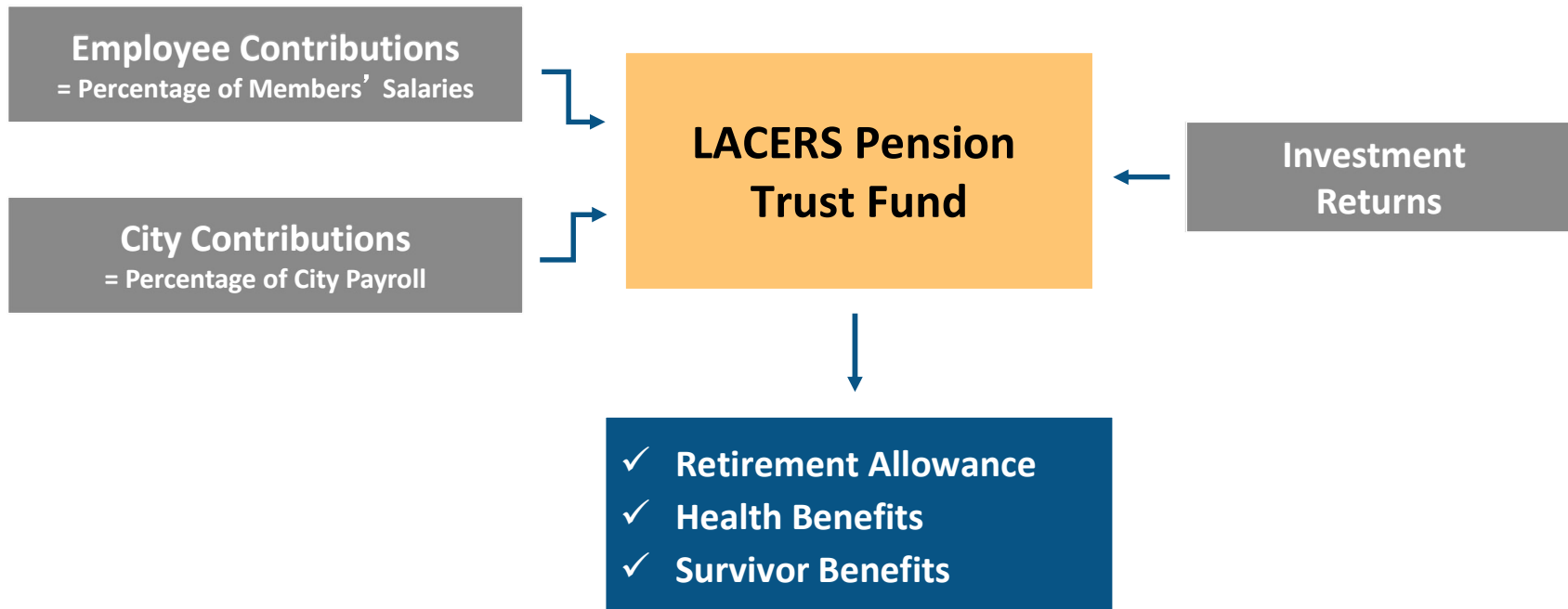


## Mandatory Contributions

All Members contribute **11%** of their gross salary bi-weekly, towards their retirement



# LACERS PENSION TRUST FUND





**02**

## **Service, Service Credit, & Continuous Service**

## Service vs. Service Credit

- **Full-time** employees receive 0.03835 years of Service Credit per pay period
- **Part-time** employees will be prorated based on the actual hours worked divided by 80 hours

### Service

Accounts for the **years** you've been a City employee contributing to LACERS



### Service Credit

Accounts for the **hours** you've worked as an Active LACERS Member



## Service vs. Service Credit Example

Liz works full-time (40-hour week) for 6 years.

Dan works half-time (20-hour week) for 6 years.

What is Liz's total Service? 6 years

What is Liz's total Service Credit? 6 years

What is Dan's total Service? 6 years

What is Dan's total Service Credit? 3 years



# What Each Term Helps Determine

## Service

Service helps determine your **retirement eligibility**:

- ✓ When you can retire
- ✓ If you can receive a health subsidy

## Service Credit

Service Credit helps determine **the amount** of your retirement allowance:

- ✓ How much you will receive on your monthly allowance
- ✓ How much health subsidy you receive towards your health plan premiums

# Continuous Service

## What is it?

- This is the sum of your uninterrupted City Service (with no break in service of more than 3 years).
- The service may be a combination of City employment service and governmental service purchased.



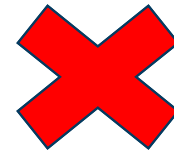
# Continuous Service Example



**4 Years Service**  
Break of 2 Years  
**5 Years Service**

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**9 Years Continuous Service**



**5 Years Service**  
Break of 4 Years  
**2 Years Service**

---

~~9 Years~~ **5 Years Continuous Service**

**\* Continuous Service is used to determine *retirement eligibility* ONLY.**

# Member Statement via MyLACERS

202 W. First Street, Suite 500  
Los Angeles, CA 90012-4401  
Mail Stop 175  
(800) 779-8228  
TDD (888) 349-3996  
Fax: (213) 687-4147  
www.lacers.org

**My LACERS**

Member Statement for **John Lacer Well**  
Statement Period: 05/15/2017 - 05/14/2018  
Statement Run Date: 05/14/2018

**MEMBER DEMOGRAPHIC INFORMATION**

SSN:<sup>1</sup> XXX-XX-1234      Marital Status:<sup>1</sup> Married  
DOB:<sup>1</sup> 01/01/1978      Spouse Name:  
Address:<sup>1</sup> 123 Main Street      Spouse DOB:  
Los Angeles, CA 90012      Marriage Date:  
Phone:<sup>1</sup> (213) 111-1111      Domestic Relations Order: Not on file  
Email:

<sup>1</sup> Corrections for Active Members must be made through your employing department.

**MEMBERSHIP INFORMATION**

Current Member Status: Active      Reciprocity: No  
Plan/Tier: Tier 1      DWP Service: No  
Membership Begin Date: 1/1/2014      Larger Annuity Participant: No  
FDBP Participant: No  
Service Purchase: No

**EMPLOYMENT INFORMATION**

Employee ID: 390983      Hire Date: 1/1/2014  
Department: LACERS      Termination Date:  
Biweekly Salary Last Reported: \$1,869.60      Date Last Reported: 04/28/2018

**RETIREMENT CONTRIBUTION INFORMATION**

Total Beginning Balance as of 05/15/2017	Pre-Tax Contributions During Statement Period	Post-Tax Contributions During Statement Period	Interest Earned During Statement Period	Total Ending Balance as of 05/14/2018
\$0.00	\$3,084.90	\$0.00	\$15.74	\$3,100.64

Your Online Gateway to Your LACERS Information : <https://MyLACERS.lacers.org>

- ✓ access real-time details about your retirement such as your service credit, beneficiaries on file, and more.
- ✓ send a confidential message
- ✓ schedule an appointment
- ✓ find out about and register for upcoming webinars and events.



