

Shuler

50th Annual Report

AND INFORMATION ABOUT
RETIREMENT, DISABILITY AND
DEATH BENEFITS
FOR LACERA MEMBERS



For the Year Ended
June 30, 1988

MEMBERS OF THE BOARD OF RETIREMENT

CHAIRMAN

ROBERT S. KENNARD, Department of the Assessor. Elected by general members. Present term expires December 31, 1990. Elected Chairman of the Board, January 6, 1988.

VICE CHAIRMAN

NORMAN R. SHAFFER, appointed by the Board of Supervisors. Present term expires December 31, 1989. Elected Vice Chairman of the Board, January 6, 1988.

SECRETARY

ROBERT STOTELMEYER, elected by retired members. Present term expires December 31, 1990. Elected Secretary of the Board, January 6, 1988.

MEMBERS

HOWARD L. CHAMBERS, appointed by the Board of Supervisors. Present term expires December 31, 1990.

DAVID COMMONS, appointed by the Board of Supervisors. Present term expires December 31, 1988.

CODY FERGUSON, Forester and Fire Warden's Department. Elected by safety members. Present term expires December 31, 1989. (Alternate)

J. CLIFFORD HERDMAN, appointed by the Board of Supervisors. Present term expires December 31, 1990.

ROBERT HERMANN, Sheriff's Department. Elected by safety members. Present term expires December 31, 1989.

SIMON S. RUSSIN, Health Services Department. Elected by general members. Present term expires December 31, 1988.

SANDRA R. TRACEY, County Treasurer and Tax Collector, appointed by the Board of Supervisors. Ex-officio member of the Board of Retirement.

MEMBERS OF THE BOARD OF INVESTMENTS

CHAIRMAN

NORMAN S. JOHNSON, elected by retired members. Present term expires December 31, 1990. Elected Chairman of the Board, January 13, 1988.

VICE CHAIRMAN

LEO B. BABICH, appointed by the Board of Supervisors. Present term expires December 31, 1988. Elected Vice Chairman of the Board, January 13, 1988.

SECRETARY

SANDRA R. TRACEY, County Treasurer and Tax Collector, appointed by the Board of Supervisors. Ex-officio member of the Board of Investments. Elected Secretary of the Board, January 13, 1988.

MEMBERS

BONDIE O. GAMBRELL, appointed by the Board of Supervisors. Present term expires December 31, 1990.

ROBERT HERMANN, Sheriff's Department. Elected by safety members. Present term expires December 31, 1989.

JACK M. NAGEL, appointed by the Board of Supervisors. Present term expires December 31, 1989.

ROBERT S. KENNARD, Department of the Assessor. Elected by general members. Present term expires December 31, 1988.

SIMON R. RUSSIN, Health Services Department. Elected by general members. Present term expires December 31, 1990.

J. LAWRENCE STONE, appointed by the Board of Supervisors. Present term expires December 31, 1990.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Charles L. Spencer
Retirement Administrator

TO ALL ACTIVE, DEFERRED AND RETIRED MEMBERS OF LACERA:

Dear Member:

On January 1, 1988, the Los Angeles County Employees Retirement Association (LACERA) celebrated its 50th Anniversary. LACERA was established in recognition of a public obligation to provide retirement benefits to County and District employees for their service in public employment, and has continued to provide excellent retirement benefits and services to its members and beneficiaries.

LACERA is constantly seeking ways to improve member services, and within the next two years expects to install a fully automated retirement system which will replace many outdated and manually operated systems.

In addition, LACERA's Retirement Services Division has reorganized into a "team approach" to enhance member services and will be expanding the scope and responsibilities of its employees to assist you in obtaining timely and accurate information about your many benefits.

In its original concept, the Annual Report provided only financial data, but in recent years it has been expanded to provide extensive benefit information. Improved member communications will also be a focal point for improving member services in the future, and we welcome your suggestions and ideas.

This booklet is designed to provide you with a "summary plan description" of the retirement, disability and death benefits available to you and your beneficiary through LACERA for the year ended June 30, 1988. It also contains a financial report of the Association and statistical information.

The County Employees Retirement Law makes all individual records of members confidential. Such records may not be disclosed to anyone other than the member, except in the administration of the law or upon order of a court of competent jurisdiction.

Information in this booklet is intended to be accurate, but whenever a statement herein conflicts with the law, the law shall prevail. Official decisions will be made only after reference to the official publication of the statutes and of any regulations which govern the administration of the Retirement Association.

Each member should carefully read the information contained in this booklet to understand the many benefits provided by law. Because the information cannot cover every individual situation, however, you are encouraged to contact retirement staff either by phone or in person if you have any questions pertaining to your individual benefits or if any of the information in this booklet requires further clarification.

BOARD OF RETIREMENT
BOARD OF INVESTMENTS

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SIGNIFICANT CHANGES SINCE THE LAST ANNUAL REPORT

- Composition of Boards inside front cover.
- New toll free number in the continental United States, this page and page 42.
- New safety member actuarial recommended rates for ages 18, 19 and 20, pages 10–11.
- Revised employer rates, page 16.
- Information about returning to membership for members who previously elected deferred retirement, page 19.
- Prior service credit—now available to all active members in Plan A, B, C and D regardless of date of hire, page 21.
- Recomputation of retirement allowance examples, pages 22–28.
- Updated Social Security tables for the Level Income Option and Plan E offset, pages 36–37.
- Revised definition for service-connected disability, page 38.
- Expanded information on disability retirement allowances, page 38.
- Taxability of California income tax, page 43.
- Information about insurance packet, page 45.
- New telephone numbers/addresses for insurance carriers, page 46.
- New address for legal service, page 47.
- Updated statistics, pages 48–49.
- Updated balance sheets and financial statements, pages 51–64.