**03**

## **Service Credit Purchases & Reciprocity**



# The Benefits of Service Credit Purchases



Purchasing service credit may:

- count toward your retirement eligibility
- increase your Retirement Allowance

# Service Credit Purchases: Re-Deposits

## What is it?

Allows current active Members who previously terminated City employment and withdrew their LACERS contributions to make a re-deposit and purchase Service Credit for prior membership.

## Who's Eligible?

An Active Member of LACERS, who:

- Withdrew their funds from LACERS after having separated from City Service; or
- Due to a divorce, their ex-spouse received a separate account with LACERS and subsequently withdrew the money from that account.

## How to Apply

Complete Section (A) of the *Application to Purchase Previous City Service*

# Service Credit Purchases: Back Contributions

## What is it?

Allows current active Members who were regularly employed by the City on a full/part-time, seasonal, or temporary basis and were not a LACERS Member to make the purchase of a Back Contribution.

## Who's Eligible?

An Active Member of LACERS, who:

- Was regularly employed by the City either full/part-time; and during that time, was not a LACERS Member or making contributions to LACERS; or
- Was regularly employed by the City and participating in the Pension Savings Plan; during that time, you were not a LACERS Member or making contributions to LACERS.

## How to Apply

Complete Section (B) of the *Application to Purchase Previous City Service*

# Service Credit Purchases: Government Service Buyback

## What is it?

Allows current active Members to purchase Service Credit for periods of:

- Full-time service with other Governmental Entities; or
- Uncompensated maternity leave with the City of Los Angeles

## Who's Eligible?

An Active Member of LACERS, who:

- Has at least six months of uninterrupted, full-time service with a single governmental entity; or
- Was on an uncompensated leave of absence from City Service for maternity reasons. Purchase can be a minimum of one whole month and a maximum of twelve months.

## How to Apply

Governmental Entities: Complete a *Certification of Service Form* or,  
 Maternity Leave: *Certificate of Uncompensated Maternity Leave Form*

## Service Credit Purchases: Reminders






- ✓ **Explore Service Credit Purchases early** to allow for the processing time
- ✓ Contracts must be completed prior to your retirement effective date
- ✓ Only Active City employees can purchase Service Credit

For additional information, please speak to a Buyback Representative at LACERS

# Reciprocity



<b>What is it</b>		An agreement among certain <b>California</b> public retirement systems allowing Members to move from one public employer to another within a specific time frame allowing some portability of retirement benefits.
<b>What are the benefits</b>		<ul style="list-style-type: none"><li>✓ Receive a retirement benefit from each system based on the Service Credit acquired with the agency and the benefit formula by that retirement system.</li><li>✓ Both retirement systems will calculate your benefits based on the highest salary you received, regardless of which agency it was paid by.</li></ul>
<b>Who is eligible</b>		Individuals who have worked for both LACERS and another California public retirement system (i.e. LACERA, CALPERS).

# Types of Reciprocity

## Full Reciprocity

Reciprocal Service is considered for vesting and your years of Service are combined from all reciprocal agencies for eligibility purposes.

*Transfer between the two agencies occurred on or after July 14, 1997.*

## Limited Reciprocity

You must vest on your own with each reciprocal agency to qualify for a benefit.

*Transfer between the two agencies occurred **prior** to July 14, 1997.*



# Rules of Reciprocity

To establish reciprocity you must:

1. Terminate from one reciprocal government entity and move to another within a six month period.
2. Leave your contributions and interest on deposit with each retirement system.
3. Apply for reciprocity and both retirement systems agree reciprocity exists.
4. Retire from both systems on the same date.

To apply: Fill out *Certification of Service* form, located at [lacers.org/forms](https://lacers.org/forms)





04

## **Retirement Eligibility & Allowance Calculation**

# Enhanced Service Retirement



## Enhanced Eligibility Requirements

- Age 63 or older with at least 10 years of City Service (Retirement Factor 2.0%) \*



or

- Age 63 or older with at least 30 years of City Service (Retirement Factor 2.1%) \*

*\*At least 5 years of Continuous Service must be from City employment (vesting), Service recognized under Reciprocity may apply.*

# Normal Service Retirement



## Normal Eligibility Requirements

- Age 60 or older with at least 10 years of City Service (Retirement Factor 1.5%) \*



or

- Age 60 or older with at least 30 years of City Service (Retirement Factor 2.0%) \*

*\*At least 5 years of Continuous Service must be from City employment (vesting), Service recognized under Reciprocity may apply.*

# Early Service Retirement



## Early Eligibility Requirements

- Any age prior to 60 with at least 30 years of City Service (Retirement Factor 2.0% \* and early retirement adjustment factor for your age) \*\*

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

*\*\*No health subsidy until age 55*




# Calculating Your Allowance

To calculate your Retirement Allowance, you will need:

- Your Final Compensation
- Your Total Service Credit
- LACERS Tier 3 Retirement Factor (1.5% - 2.1%)
- \* Early Retirement Reduction Factor for your age (if applicable)



# Understanding Final Compensation

<p>What is It</p>		<p>The monthly average of the highest 36 months of compensation earned by your classification</p>
<p>What's Included</p>		<ul style="list-style-type: none"> <li>▪ Base salary</li> </ul>
<p>What's NOT Included</p>		<ul style="list-style-type: none"> <li>▪ Overtime</li> <li>▪ Daily or non-regularly-assigned bonuses</li> <li>▪ Reimbursements and car or uniform allowances</li> <li>▪ Payments in lieu of benefits</li> <li>▪ Acting Pay</li> </ul>

# Retirement Allowance Formula

**Final Compensation**

**X**

**Service Credit**

**X**

**Retirement Factor**

**X**

**Early Retirement Factor (if applicable)**

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**Retirement Allowance**



# Early Retirement Reduction Factors

AGE	FACTOR	AGE	FACTOR
45	.625	50	.775
46	.655	51	.805
47	.685	52	.835
48	.715	53	.865
49	.745	54	.895



# Percent of Final Compensation

For each full year of Service Credit, you earn a percentage of your salary.