For more information contact LACERA by writing or telephoning as follows:

Hall of Administration, Room 130
500 West Temple Street
Los Angeles, CA 90012
1-213-687-8040
Toll-free in the continental United States: 1-800-366-3875

GENERAL INFORMATION FOR ACTIVE MEMBERS

Introduction

The Los Angeles County Employees Retirement Association, hereinafter referred to as LACERA, is an independent entity established pursuant to the County Employees Retirement Law of 1937 (California Government Code Section 31450 et seq.) which administers a trust fund account designated as the employees retirement fund now totaling over \$7 billion. LACERA provides retirement, disability and death benefits to its active general members in Plan A, B, C & D and to its active safety members in Plan A and B. Retirement benefits only are provided to general members in Plan E. Disability and death benefits for active Plan E members are not provided through LACERA but are available through the Long-Term Disability and Survivor Benefit Plan provided by the County of Los Angeles and administered by the Long-Term Disability and Survivor Benefit Plan Section in the Chief Administrative Office. Continuances for eligible survivors of retired members are provided through LACERA for members of **all** retirement plans. The LACERA plans are known as **defined benefit plans** because the retirement allowances provided are based on the member's salary, length of service and age at retirement. While LACERA was established for the benefit of County employees, there are employees of other agencies that are also LACERA members. These agencies include the Little Lake Cemetery District, Local Agency Formation Commission, South Coast Air Quality Management District and the County Superintendent of Schools, although new employees of the latter two agencies now become members of retirement systems other than LACERA.

Management of LACERA

Except as otherwise delegated to the Board of Investments and except for the statutory duties of the County Treasurer, the management of LACERA is vested in the Board of Retirement. The Board of Retirement is composed of nine members and an alternate member as shown on the inside of the front cover of this booklet. The Board of Investments is also composed of nine members, as shown on the same page, and has exclusive control of the investment of the employees retirement fund. LACERA employs technical and clerical staff to handle the day-to-day operations involving the administration of benefits and accounting functions. LACERA is governed by the California Constitution, the County Employees Retirement Law of 1937, various other statutes, By-laws of the Boards of Retirement and Investments, and procedures and policies adopted by the Boards of Retirement and Investments. Moreover, the County Board of Supervisors may, as authorized by the Government Code, adopt resolutions which affect the benefits of LACERA members.

The expense of administering the retirement system is charged against the earnings of the retirement fund. LACERA collects, deposits, invests and manages retirement trust funds solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system; acts as fiduciary agent for the control and accounting of member and employer contributions and investment income; acts on the direction of the Boards of Retirement and Investments; and identifies, develops and advances legislation, rules and policies which promote the fiscal integrity of the system.

Types of Membership

There are two types of membership in LACERA: safety and general. Safety membership is applicable to appointees in law enforcement (includes Sheriff, Marshal and District Attorney Investigators), firefighting, forester and ocean and lake lifeguard classifications. General membership is applicable to all other appointees. Note: Safety membership has been available to all members in safety classifications who were not over the age of 35 (under 35½) at the time of entry into LACERA membership or as of the date when they became employed in a position, the principal duties of which consisted of active law enforcement, fire suppression, or ocean and lake lifeguard activities. In addition, those members who were over the age of 35 at the time of entry into LACERA membership, but who were safety members in a reciprocal retirement system and retained membership in that system, are also eligible for safety membership. As of January 1, 1987, the legal age limitation for safety membership was removed and, regardless of age, all persons appointed to three-quarter time or more permanent safety classifications are eligible for safety membership.

Membership Plans and Dates

There are two **safety** member plans. These are:

- **Plan A** for employees who became safety members prior to September 1, 1977.
- **Plan B** for employees who became safety members on or after September 1, 1977.

There are five **general** member plans. These are:

- **Plan A** for employees who became general members prior to September 1, 1977.
- **Plan B** for employees who became general members on or after September 1, 1977 through September 30, 1978.

- **Plan C** for employees who became general members on or after October 1, 1978 through May 31, 1979.
- **Plan D** for employees who became general members on or after June 1, 1979 through December 31, 1981 or were hired on January 1, 2 or 3, 1982; for employees who were hired on or after January 4, 1982 and who elected Plan D as their retirement plan; and for members who elected to transfer to Plan D during a transfer period approved by the Board of Supervisors and have completed the deposit of all required contributions.
- **Plan E** for employees who were hired on or after January 4, 1982 and who elected Plan E as their retirement plan; and for members who transferred to Plan E during a transfer period approved by the Board of Supervisors.

Membership Eligibility

Persons entering the employ of the County, districts or courts on a permanent basis of three-quarter time or more are eligible for membership in LACERA. Item designations which determine membership eligibility are A (monthly permanent, full-time), L (Department Head), N (monthly permanent, full-time; grant funded), Y (monthly permanent, $\frac{3}{4}$ time), and Z (monthly permanent, $\frac{4}{5}$ time). Employees are excluded from membership in a retirement plan if they are classified as temporary, seasonal, intermittent, part-time or less than three-quarter time permanent.

Effective Date of Membership/Plan Election

Persons entering the employ of the County, districts or courts on a permanent basis of three-quarter time or more become members of LACERA on the following effective dates based on type of membership:

Safety employees:

- On the first day of the calendar month following appointment regardless of the date hired.

General employees:

- On the first day of the calendar month following appointment if hired on or before January 3, 1982.
- On the first day of the calendar month following the election of a retirement plan if hired on or after January 4, 1982.

Note: **As a condition of employment, general employees must make an election of a retirement plan within 60 days after becoming eligible for membership.** An employee may elect Plan D (a contributory plan) or Plan E (a non-contributory plan). Such election is made by circling 'D' or 'E' and signing your name on a Sworn Statement card made available by your employer.

Elective Officers become members of LACERA on the first day of the calendar month following the filing of a declaration with the Board of Retirement to become a member.

Highlights of Contributory and Non-Contributory Plans

LACERA offers two types of plans: contributory and non-contributory. Further information on the various benefits of the plans is provided throughout this booklet; plan highlights of the two types, however, are as follows:

Contributory Plans:

- There are six contributory plans: four are general member plans (Plans A, B, C & D) and two are safety member plans (Plans A & B).
- Vesting occurs after a member has accumulated five years of retirement service credit.
- Members may retire at age 50, provided they have at least ten years of retirement service credit, other than public service, or provided they are vested and ten years has passed since their membership entry date.
- Contributions are made by the member and credited to the member's account. Interest is credited to the accounts twice each year. For tax treatment, member contributions are made by the employer, thereby reducing the taxable income of members. Contributions may be withdrawn by the member only upon termination of service.
- Members are eligible to purchase and receive credit for County service prior to membership.
- Members are eligible to purchase and receive credit for public service prior to membership only if they meet the criteria as described under the section on PLAN A CREDIT FOR PREVIOUS PUBLIC OR PRIOR SERVICE, Page 20.
- Members are eligible for disability retirement through LACERA and for benefits under the Long-Term Disability and Survivor Benefit Plan through the County of Los Angeles.
- Cost-of-living increases after retirement are granted effective each April 1 to a maximum of 3% (Plan A) or 2% (Plans B, C or D) based on the Consumer Price Index as of the preceding January 1.
- There are survivor benefits for eligible surviving spouses/children of members who die either before retirement or after retirement.
- Medical and dental/vision insurance benefits are available to retired members/surviving spouses.
- The County provides \$2,000 of life insurance.

Non-Contributory Plan:

- There is only one non-contributory plan, Plan E, which is for general members only.
- Vesting occurs after a member has accumulated ten years of retirement service credit.
- Members may retire at age 55 provided they have at least ten years of retirement service credit, other than public service.
- No contributions are made by the member.

- New Plan E members are not eligible to receive credit for County service prior to membership, but members who transferred to Plan E from a contributory plan are eligible to receive credit for County service prior to membership.
- New Plan E members are not eligible to receive credit for public or prior service, prior to membership, but members who transferred to Plan E from a contributory plan are eligible to receive credit for such service which they would have been eligible to purchase had they not elected to transfer to Plan E with the exception of prior service as defined in the amended by-laws adopted in January 1988 (see Page 21).
- Members are not eligible for disability retirement through LACERA but only for benefits under the Long-Term Disability and Survivor Benefit Plan through the County of Los Angeles.
- There are no cost-of-living increases after retirement.
- There are survivor benefits for surviving spouses/children of members who die after retirement only.
- Medical and dental/vision insurance benefits are available to retired members/surviving spouses.
- The County provides \$10,000 of life insurance.

Consequences of Plan Election and Transfer /Redeposit of Contributions

There are important consequences involved in the election of a retirement plan, the transfer between plans and the redeposit of contributions. These consequences are detailed below:

Eligible employees in general membership classifications do not become members until the first of the month following the election of a retirement plan. An employee receives no retirement service credit until becoming a member so it is important to make an election of a plan as soon as possible after becoming eligible for membership.

Employees holding positions in County or district service prior to membership which excluded them from membership, as described under the section on MEMBERSHIP ELIGIBILITY, Page 6 and who subsequently become members, may purchase credit for all such service prior to the date of becoming eligible for membership if they elect Plan D (the contributory plan), or if they become safety members. If the excluded but now eligible employees elect Plan E (the non-contributory plan), however, no County or district service credit will be given prior to the effective date of membership.

Members who terminate service and later return to service in general membership classifications may elect either Plan D or Plan E, regardless of the plan they were in prior to the date of termination; for example, members who were previously in Plan D may elect Plan E and vice versa. Members who were previously **vested** under Plan E and elect Plan E again will continue to accrue credit under Plan E.

General members who elected to transfer from a contributory plan to Plan E, who terminate service and later return to service, may elect either Plan D or Plan E, but they cannot redeposit contributions which were refunded when they transferred to Plan E and be reinstated to their previous contributory plan nor may they receive credit for that prior service regardless of the plan they elect, unless as noted above, they were previously vested under Plan E and elect Plan E.

General members who elected to transfer from Plan E to Plan D are eligible to receive credit under Plan D only for that service which they were eligible to receive under Plan E. They may not be reinstated to a contributory plan other than Plan D even though they may have previously been in such a contributory plan, for example, Plan A, B or C, prior to their transfer to Plan E.

Current members of LACERA in contributory plans, who terminated a prior period of membership service other than Plan E and elected to withdraw their accumulated contributions/interest, may now redeposit those contributions, plus accrued interest, and be reinstated to their previous retirement plan. For example, a former Plan A member who terminated service and withdrew his contributions, who returned to service and is now a Plan B, C or D member, may redeposit those withdrawn contributions, plus accrued interest, and be reinstated to Plan A. The reinstated member is also eligible to a refund of any excess contributions made during the time the member was in Plan B, C or D. In addition, if that prior period of membership overlapped a period in which a member would have been eligible to receive credit for public or prior service, the member who redeposits previously withdrawn contributions may now elect to receive credit for such public or prior service as described under the section on PLAN A CREDIT FOR PREVIOUS PUBLIC OR PRIOR SERVICE, Page 20.

There are additional consequences of plan election relating to a member's eligibility for disability retirement and for survivor benefits which are covered in detail in later sections of this booklet.

Member Retirement Contributions

All retirement plans, except Plan E, are contributory plans. Members in all plans, except Plan E, are required to make monthly retirement contributions through payroll deductions which are credited to their individual accounts. Several employers, however, have negotiated with their employees to pay a portion of the employees' contributions. The rate of contribution for members is based on age at the nearest birthday at the time of entrance into LACERA (see Tables 1–6 on Pages 10–15). A retirement contribution is calculated by multiplying the applicable percentage rate times gross salary, excluding shift differentials, overtime and flat rate bonuses. For example, the contribution for a 25-year-old person entering membership in Plan D who is earning a monthly salary of \$1,200.00 would be 6.73% (from Table 6,

Page 15) times \$1,200.00 equals \$80.76. (LACERA members who were, or are, covered by Social Security made, or make, reduced retirement contributions. To compute the contribution for periods covered by Social Security for Plan A, B or C members, subtract \$116.67 from gross salary before multiplying by the contribution rate; for Plan D members, subtract \$350 from gross salary before multiplying by the contribution rate. This formula for Plan D members applies only if monthly salary equals or exceeds \$1,050. If less than \$1,050, contact LACERA for the appropriate formula.)