Service Credit		30 years
Retirement Factor (1.5 -2.1%)	x	.015- .021
<hr/>		
Percent of Final Compensation	=	45% - 63%



# Benefit Estimate: MyLACERS

1. Click on: Estimate a Benefit 2. Enter your: Separation and Retirement date 3. Click on: Generate

Step 1



**My LACERS**

202 W. First Street  
Suite 500  
Los Angeles, CA 90012-4401  
(800) 779-8328

**Estimate a Benefit**

Member Information  
Account Summary  
Service Detail  
My Contact Information  
Beneficiaries  
Estimate a Benefit  
Estimate History  
Service Purchases

Education  
Events  
Counseling

Communications  
Correspondence  
Forms  
Statements

Help  
Help Contents  
Contact Us  
Site Tour

LACERS Member - xxxx

You are eligible to receive retirement benefits as of the dates listed below. Make sure the Retirement Date you use for your estimate is a date when you will be eligible for retirement.

**Early Retirement:** 7/16/2045  
**Service Retirement:** 5/31/2046

**Benefit Options**

Separation Date: 7/15/2045  
Retirement Date: 7/16/2045  
Age: 54.13  
Add Additional Service Purchase: none  
Override FAMC: use projected  
[How is FAMC calculated?](#)

**Beneficiary**

Name:   
Relationship:   
Date of Birth:   
Include Spouse/DP:

**Step 2** →

**Step 3** → **Generate**

*Disclaimer If a more complex benefit estimate is needed, please contact LACERS at (800) 779-8328.*

# Disability Retirement

## Eligibility & Allowance

- ✓ 5 or more years of Continuous Service
- ✓ Generally 1/3 of your Final Compensation

## Disabling Condition

Doesn't have to be job related but it must prevent you from performing your regular job duties.

## Filing Period

Within one year of your last day on Active payroll. If you do not apply in time, you lose your eligibility for this benefit.

*\*If you have more than 15.4 years of Service Credit and are eligible for Normal Service Retirement Allowance, it may be larger than a Disability Retirement Allowance.*

# Your Retirement Contributions

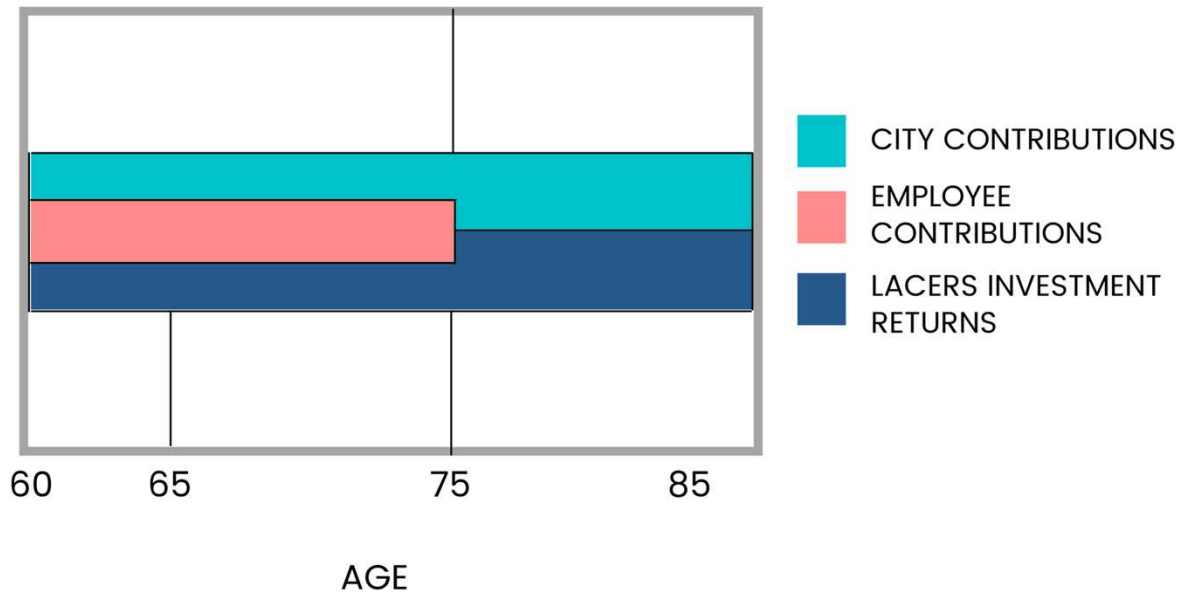
*Angelina*

SALARY: \$75,000

SERVICE CREDIT: 26 YEARS

RETIRED AT: AGE 60

CONTRIBUTIONS: \$100,000



# Allowance Options for Unused Contributions



## Cash Refund

After your death and the death of your spouse /domestic partner (receiving a continuance), your designated beneficiaries will receive what's left of YOUR unused contributions.

## Life Annuity

After your death and the death of your spouse/domestic partner (receiving a continuance), what's left of YOUR unused contributions will NOT go to a beneficiary. The increase you received when selecting this option does not provide you the right to leave any unused contributions to a beneficiary.

Your selection becomes irrevocable once your retirement date passes.

## Continuance Benefit

- A Continuance is a lifetime monthly benefit provided to a qualified beneficiary as the result of the death of a Retired Member.
- A portion of your retirement contributions (Survivor Contributions) is set aside to provide a 50% lifetime monthly Continuance benefit to your eligible Spouse/Domestic Partner.
- You may provide a larger Continuance, **but a lifetime *actuarial reduction will be applied.***



## Eligible Spouse or Domestic Partner\* Requirements

1

You are legally married or in a LACERS/State registered domestic partnership at least one year before retiring; **AND**

2

You are legally married or in a LACERS/State registered domestic partnership when you retire; **AND**

3

You are legally married or in a LACERS/State registered domestic partnership on the date of your death

*\*Domestic Partnership must be filed with LACERS or State Registered*

# Options for Single Members

If you are single when you retire, you will have the following options:

Lump Sum  
Payment

Take a one-time, lump sum cash payment of your survivor contributions;  
or

Higher  
Allowance

Apply these contributions to increase your Retirement Allowance; or

Elect a  
Continuance

Single Members may leave a Continuance to other persons, but a **lifetime** actuarial reduction will be applied that can drastically reduce your monthly allowance.






The background of the slide features a blurred image of a hand holding a pen over a document. A semi-transparent teal line graph is overlaid on the document, showing an upward trend with some fluctuations. The overall color palette is light and professional, with teal accents.

**05**

## **Taxes, COLAs, Social Security**

# Your Allowance is Taxable

<p><b>State Tax</b></p>		<p>Taxed according to the state you reside in while retired. If you don't reside in CA in retirement, you are not subject to CA state taxes. Resource: <a href="http://www.retirementliving.com/taxes-by-state">www.retirementliving.com/taxes-by-state</a></p>
<p><b>Federal Tax</b></p>		<p>Taxed based on all of your sources of income in retirement i.e. LACERS pension, outside 401k, Social Security benefit, combined.</p>
<p><b>Out of Country Tax</b></p>		<p>Federal taxes still apply. No state tax is applicable.</p>

## Cost-of-Living Adjustments (COLAs)

- ✓ Based on the Consumer Price Index (CPI) for the Los Angeles area
- ✓ May increase your Retirement Allowance a maximum of 2% per year





# Social Security

If you receive a Social Security retirement benefit, the Federal government may reduce it because of your LACERS Retirement Allowance that may trigger one of the following:

## Windfall Elimination Provision

- ✓ Impacts you, the Member
- ✓ [www.ssa.gov/benefits/retirement/planner/wep.html](http://www.ssa.gov/benefits/retirement/planner/wep.html)

## Government Pension Offset

- ✓ Impacts your Surviving Spouse
- ✓ [www.ssa.gov/policy/docs/program-explainers/government-pension-offset.html](http://www.ssa.gov/policy/docs/program-explainers/government-pension-offset.html)





**06**



## **Supplementing Your LACERS Allowance**

# Supplementing Your Income

## Your LACERS Retirement Allowance:

- Should be considered the foundation of your retirement financial planning **but,**
- It *may or may not* cover all your expected retirement expenses

**Make sure to put things in perspective and understand the real difference between your current take-home pay and your projected retirement income.**



# LACERS Larger Annuity Program

<b>What is it?</b>	An <b>optional</b> retirement or investment account that allows you to invest more money toward your retirement.
<b>How does it work?</b>	<ul style="list-style-type: none"> <li>▪ <b>Contribute post-tax monies:</b> <ul style="list-style-type: none"> <li>▪ Lump-sum contribution; or</li> <li>▪ Biweekly contribution; or</li> <li>▪ Rollover from other qualified retirement fund (Roth IRA rollovers are not permitted).</li> </ul> </li> <li>▪ <b>Invest based on:</b> <ul style="list-style-type: none"> <li>▪ The average five-year Treasury Note; or</li> <li>▪ The LACERS rate of return for publicly traded portion of the LACERS investment portfolio.</li> </ul> </li> <li>▪ <b>At time of retirement:</b> <ul style="list-style-type: none"> <li>▪ Convert funds into a lifetime monthly annuity that would be in addition to your retirement allowance.</li> </ul> </li> </ul>
<b>How to participate?</b>	Complete the Larger Annuity Initiation or Change of Contribution Amount.

# Deferred Compensation



## CITY OF *Los Angeles* DEFERRED COMPENSATION PLAN

- **Voluntary tax-advantaged governmental 457(b) plan that allows you to save pre-tax and/or post-tax portions of your salary now so you can enjoy it later in retirement.**
- **You decide how much to save, how to invest, and how to manage your taxes in retirement.**

Visit [www.la457.com](http://www.la457.com) for more information







**07**



## **Leaving City Service Prior to Retirement Eligibility**

## Transferring / Promoting to DWP

If you are planning to transfer or promote to DWP, explore how your retirement benefits may be impacted

Contact WPERP to determine what your benefits with them will be:

Phone: (213) 367-1712

E-mail: [Retire@ladwp.com](mailto:Retire@ladwp.com)



## **Leaving City Service** **Less Than 5 Years of Continuous Service**

### **Option 1**

**Leave your contributions on deposit with the Plan. Funds can remain on deposit until you reach age 73**

### **Option 2**

**Take a refund of your contributions and/or roll funds over into another qualified retirement plan**

## **Leaving City Service More Than 5 Years of Continuous Service**

### **Option 1**

**Take a refund of your contributions\* and/or roll funds over into another qualified retirement plan**

*\*If you take a refund of your contributions, you will be required to complete a Waiver of Benefits*

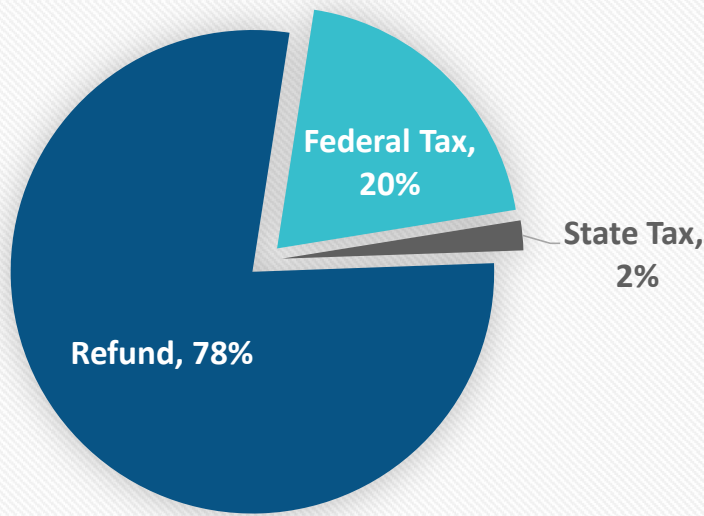
### **Option 2**

**Leave your contributions on deposit with the Plan until you are eligible for a Deferred Retirement**

# Refund of Contributions

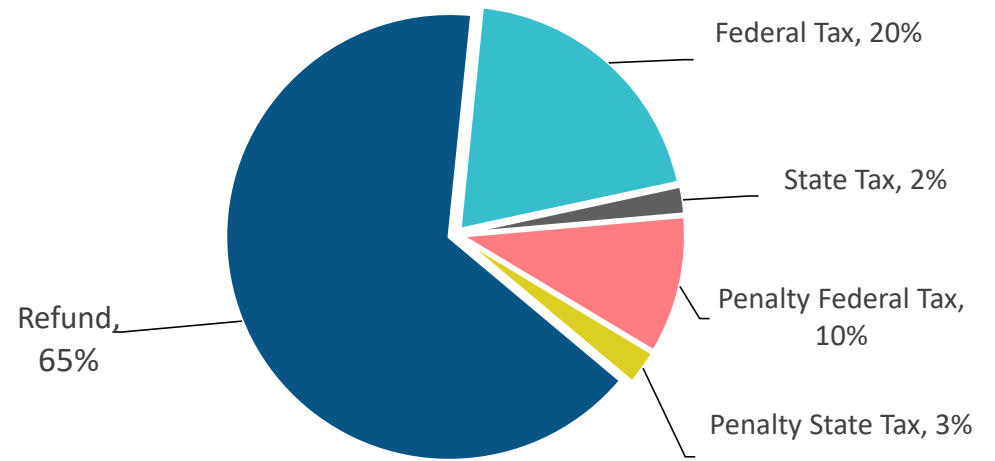
## Example Member Contributions: \$100,000