While contribution rates may increase or decrease based on actuarial studies, a member's current rate is always based on age at entry. For example, if you are now a 50-year-old who entered LACERA at age 25 in Plan A, your current rate would be 4.14%, based on your entry age of 25 (from Table 3, Page 12). Contributions are discontinued for a person who was a member on March 7, 1973 and remained in membership continuously until credited with 30 years of service. Service credit for eligible County or public service prior to membership and purchased by the member counts towards the 30 years. Persons entering membership in a contributory plan after the above date will make contributions for as long as they are in active service.

Member contributions earn interest which is posted to a member's account on June 30 and December 31. The current annual rate of interest is 8%. A financial statement showing contributions and interest is issued to each LACERA member in a contributory plan approximately three months after the close of the fiscal year ending June 30. These statements show the member's taxable and non-taxable contributions plus the interest which has been credited to the member's account. "Taxable" contributions refers to those contributions on which the member was not taxed at the time the contributions were made and which, therefore, would be taxable upon withdrawal or retirement. "Non-taxable" contributions refers to those contributions on which the member paid taxes at the time the contributions were made and which, therefore, would not be taxable upon withdrawal or retirement. The Auditor-Controller reports the "taxable" contributions made by a member as "deferred retirement contributions" on the annual W-2 issued at year end.

Contributions may not be withdrawn by a member before termination of employment and loans may not be made against the contributions in a member's account.

Employer Retirement Contributions

Employers of LACERA members make contributions for members in all retirement plans as shown on Table 7, Page 16. The employer contribution rate is applied to the member's full base salary. Employer contributions are credited to the County Advance Reserves and are not refundable to either the employee or the employer upon termination of a member.

Taxation of Retirement Contributions

Contributions made before August 1, 1983 were included in a member's gross wages and were, therefore, subject to being taxed. Effective August 1, 1983, the County Board of Supervisors adopted an ordinance implementing the provisions of Section 414 (h) (2) of the Internal Revenue Code concerning the tax treatment of employee contributions paid by the County on behalf of affected employees. Pursuant to this section, contributions to a pension plan, although designated under the plan as employee contributions, when paid by the employer in lieu of contributions by the employee, under circumstances in which the employee does not have the option of choosing to receive the contributed amounts directly instead of having them paid by the employer, may be excluded from the gross income of the employee until these amounts are distributed or made available to the employee.

The effect of the ordinance is to reduce a member's taxable income. The County makes employee contributions on behalf of its employees and reduces their wages by the amount of the employee contributions made by the employer. Such contributions are treated as employer contributions in determining tax treatment under the Internal Revenue Code; for all purposes other than taxation, contributions are treated exactly like they were prior to August 1, 1983. Contributions made through the payroll process on or after August 1, 1983 which may be treated this way include the member's "normal contributions" which are computed as a percentage of gross salary, "other contributions" which are made to receive credit for eligible previous County or public service and "back retirement contributions" which are made to receive credit for a period of service for which contributions were not taken.

All of these contributions are shown as deferred retirement contributions on the employee's W-2 issued by the Auditor-Controller at year end and on the employee's warrant/direct deposit stub. Auditor-Controller codes designating whether retirement contributions are taxed or tax deferred, are shown on Table 8, Page 16. LACERA reports contributions made after August 1, 1983 as "taxable" contributions on the annual financial statement since they would be taxable upon withdrawal or retirement while contributions made before August 1, 1983 are shown as "non-taxable contributions" since they would not be taxable upon withdrawal or retirement. Employee contributions which are deducted from any type of pay which was not taxable are posted to the member's non-taxable contributions and would be shown on the warrant/direct deposit stub under a taxed rather than a tax-deferred code.

Social Security Coverage/Medicare Coverage

Employees who became general members in LACERA or became eligible for membership in LACERA on or after June 1, 1964, and all employees who elected Social Security coverage in May 1964 were covered under Social Security. Old age, survivor, and disability insurance benefits provided through the Social Security system are payable to those members when they meet the eligibility requirements for those benefits. Questions concerning eligibility for these benefits should be directed to your nearest Social Security office. The County of Los Angeles withdrew its employees from the Social Security system effective January 1, 1983, but employees of the Little Lake Cemetery District and the South Coast Air Quality Management District are still covered by Social Security.

On April 7, 1986 Congress signed into law an act which mandates that all State and local government employees hired after March 31, 1986 participate in Medicare.

Beneficiary Designation

The name and relationship of a beneficiary is given by each member upon entry into LACERA. A married member normally names the spouse as beneficiary because of the community property laws of California and the survivorship benefits available to a spouse in the event of the member's death. The person named as beneficiary may be changed at any time. However, the rights of a spouse — or minor unmarried child, if the member had no spouse — will supersede the rights of any beneficiary named by the member should the member die before retirement.

Beneficiary statements are sent annually to all active and deferred members in a contributory plan along with the annual financial statement. Beneficiary changes for members in a contributory plan may be made on these beneficiary statements which are sent to the members or on forms which are available at departmental and payroll offices or from LACERA. **Beneficiary designations should be kept current!** Changes in beneficiary designations should also be made with the County Employee Insurance Section and with the appropriate payroll office. A change in one of these does not automatically change the other two. Beneficiary statements are not sent to Plan E members since survivor benefits for them are handled by the Long-Term Disability Office and not LACERA.

At the time of retirement all members will again be asked to designate their beneficiary to insure that it is current.

Reciprocity

Reciprocity is the special relationship that exists between "reciprocal" retirement systems. It is intended to encourage career public service by granting retirement benefits to members which have been derived from service credit earned in two or more reciprocal public retirement systems. Reciprocity provisions also define the financial obligations of each system. Reciprocity applies to persons entering LACERA from a reciprocal retirement system or leaving LACERA to enter a reciprocal retirement system if such entry is made within 180 days after leaving the reciprocal system. Members who withdraw their retirement contributions give up the right to reciprocity but, under some circumstances, are eligible to re-establish reciprocity. Please refer to the section on DEFERRED/VESTED RECIPROCAL RETIREMENT BENEFITS, Page 18 for additional information on reciprocity.

Combined General and Safety Service

Members who have earned service credit as both general and safety members in LACERA will receive one retirement allowance payment after retirement. Service credit in each type of membership will be used in computing the benefits and the benefits will be added together to determine the total retirement allowance payable.

Transfers Between Retirement Plans

Effective upon the adoption of a resolution by the Board of Supervisors, general members in Plan A, B, C or D may elect to transfer to Plan E and Plan E members may elect to transfer to Plan D. Transfer is made by election upon proper application executed by the member and filed with the Board of Retirement on or before the last day of the period specified in the resolution. Such resolutions may be adopted only after there has been agreement between employer and employee representatives and they have ratified the necessary Memorandum of Understanding.

Table 1

SAFETY MEMBERS—PLAN A
MEMBER RATES OF CONTRIBUTION BY PAYROLL DEDUCTION
PERCENTAGE OF BASE SALARY

(Based on Nearest Year of Age at Membership)

| <u>Age</u> | <u>Negotiated County Rate*</u> | <u>Actuarial Recommended Rate*</u> |
|------------|------------------------------------|--|
| 18 | — % | 7.91% |
| 19 | — | 7.99 |
| 20 | — | 8.07 |
| 21 | 6.25 | 8.15 |
| 22 | 6.37 | 8.24 |
| 23 | 6.46 | 8.32 |
| 24 | 6.56 | 8.40 |
| 25 | 6.68 | 8.49 |
| 26 | 6.79 | 8.58 |
| 27 | 6.90 | 8.66 |
| 28 | 7.03 | 8.75 |
| 29 | 7.16 | 8.84 |
| 30 | 7.29 | 8.93 |
| 31 | 7.41 | 9.01 |
| 32 | 7.56 | 9.10 |
| 33 | 7.69 | 9.19 |
| 34 | 7.84 | 9.28 |
| 35 | 7.99 | 9.38 |
| 36 | 9.47 | 9.47 |
| 37 | 9.56 | 9.56 |
| 38 | 9.65 | 9.65 |
| 39 | 9.75 | 9.75 |
| 40 | 9.84 | 9.84 |
| 41 | 9.94 | 9.94 |
| 42 | 10.03 | 10.03 |
| 43 | 10.13 | 10.13 |
| 44 | 10.23 | 10.23 |
| 45 | 10.32 | 10.32 |
| 46 | 10.42 | 10.42 |
| 47 | 10.52 | 10.52 |
| 48 | 10.62 | 10.62 |
| 49 & over | 10.72 | 10.72 |

*Actuarial recommended rates for ages 18, 19 and 20 were adopted to become effective September 1, 1988; negotiated rates for these ages had not been established as of the printing of this booklet.

Table 2

SAFETY MEMBERS—PLAN B
MEMBER RATES OF CONTRIBUTION BY PAYROLL DEDUCTION
PERCENTAGE OF BASE SALARY

(Based on Nearest Year of Age at Membership)

| <u>Age</u> | <u>Negotiated County Rate*</u> | <u>Actuarial Recommended Rate*</u> |
|------------|------------------------------------|--|
| 18 | — % | 9.90% |
| 19 | — | 10.00 |
| 20 | — | 10.11 |
| 21 | 10.02 | 10.21 |
| 22 | 10.17 | 10.31 |
| 23 | 10.35 | 10.42 |
| 24 | 10.52 | 10.52 |
| 25 | 10.63 | 10.63 |
| 26 | 10.74 | 10.74 |
| 27 | 10.85 | 10.85 |
| 28 | 10.96 | 10.96 |
| 29 | 11.07 | 11.07 |
| 30 | 11.18 | 11.18 |
| 31 | 11.29 | 11.29 |
| 32 | 11.40 | 11.40 |
| 33 | 11.51 | 11.51 |
| 34 | 11.63 | 11.63 |
| 35 | 11.74 | 11.74 |
| 36 | 11.86 | 11.86 |
| 37 | 11.97 | 11.97 |
| 38 | 12.09 | 12.09 |
| 39 | 12.21 | 12.21 |
| 40 | 12.33 | 12.33 |
| 41 | 12.44 | 12.44 |
| 42 | 12.56 | 12.56 |
| 43 | 12.69 | 12.69 |
| 44 | 12.81 | 12.81 |
| 45 | 12.93 | 12.93 |
| 46 | 13.05 | 13.05 |
| 47 | 13.18 | 13.18 |
| 48 | 13.30 | 13.30 |
| 49 & over | 13.43 | 13.43 |

*Actuarial recommended rates for ages 18, 19 and 20 were adopted to become effective September 1, 1988; negotiated rates for these ages had not been established as of the printing of this booklet.

Table 3

GENERAL MEMBERS — PLAN A
MEMBER RATES OF CONTRIBUTION BY PAYROLL DEDUCTION
PERCENTAGE OF BASE SALARY

(Based on Nearest Year of Age at Membership)

| <u>Age</u> | <u>Negotiated County Rate</u> | <u>Actuarial Recommended Rate</u> | <u>Negotiated SCAQMD Rate*</u> |
|------------|-----------------------------------|---------------------------------------|------------------------------------|
| 16 | 3.67% | 4.950 | % |
| 17 | 3.73 | 5.00 | 0 |
| 18 | 3.78 | 5.05 | 0 |
| 19 | 3.83 | 5.10 | 0 |
| 20 | 3.87 | 5.16 | 0 |
| 21 | 3.92 | 5.21 | 0 |
| 22 | 3.97 | 5.27 | 0 |
| 23 | 4.02 | 5.32 | 0 |
| 24 | 4.10 | 5.37 | 0 |
| 25 | 4.14 | 5.43 | 0 |
| 26 | 4.22 | 5.49 | 0 |
| 27 | 4.28 | 5.54 | 0 |
| 28 | 4.38 | 5.60 | 0 |
| 29 | 4.43 | 5.65 | 0 |
| 30 | 4.53 | 5.71 | 0 |
| 31 | 4.63 | 5.77 | 0 |
| 32 | 4.71 | 5.83 | 0 |
| 33 | 4.80 | 5.89 | 0 |
| 34 | 4.90 | 5.95 | 0 |
| 35 | 5.01 | 6.00 | 0 |
| 36 | 5.12 | 6.06 | .01 |
| 37 | 5.23 | 6.12 | .07 |
| 38 | 5.35 | 6.19 | .13 |
| 39 | 5.47 | 6.25 | .19 |
| 40 | 5.59 | 6.31 | .25 |
| 41 | 5.72 | 6.37 | .31 |
| 42 | 5.85 | 6.43 | .38 |
| 43 | 5.99 | 6.50 | .44 |
| 44 | 6.12 | 6.56 | .50 |
| 45 | 6.27 | 6.62 | .56 |
| 46 | 6.42 | 6.69 | .63 |
| 47 | 6.56 | 6.75 | .69 |
| 48 | 6.72 | 6.82 | .75 |
| 49 | 6.82 | 6.88 | .82 |
| 50 | 6.88 | 6.95 | .88 |
| 51 | 6.95 | 7.01 | .95 |
| 52 | 7.02 | 7.08 | 1.02 |
| 53 | 7.08 | 7.15 | 1.08 |
| 54 & over | 7.15 | 7.21 | 1.15 |

*Minimum \$1.00 per month.