Distribution



■ Refund ■ Federal Tax ■ State Tax

Early Withdrawal Penalties  
Separation from City Service under Age 55



■ Refund ■ Federal Tax ■ State Tax ■ Penalty Federal Tax ■ Penalty State Tax



**08**

## **Survivor Benefits: Active & Retired**

## Survivor Benefits – Active Member



If you die **while working** for the City, there may be benefit options available to your survivors, depending on your:

- Years of Service & Service Credit
- Age
- Survivor's relationship to you
- Your designation of beneficiary(ies), if any

## Survivor Benefits : Retired Members




Upon your death **after retirement**, your designated beneficiary may be entitled to:

- A Continuance Benefit (if applicable)
- Health benefits for an eligible Survivor
- Any Unused Contributions (if applicable)
- \$2,500 Burial Allowance
- The accrued amount of your Retirement Allowance for the month of your death





# Survivor Benefit Options: Active Members

<p><b>Refund of Contributions</b></p>		<ul style="list-style-type: none"> <li>▪ A refund of contributions and interest only.</li> </ul>
<p><b>Limited Pension</b></p>		<ul style="list-style-type: none"> <li>▪ A monthly benefit equal to one-half of the deceased Member's average salary in the year before their death. Payments are based on the number of whole years worked by the Member. For each year, the Survivor may receive two payments. Maximum number of payments is 12.</li> </ul>
<p><b>Survivorship</b></p>		<ul style="list-style-type: none"> <li>▪ Spouse/DP must be eligible to receive all Member's contributions to receive this benefit.</li> <li>▪ A lifetime monthly allowance calculated as if the Member retired the day before death and selected a 100% Continuance benefit.</li> </ul>

# Survivor Benefit Options – Active Members

Years of Service/Service Credit	Survivor Benefit Options
<b>Less than one year</b> of Service Credit (non-duty-related death)	<ul style="list-style-type: none"> <li>▪ Refund of Contributions</li> </ul>
<b>At least 1 year</b> of Service Credit, <b>but less than 5 years</b> of Continuous Service (non-duty-related death)	<ul style="list-style-type: none"> <li>▪ Refund of Contributions and possible Limited Pension</li> </ul>
<b>Less than 5 years</b> of Continuous Service (duty-related death)	<ul style="list-style-type: none"> <li>▪ Disability Retirement Survivorship, or</li> <li>▪ Refund of Contributions and possible Limited Pension</li> </ul>
<b>5 Years or more</b> of Continuous Service	<ul style="list-style-type: none"> <li>▪ Deferred or Service Retirement Survivorship, or</li> <li>▪ Disability Retirement Survivorship, or</li> <li>▪ Refund of Contributions and possible Limited Pension</li> </ul>

# Domestic Partners Eligibility

For your Domestic Partner to be eligible for survivor benefits, your Domestic Partnership must be:

Filed with LACERS by submitting a Declaration of Domestic Partnership form available on LACERS.org;

- or -

Registered with the State of California



PRINT  
RESET

Mailing Address: PO Box 512218, Los Angeles, CA 90051-0218  
Visit LACERS at 202 W. First Street, Suite 500, Los Angeles, CA 90012  
[www.lacERS.org](http://www.lacERS.org) | [lacERS.services@lacERS.org](mailto:lacERS.services@lacERS.org) | Mail Stop 175  
(800) 779-8328 | Fax (213) 473-7297 | RTT (888) 349-3996

## DECLARATION OF DOMESTIC PARTNERSHIP - TIER 1

We, (Name) \_\_\_\_\_ and (Name) \_\_\_\_\_ declare:

1. We are each at least eighteen (18) years of age, or have met the requirements of Family Code Section 297.1; and
2. We have chosen to share one another's lives in an intimate and committed relationship of mutual caring; and
3. We are not related by blood to any degree that would bar marriage in the State of California; and
4. Neither of us is married to or legally separated from another person; and
5. Neither of us is currently in a domestic partnership with another person; and
6. We both have the capacity to freely and voluntarily enter into a domestic partnership.

We understand that our domestic partnership will terminate if any of the following occurs and that it is our responsibility to promptly file a Notice of Termination of Domestic Partnership with LACERS in the event:

- One of us gives, or sends by certified mail, to the other, a written notice terminating the partnership.
- One of us dies.
- One of us marries or enters into another domestic partnership with someone else.

We each declare that these representations are true, correct, and contain no material omissions of fact to the best of our knowledge.

We understand and comply with Page 2 of this document.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_, California.

Member's Signature and Information:

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security Number \_\_\_\_\_

Contact Telephone Number \_\_\_\_\_

Domestic Partner's Signature and Information:

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security Number \_\_\_\_\_

Contact Telephone Number \_\_\_\_\_

I'm also a Member of LACERS

Do you have a State Registered Domestic Partnership?  Yes  No

## Beneficiary Assignments: Important Reminders

- Keep your beneficiary information up to date so that, in the event of your death, benefits will be paid as you intended
- Designated beneficiaries remain in effect until you change them

If you do not choose a beneficiary or they predecease you or waive benefits, benefits will be paid in order of Succession:

1. Spouse or Registered Domestic Partner
2. Children
3. Parents
4. Your Estate



# Family Death Benefit Plan (FDBP)

## What is it?

This is a voluntary program designed to provide increased financial protections for the families of LACERS Members who die prior to retirement.

## How does it work?

Benefits are payable if a Member passes away while still an Active City Employee and is a participating contributor to FDBP.

## Who should consider enrolling?

Employees who are not nearing retirement and have young families or dependent parents.

## How much does it cost?

Each participant pays a monthly premium of \$1.90 or \$0.95 per pay period.

## Who's eligible?

All LACERS Members with at least 18 months of City Service may enroll.

## How do I enroll?

Complete the Election of Participate in Family Death Benefit Plan form, located at [lacers.org/forms](https://lacers.org/forms).

# FDBP: How to Enroll / Cancel



[lacers.org/family-death-benefit-plan](https://lacers.org/family-death-benefit-plan)

## Members

Secure Document Upload

Understanding Your Retirement —

Eligibility

Mentally Preparing for Retirement

Health Benefits

Summary Plan Description

Separating from City Service

**Family Death Benefit Plan**

Designating Beneficiaries

## Family Death Benefit Plan

The Family Death Benefit Plan (FDBP) is a voluntary program that provides a monthly financial benefit that may give your family increased financial protection should you die before retiring. An employee becomes eligible for membership for the FDBP after 18 months of City Service. The cost is only \$.95 per pay period.