Table 4

GENERAL MEMBERS—PLAN B
MEMBER RATES OF CONTRIBUTION BY PAYROLL DEDUCTION
PERCENTAGE OF BASE SALARY

(Based on Nearest Year of Age at Membership)

| <u>Age</u> | <u>Negotiated County Rate</u> | <u>Actuarial Recommended Rate</u> | <u>Negotiated SCAQMD Rate*</u> |
|------------|-----------------------------------|---------------------------------------|------------------------------------|
| 16 | 6.30% | 6.93% | .87% |
| 17 | 6.41 | 7.00 | .95 |
| 18 | 6.47 | 7.07 | 1.02 |
| 19 | 6.57 | 7.15 | 1.09 |
| 20 | 6.65 | 7.22 | 1.17 |
| 21 | 6.73 | 7.30 | 1.24 |
| 22 | 6.82 | 7.37 | 1.32 |
| 23 | 6.92 | 7.45 | 1.39 |
| 24 | 7.02 | 7.53 | 1.47 |
| 25 | 7.13 | 7.60 | 1.54 |
| 26 | 7.25 | 7.68 | 1.62 |
| 27 | 7.37 | 7.76 | 1.70 |
| 28 | 7.50 | 7.84 | 1.78 |
| 29 | 7.64 | 7.92 | 1.86 |
| 30 | 7.79 | 8.00 | 1.94 |
| 31 | 7.94 | 8.08 | 2.02 |
| 32 | 8.10 | 8.16 | 2.10 |
| 33 | 8.18 | 8.24 | 2.18 |
| 34 | 8.26 | 8.33 | 2.26 |
| 35 | 8.34 | 8.41 | 2.34 |
| 36 | 8.43 | 8.49 | 2.43 |
| 37 | 8.51 | 8.58 | 2.51 |
| 38 | 8.60 | 8.66 | 2.60 |
| 39 | 8.68 | 8.75 | 2.68 |
| 40 | 8.77 | 8.83 | 2.77 |
| 41 | 8.85 | 8.92 | 2.85 |
| 42 | 8.94 | 9.01 | 2.94 |
| 43 | 9.03 | 9.10 | 3.03 |
| 44 | 9.11 | 9.18 | 3.11 |
| 45 | 9.20 | 9.27 | 3.20 |
| 46 | 9.29 | 9.36 | 3.29 |
| 47 | 9.38 | 9.45 | 3.38 |
| 48 | 9.47 | 9.54 | 3.47 |
| 49 | 9.56 | 9.64 | 3.56 |
| 50 | 9.65 | 9.73 | 3.65 |
| 51 | 9.74 | 9.82 | 3.74 |
| 52 | 9.84 | 9.91 | 3.84 |
| 53 | 9.93 | 10.01 | 3.93 |
| 54 & over | 10.02 | 10.10 | 4.02 |

*Minimum \$1.00 per month.

Table 5

GENERAL MEMBERS — PLAN C
MEMBER RATES OF CONTRIBUTION BY PAYROLL DEDUCTION
PERCENTAGE OF BASE SALARY

(Based on Nearest Year of Age at Membership)

| <u>Age</u> | <u>Actuarial Recommended Rate</u> | <u>Negotiated SCAQMD Rate*</u> |
|------------|---------------------------------------|------------------------------------|
| 16 | 6.18% | .14% |
| 17 | 6.25 | .20 |
| 18 | 6.31 | .27 |
| 19 | 6.38 | .34 |
| 20 | 6.45 | .40 |
| 21 | 6.52 | .47 |
| 22 | 6.58 | .54 |
| 23 | 6.65 | .61 |
| 24 | 6.72 | .68 |
| 25 | 6.79 | .75 |
| 26 | 6.86 | .82 |
| 27 | 6.93 | .89 |
| 28 | 7.01 | .96 |
| 29 | 7.08 | 1.03 |
| 30 | 7.15 | 1.10 |
| 31 | 7.22 | 1.17 |
| 32 | 7.30 | 1.25 |
| 33 | 7.37 | 1.32 |
| 34 | 7.45 | 1.40 |
| 35 | 7.52 | 1.47 |
| 36 | 7.60 | 1.55 |
| 37 | 7.68 | 1.62 |
| 38 | 7.75 | 1.70 |
| 39 | 7.83 | 1.78 |
| 40 | 7.91 | 1.85 |
| 41 | 7.99 | 1.93 |
| 42 | 8.07 | 2.01 |
| 43 | 8.15 | 2.09 |
| 44 | 8.23 | 2.17 |
| 45 | 8.31 | 2.25 |
| 46 | 8.39 | 2.33 |
| 47 | 8.47 | 2.41 |
| 48 | 8.56 | 2.50 |
| 49 | 8.64 | 2.58 |
| 50 | 8.72 | 2.66 |
| 51 | 8.81 | 2.75 |
| 52 | 8.89 | 2.83 |
| 53 | 8.98 | 2.91 |
| 54 | 9.06 | 3.00 |
| 55 | 9.15 | 3.09 |
| 56 | 9.24 | 3.17 |
| 57 | 9.32 | 3.26 |
| 58 | 9.41 | 3.35 |
| 59 & over | 9.50 | 3.44 |

*Minimum \$1.00 per month.