- FDBP Information Sheet
- Election to Participate in Family Death Benefit Plan
- Cancellation of Election to Participate in FDBP Form



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## Medical and Dental Benefits

## Health Benefits Guide



### 2024 HEALTH BENEFITS GUIDE

- Your user's manual for your LACERS Health Benefits
- May be mailed to Retired Members annually during Open Enrollment period
- Soft copy posted on Retired Members page of LACERS website: [lacers.org/health-benefits-guide](https://lacers.org/health-benefits-guide)



# Medical and Dental: Enrollment Eligibility

## Who is eligible to enroll in LACERS Medical and Dental plans?

- ✓ You, as a Retired LACERS Member
- ✓ Your eligible dependent(s)
- ✓ An eligible survivor who receives a Continuance or Survivorship Allowance (e.g., qualified surviving spouse/domestic partner) and their dependent.

## Eligible Dependents

- ✓ Legal Spouse/Domestic Partner (Plan or state-registered)
- ✓ Dependent Child under age 26
  - ✓ *Unless eligible for medical coverage by their employer*
- ✓ Disabled child with a disability that occurred prior to age 26 and is unable to engage in gainful employment
- ✓ Grandchild under age 26 if Member is the legal guardian, has legal custody, or is the child of a dependent child



## Health Plan Subsidies

To be eligible for a subsidy, **you must:**

- ✓ Be at least age 55
- ✓ Be receiving a service or disability retirement benefit from LACERS
- ✓ Have a minimum of 10 whole years of Service
- ✓ Be enrolled in a LACERS-sponsored medical plan or be a participant in the Medical Premium Reimbursement Program (MPRP)

Service/ Service Credit*	% of Maximum Subsidy	2024 Subsidy Amount
10	40%	\$875.03
11	44%	\$962.54
12	48%	\$1,050.04
13	52%	\$1,137.54
14	56%	\$1,225.04
15	60%	\$1,312.55
16	64%	\$1,400.05
17	68%	\$1,487.55
18	72%	\$1,575.06
19	76%	\$1,662.56
20	80%	\$1,750.06
21	84%	\$1,837.57
22	88%	\$1,925.07
23	92%	\$2,012.57
24	96%	\$2,100.08
25+	100%	\$2,187.58

## Medical Subsidy

- Retired Members are eligible to receive 40% of the maximum subsidy with 10 years of Service
- For each additional whole year of Service Credit, members receive an additional 4%
- With 25 years of Service Credit, you are eligible to receive 100% of the maximum subsidy

## 2024 Dental Subsidy

Service/ Service Credit*	% of Maximum	Delta Dental PPO Subsidy Amount	DeltaCare USA DHMO Subsidy Amount
10	40%	\$17.17	\$6.04
11	44%	\$18.89	\$6.64
12	48%	\$20.61	\$7.25
13	52%	\$22.32	\$7.85
14	56%	\$24.04	\$8.46
15	60%	\$25.76	\$9.06
16	64%	\$27.48	\$9.66
17	68%	\$29.19	\$10.27
18	72%	\$30.91	\$10.87
19	76%	\$32.63	\$11.48
20	80%	\$34.34	\$12.08
21	84%	\$36.06	\$12.68
22	88%	\$37.78	\$13.29
23	92%	\$39.50	\$13.89
24	96%	\$41.21	\$14.50
25+	100%	\$42.93	\$15.10

# Dental Subsidy

To be eligible for a Dental subsidy, you must:

- ✓ Be at least age 55
- ✓ Have a minimum of 10 whole years of Service

**Note:** LACERS *does not* provide dental subsidies to dependents or eligible Survivors. But they may be enrolled and have their premiums deducted from your retirement allowance or their Continuance/Survivorship allowance, if an eligible survivor.

# Understanding Your Health Plan Deductions

Your monthly LACERS health plan deductions (out-of-pocket costs) depend on:

**01**

The monthly premium(s)  
of the plan(s) you choose

**02**

The number of  
dependents you enroll in  
your health plan(s) and  
your and your dependent's  
Medicare status\*

**03**

Your LACERS subsidies  
based on your service  
credit

# Medical Plan Options

## Health Maintenance Organizations (HMO)

- Kaiser Permanente
- Anthem Blue Cross

## Preferred Provider Organization (PPO)

- Anthem Blue Cross

## Medicare Advantage HMO Plans

- Kaiser Senior Advantage
- UnitedHealthcare Medicare Advantage
- Senior Care Action Network (SCAN Health Plan)

## Medicare Supplemental Plan

- Anthem Blue Cross Medicare Preferred PPO
- Anthem Blue Cross Life & Health Medicare Plan (Medicare Supp.)



# Medical Plans: Where You Live Matters

California*	Nevada and Arizona*	United States and Its Territories	Worldwide
<ul style="list-style-type: none"> <li>✓ Anthem Blue Cross HMO &amp; PPO</li> <li>✓ Kaiser Permanente HMO &amp; Kaiser Senior Advantage HMO</li> <li>✓ United Healthcare Medicare Advantage HMO</li> <li>✓ SCAN Health Plan (Medicare Advantage HMO)</li> <li>✓ Anthem Blue Cross Medicare Preferred PPO</li> <li>✓ Anthem Blue Cross Life &amp; Health Medicare Plan (Medicare Supp.)</li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>United Healthcare Medicare Advantage HMO</i></li> <li>✓ Anthem Blue Cross PPO</li> <li>✓ <i>Anthem Blue Cross Medicare Preferred PPO</i></li> <li>✓ <i>Anthem Blue Cross Life &amp; Health Medicare Plan (Medicare Supp.)</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Anthem Blue Cross PPO</li> <li>✓ <i>Anthem Blue Cross Medicare Preferred PPO</i></li> <li>✓ <i>Anthem Blue Cross Life &amp; Health Medicare Plan (Medicare Supp.)</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ Anthem Blue Cross PPO Out-of-Country Plan</li> </ul>

\*Not all areas of the state. Plans in **italics** are senior plans for Medicare-eligible retirees.



# Dental and Vision Plans

## Dental

### DeltaCare® USA (HMO)

*Available in California and select areas of Nevada*

### Delta Dental (PPO)

*Available Nationwide; Includes California and Out of Country*



## Vision

### Anthem Blue View Vision

- For Anthem Blue Cross members
- For UnitedHealthcare members
- For SCAN Health Plan members
- For Anthem Blue Cross Life & Health Medicare Plan (Medicare Supp.)

### Kaiser Permanente

- For Kaiser members



## When to Enroll in Medical & Dental Plans

- If you choose LACERS Retiree health coverage, you will enroll as part of the retirement process. Coverage begins the first of the month after your retirement date.
- Your Active City employee health benefits continue to the end of the month you retire.