Table 6

GENERAL MEMBERS—PLAN D
MEMBER RATES OF CONTRIBUTION BY PAYROLL DEDUCTION
PERCENTAGE OF BASE SALARY

(Based on Nearest Year of Age at Membership)

| <u>Age</u> | <u>Actuarial Recommended Rate</u> | <u>Negotiated SCAQMD Rate*</u> |
|------------|---------------------------------------|------------------------------------|
| 16 | 6.18% | .12% |
| 17 | 6.24 | .19 |
| 18 | 6.31 | .25 |
| 19 | 6.37 | .32 |
| 20 | 6.44 | .38 |
| 21 | 6.51 | .45 |
| 22 | 6.58 | .52 |
| 23 | 6.65 | .59 |
| 24 | 6.72 | .66 |
| 25 | 6.79 | .73 |
| 26 | 6.86 | .80 |
| 27 | 6.93 | .87 |
| 28 | 7.00 | .94 |
| 29 | 7.07 | 1.01 |
| 30 | 7.14 | 1.08 |
| 31 | 7.22 | 1.15 |
| 32 | 7.29 | 1.23 |
| 33 | 7.37 | 1.30 |
| 34 | 7.44 | 1.37 |
| 35 | 7.52 | 1.45 |
| 36 | 7.59 | 1.52 |
| 37 | 7.67 | 1.60 |
| 38 | 7.75 | 1.68 |
| 39 | 7.82 | 1.75 |
| 40 | 7.90 | 1.83 |
| 41 | 7.98 | 1.91 |
| 42 | 8.06 | 1.99 |
| 43 | 8.14 | 2.07 |
| 44 | 8.22 | 2.15 |
| 45 | 8.30 | 2.23 |
| 46 | 8.38 | 2.31 |
| 47 | 8.46 | 2.39 |
| 48 | 8.55 | 2.47 |
| 49 | 8.63 | 2.55 |
| 50 | 8.71 | 2.64 |
| 51 | 8.80 | 2.72 |
| 52 | 8.88 | 2.80 |
| 53 | 8.97 | 2.89 |
| 54 | 9.05 | 2.97 |
| 55 | 9.14 | 3.06 |
| 56 | 9.23 | 3.14 |
| 57 | 9.32 | 3.23 |
| 58 | 9.40 | 3.32 |
| 59 & over | 9.49 | 3.41 |

*Minimum \$1.00 per month.

Table 7 *Cont'*
EMPLOYER CONTRIBUTION RATES

(As of September 1, 1987)

| MEMBERSHIP TYPE | PLAN A | PLAN B | PLAN C | PLAN D | PLAN E |
|------------------------|-------------|------------|----------|----------|----------|
| <i>General Members</i> | | | | | |
| Normal Cost | 17.91% | 14.89% | 14.75% | 14.63% | 13.28% |
| Surcharge* | <u>.73</u> | <u>.16</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total | 18.64% | 15.05% | 14.75% | 14.63% | 13.28% |
| <i>Safety Members</i> | | | | | |
| Normal Cost | 25.52% | 19.27% | | | |
| Surcharge* | <u>1.52</u> | <u>.04</u> | | | |
| Total | 27.04% | 19.31% | | | |

*Note: L.A. County and employers have negotiated with their employees to pick up a portion of the members' contributions which is called a surcharge. The employer contributes 76.16% for general members and 92.66% for safety members of the amount normally paid by the members. This percentage has been determined by LACERA's actuary. This discount results because the contributions will not be refundable on the death or termination of the member if contributed by the employer.

See page 73 for a more detailed description.

Table 8
**AUDITOR-CONTROLLER CODES DESIGNATING WHETHER
 RETIREMENT CONTRIBUTIONS ARE TAXED OR TAX DEFERRED
 AS SHOWN ON WARRANT/DIRECT DEPOSIT STUBS**

| MEMBERSHIP TYPE/PLAN | AUDITOR-CONTROLLER CODES FOR TAXED CONTRIBUTIONS* | | | AUDITOR-CONTROLLER CODES FOR TAX-DEFERRED CONTRIBUTIONS* | | |
|------------------------|---|-------------------|-----------------------|--|-------------------|-----------------------|
| | Normal Contrib. | Other Contrib. | Back Ret. Contrib. | Normal Contrib. | Other Contrib. | Back Ret. Contrib. |
| <i>General Members</i> | | | | | | |
| Plan A | 102 | 154 | 150 | 170 | 178 | 176 |
| Plan B | 106 | 160 | 158 | 172 | 182 | 180 |
| Plan C | 128 | 162 | 164 | 174 | 184 | 186 |
| Plan D | 129 | 163 | 165 | 175 | 185 | 187 |
| <i>Safety Members</i> | | | | | | |
| Plan A | 103 | 155 | 151 | 171 | 179 | 177 |
| Plan B | 107 | 161 | 159 | 173 | 183 | 181 |

*Note: While Auditor-Controller codes were not changed until November 1, 1983, contributions made on or after August 1, 1983 through the payroll process were not subject to tax (that is, were tax deferred) and were so treated by both the County and LACERA.

TERMINATION OR CHANGE OF EMPLOYMENT STATUS

Introduction

Members who terminate employment or transfer from positions in which membership is compulsory to positions in which membership is not compulsory may be eligible for a refund of contributions, to file for service or disability retirement, or to file for deferred/vested retirement benefits or deferred/vested reciprocal retirement benefits. These options are discussed in the following sections:

Termination of Employment

Time in service will determine the available options members have upon termination of employment. Critical periods of service are as follows:

Less than five years (ten years if Plan E):

- When a member's employment terminates with the County or a special district under LACERA and the member has less than five years (less than ten years if member of Plan E) of County/district service, any rights to service retirement benefits are also terminated. Members must elect one of the following:
 - Withdraw all member contributions and interest credited thereon (Plan A, B, C or D only).
 - Apply for deferred/vested reciprocal retirement benefits if the member is going to a reciprocal retirement system (All Plans).
 - Apply for service-connected disability retirement if the member is permanently disabled due to job-related injury or disease (Plan A, B, C or D only).
- Members who do not withdraw their contributions within five years after termination may lose all rights to withdraw their accumulated contributions/interest.