*LACERS health plans are available to you if you need them but you are not required to enroll. If you do not enroll at the time of retirement, you may enroll during Open Enrollment or if you experience a Qualifying Event.*



## Health Enrollment at Retirement




- Enrollment in a LACERS retiree health plan is **not** automatic
- You may enroll in a LACERS health plan within **60 days** of your retirement effective date and coverage will begin on the first of the month following your retirement effective date
- If you do not enroll in a LACERS health plan at the time of retirement, you may enroll during Open Enrollment or if you experience a Qualifying Event

# Medical & Dental Enrollment: Qualifying Events

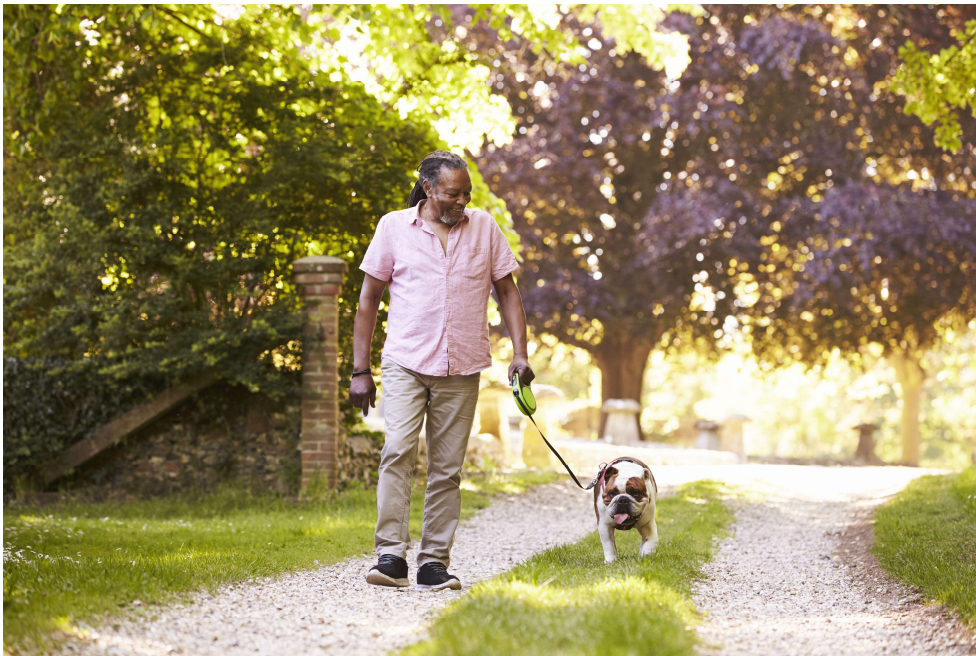
## You may enroll or change plans within:

- LACERS' Annual Open Enrollment period: **Oct. 16<sup>th</sup> - Nov. 16<sup>th</sup>**
- **60 days** of turning age 55
- **90 days** of turning age 65 (based on your Medicare eligibility)
- **30 days** of:
  - Moving (zip code/outside of service area)
  - Family status change (marriage, domestic partnership, birth/adoption of child)
  - Being involuntarily terminated from a non-LACERS medical plan
  - LACERS HMO plan zip code service area becoming available or unavailable

# Medical Premium Reimbursement Program (MPRP)

<p><b>What is it</b></p>		<p>Helps you pay the premium of your chosen plan with your LACERS medical subsidy</p>
<p><b>Who's Eligible</b></p>		<p><b>Retirees and Eligible Survivors who:</b></p> <ul style="list-style-type: none"> <li>▪ Reside more than three months of the year outside a LACERS California HMO service area or outside the state of California, but within the United States and its territories</li> <li>▪ Are eligible for a medical subsidy</li> <li>▪ Are not enrolled in a LACERS medical plan</li> </ul>
<p><b>How does it work</b></p>		<ul style="list-style-type: none"> <li>▪ <b>Enroll</b> in a federally-qualified or state regulated insurance plan</li> <li>▪ <b>Pay</b> your premiums directly to the provider</li> <li>▪ <b>Submit proof</b> of enrollment and payment to LACERS</li> <li>▪ <b>LACERS will reimburse</b> you quarterly up to the amount of your medical subsidy</li> <li>▪ You may also be reimbursed for vision insurance and Medicare Part D premiums if they are not part of the non-LACERS medical plan</li> </ul>

# Aging into Medicare



## What is Medicare?



Medicare is the federal insurance program for people who:

- ✓ Are age 65 or older; or
- ✓ Are disabled; or
- ✓ Have specific medical conditions.

## What is the LACERS Medicare Requirement?



At age 65 (or sooner if eligible for Medicare insurance), anyone enrolled in a LACERS medical plan **must enroll** in all parts of Medicare in which they are qualified

# When to Enroll into Medicare

## If you retire before age 65

- LACERS requests that you enroll three months prior to turning age 65
- LACERS will mail you an Age-In packet letting you know what you need to do

## If you are retiring after you've turned 65

- LACERS will assist you in enrolling during the retirement process with a Special Enrollment Form to give to Social Security to avoid late-enrollment penalties

***\*Important: If you are continuing to work for the City past age 65 and have medical coverage through Employee Benefits, you do not need to apply for Medicare until you retire\****

## Medical Subsidy Scale for Medicare Participants

- Your subsidy amount is calculated differently once you age into Medicare
- The maximum monthly subsidy amount will be based on your years of Service Credit and the one-party premium of the LACERS Senior plan in which you are enrolled

Service Credit	% of Maximum Subsidy
1-14	75% of one-party monthly premium
15-19	90% of one-party monthly premium
20+	100% of one-party monthly premium





## Required: Medicare Part B

All LACERS Retired Members & dependents, upon turning age 65, must enroll in Medicare Part B, which covers doctor visits, and provide proof of enrollment to LACERS

- Failure to enroll in Medicare Part B or pay your Part B monthly premiums on time will result in **termination** of your LACERS coverage and subsidy
- The basic Medicare Part B premium in 2024 is \$174.70 per month
- Consider enrolling in the Medicare Easy Pay Program: <https://www.medicare.gov/your-medicare-costs/ways-to-pay-part-a-part-b-premiums/medicare-easy-pay>

## Medicare Part A: Required if Free

If you are eligible for Medicare Part A *premium-free*, retired members and dependents *must* enroll in Medicare Part A

You may receive premium-free Part A:

- ✓ If you have 10 years of earnings history with Social Security outside of City employment, *or*
- ✓ If you started with the City after April 1, 1986, by paying FICA Medicare payroll taxes, *or*
- ✓ Through your spouse when they reach age 62 if they are eligible for Part A premium-free

## Not Eligible for Part A Premium-Free

If you do not qualify for Medicare Part A premium-free:

- ✓ Your LACERS medical plan will cover your hospitalization costs
- ✓ There is no change in the subsidy formula at age 65
- ✓ LACERS will not provide you a Part B premium reimbursement (*will be discussed on an upcoming slide*)

## Medicare A + B

LACERS will **reimburse** you, the Member, for the basic Medicare Part B premium if you are:

- ✓ Enrolled in Medicare Parts A & B ; and
- ✓ Enrolled in a LACERS Senior Plan or MPRP;  
and
- ✓ Receive a medical subsidy.

*\*LACERS does not reimburse dependents or Survivors for their Medicare Part B premium*





## Medicare Part D

- **DO NOT** enroll in a non-LACERS Medicare Part D plan separate from your LACERS Senior Plan  
*(Part D covers prescription drugs and LACERS plans include Medicare Part D)*
- Enrolling in a Medicare plan outside of LACERS will result in the *termination* of your LACERS medical coverage.
- You can only assign one medical plan to your Medicare.

# Income-Related Monthly Adjustment Amount (IRMAA)

You **may** be charged additional premiums for Medicare Parts B and D called IRMAAs.

You are responsible for paying these additional amounts to remain eligible for your LACERS Health benefits.

IRMAAs are determined annually by the income you reported to the Internal Revenue Service from your filing two years prior.

Examples:

- Your 2021 Tax Return determines 2023 IRMAA
- Your 2022 Tax Return determines 2024 IRMAA

2024 IRMAA Brackets:

- **If you are single** and your Modified Adjusted Gross Income (MAGI) is more than \$103,000 per year, or
- **If you are married** and file taxes jointly, and your MAGI is more than \$206,000

IRMAA brackets are available on the Social Security website at [ssa.gov](https://ssa.gov).

**LACERS does not reimburse these additional premiums.**



## LACERS WELL

Your Health Matters

**LACERS Well** is a free program that provides resources and activities for retirees that promotes optimal health and wellness to enhance the quality of life and retirement

### What's offered:

- Health and Wellness seminars and workshops
- Participation incentives and rewards
- Group activities – such as hikes, book clubs, museum trips

Visit [lacers.org/lacerswell](https://lacers.org/lacerswell) to find out more and to view a calendar of upcoming events



**10**

# **The Retirement Process**



# Retirement Application Portal (RAP)

[retire.lacers.org](https://retire.lacers.org)



This new, easy to use portal allows you to apply for retirement online!

- Upload and submit your required documents securely via the portal
- Sign application electronically
- Check your application status

...and more from the comfort of your home.

# Required Documents



- Marriage License or State Registered Domestic Partnership
- Birth Certificate or Passport\*
- Dissolution documents *for any and all* prior marriages or domestic partnerships
- Medicare card, if applicable\*
- State or Federal issued photo identification\*

\*Spouse/domestic partner must also provide these documents



LACERS will also require a W-9 form and an Affidavit of Identity form be completed.  
**IMPORTANT! Failure to upload these document will prevent you from submitting your application through the RAP and therefore delay your retirement date.**



## Required Documents Cont'd

- If you or your spouse/domestic partner have **birth date** or **name discrepancies** on documents, you may be required to provide additional documentation.
- **If your divorce is not finalized**, you will retire married unless the divorce is finalized prior to your retirement date.
- **Documents in a foreign language must be translated** or transcribed by a certified translator. Notarized copies are not acceptable.

## Specialized Counseling is Available

Speak to a retirement counselor at LACERS to make informed decisions if:

- You have a life threatening condition
- Have an urgent need to retire or need to resign for a refund of your contributions



## After Retirement: When to Contact LACERS

- ✓ If you move or change your contact information\*
- ✓ If you want to make beneficiary changes
- ✓ If you have a change in family status
- ✓ If you have issues with your Health Plans

*\*If your contact information is out of date and we are unable to reach you, LACERS may withhold your retirement allowance until the information is updated*



# After Retirement: How LACERS Communicates with You

- ✓ LACERS Retiree Newsletters
- ✓ LACERS Retiree Paycheck Flyers
- ✓ Health Plan Open Enrollment Meetings/Mailings
- ✓ LACERS.org
- ✓ LACERS YouTube Channel
- ✓ MyLACERS online account access
- ✓ LACERS Well Newsletters

**LACERS NEWS**  
RETIRED MEMBERS  
SPRING 2022

**IN THIS ISSUE**

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- CYBERSECURITY BEST PRACTICES – p.4
- WHAT IS CRYPTOCURRENCY? – p.5
- RECLAIM ADVENTURING THIS SEASON – p.6
- JOIN THE FUN! LACERS WELL & CHAMPION EVENTS – p.6
- SUBMIT AN ARTICLE FOR A CHANCE TO BE PUBLISHED – p.7
- UPDATE ON NEW LACERS HEADQUARTERS – p.7

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

As we learn how to navigate the impacts of the pandemic safely, I would like to encourage all our Members to get out, get social, and get active. The [LACERS Well](#) program has been hard at work, making sure there are fun activities and resources for you to utilize to stay mentally and physically fit. If we have learned anything from the pandemic, it is how vital both our health and our relationships are, so please take advantage of better weather and relaxed restrictions to explore somewhere new or get in touch with old friends.

The past few years have been marked by changes, and we are now facing another change due to rising costs. The spike in inflation from gas and groceries to services and rent affects us all, and I share your concerns about this increased cost of living. To that end, I am pleased to announce that your LACERS Board has approved the maximum allowed COLA increase for 2022. The Los Angeles area consumer price index was set at 3.8%, and as such, our Tier 1 and Tier 1 Enhanced Members who have been retired a full year before July 1, 2022, will receive the maximum 3% COLA, with a .8% held in their COLA bank. Increases will be included in the July retirement allowance payments. We are aware that this increase does not match the staggering rate of inflation but we do hope it provides some relief to you and your families.

Earlier in the year, the switch to a new health plan might have caused frustration. Some of our Members transitioned to the Anthem Medicare

## On Demand Benefit Information on LACERS YouTube

Make sure to subscribe to the official LACERS YouTube channel to view other informational videos and be notified when new content is available before anyone else!



[youtube.com/@lacersofficial](https://youtube.com/@lacersofficial)



# How to Contact LACERS



### CALL

(800) 779-8328  
RTT (888) 349-3996



### MAIL

LACERS  
P.O. Box 512218  
Los Angeles, CA 90051-0218



### EMAIL

Lacers.services@lacers.org  
Lacers.health@lacers.org



### WEBSITE

LACERS.org



### VISIT US

977 N. Broadway in Downtown Los Angeles' Chinatown  
8:00 a.m. to 4:00 p.m.



### YOUTUBE

Youtube.com/@lacersofficial