Five or more years (ten years if Plan E):

- When a member's employment terminates with the County or a special district under LACERA and the member has five or more years (ten or more years if member of Plan E) of County/district service, the member must elect one of the following:
 - Withdraw all member contributions and interest credited thereon (Plan A, B, C or D only).
 - Apply for deferred/vested retirement benefits, or deferred/vested reciprocal retirement benefits if the member is going to a reciprocal retirement system (All Plans).
 - Apply for service retirement, if eligible (All Plans).

- Apply for service-connected or nonservice-connected disability retirement if the member is permanently disabled due to job-related or non-job-related injury or disease (Plan A, B, C or D only) or for benefits under the Long-Term Disability and Survivor Benefit Plan if in service for five years (All Plans).
- Members who do not withdraw their contributions within five years after termination, or, if eligible, do not retire or file a deferred retirement/statement of vesting application within 180 days after termination may lose all rights to withdraw their accumulated contributions/interest.

Withdrawal of Retirement Contributions

Members who terminate employment may withdraw their retirement contributions plus any interest accrued thereon. No interest is credited to a member's retirement account after termination unless the member has been granted a deferred retirement. Deferred retirement applications may be obtained from LACERA. Members may not withdraw retirement contributions made by the employer except those contributions which, for tax treatment, were made by the employer and credited to the member's account.

Members who terminate membership in LACERA by withdrawing their contributions and interest on deposit waive any and all previously vested or accrued rights to retirement, survivor, disability and death benefits. Withdrawing members should carefully read the waiver relating to deferred retirement that is printed on the withdrawal certificate. Withdrawal certificates are initiated by the employing department during the termination process and sent to LACERA for preparation of a refund warrant. It is the terminating member's responsibility to assure timely delivery of the completed certificate to LACERA. Refunds are normally made within two weeks after the withdrawal certificate is received by LACERA.

Members who resign and withdraw contributions and are rehired at a later date, will be covered under the current benefit levels for new employees. Employees eligible for general membership must make an election of either Plan D (contributory plan) or Plan E (non-contributory plan). Members who elect Plan D may redeposit withdrawn contributions plus regular interest. Upon the full redeposit of withdrawn contributions and interest those members will be reinstated to their previous retirement plan and will receive

credit for past service covered by those contributions. Members who elect Plan E, however, will receive credit only for service after the first of the calendar month following the date of election and may not, if they previously withdrew their contributions, redeposit those contributions or receive credit for their prior service. For additional information, please refer to the section on CONSEQUENCES OF PLAN ELECTION AND TRANSFER/REDEPOSIT OF CONTRIBUTIONS, Page 7, and RETIREMENT SERVICE CREDIT, Page 20.

The stub attached to the refund warrant contains important tax information and serves as the withdrawing member's IRS form 1099 and State Franchise Tax form 599. LACERA is required to report all taxable income (retirement contributions made after August 1, 1983 and all interest credited to a member's account) to the IRS and the State Franchise Tax Board when withdrawn. Withdrawing members should keep this tax information for future reference as no other information will be provided.

Contributions withdrawn before age 59½, on which the member has not paid taxes, may be subject to a 10% excise tax, as well as to regular income tax, pursuant to the Tax Reform Act of 1986. Under certain circumstances the refund of contributions may be treated as an "eligible distribution" under the Internal Revenue Code. You should contact your personal tax advisor to determine whether your refund may be rolled over into another qualified employer retirement plan or into an individual retirement arrangement (IRA).

Members who do not withdraw their contributions within five years after termination or, if eligible, do not file a deferred retirement/statement of vesting application within 180 days after termination may lose all rights to withdraw their accumulated contributions/interest.

Deferred/Vested Retirement Benefits

Deferred retirement benefits are available to members in Plan A, B, C, & D who terminate employment with five or more years of retirement service credit, not including any public service which they may have purchased, provided they leave their contributions on deposit, and apply in writing for deferred retirement within 180 days after termination. A member on deferred retirement who is rehired into a permanent position of three-quarter time or more, will be reinstated to the same retirement plan the member was in prior to termination and will continue to earn the same retirement benefits and retain the original entry age for determining the contribution rate. Upon the death of any member before the effective date of the member's deferred retirement allowance, the member's accumulated contributions and interest credited thereon shall be paid to such person as the member has designated as beneficiary with LACERA or to the member's estate.

Vested retirement benefits are available for Plan E members who terminate employment with ten or more years of retirement service credit, not including any public service which they may have received upon transferring to Plan E, provided they apply in writing for vested benefits within 180 days after termination.

Members who meet the above eligibility requirements should contact LACERA to obtain deferred retirement/statement of vesting application forms.

Members who subsequently meet the eligibility requirements described in the section on ELIGIBILITY FOR SERVICE RETIREMENT, Page 22 may retire and receive a retirement allowance.

Deferred/Vested Reciprocal Retirement Benefits

Please refer to the section on RECIPROCITY, Page 9 for more information about reciprocity. Deferred/vested reciprocal retirement benefits are available to **all** LACERA members who terminate County or district employment to accept a position with a public agency in California covered under a reciprocal retirement system within 180 days after termination provided that members in a contributory plan leave their contributions on deposit. Benefits of reciprocity are as follows:

- A reciprocal member's rate of contribution in the new retirement system will be based on the member's entry age in LACERA, with the exception of the Public Employees' Retirement System which has a flat rate percentage, unless the new system has a non-contributory plan which the member elects.
- Service credit under each system will be added together to determine eligibility for benefits under each system. There is no transfer of funds or service credit between systems.
- Upon concurrent retirement for service or disability from both systems, or upon death, the highest earnings under either one of these systems will be used to calculate benefits, except that neither disability retirement nor death benefits will be provided to Plan E members.

After a member has elected deferred retirement, contributions may not be withdrawn unless employment is terminated with the other public agency and contributions are withdrawn from the reciprocal retirement system.

LACERA is reciprocal with the Public Employees' Retirement System which covers State employees, most municipal and special district employees in California, and counties other than the following counties, which like Los Angeles County, are covered under the County Employees Retirement Law:

| | | | |
|--------------|------------|----------------|------------|
| Alameda | Marin | San Bernardino | Sonoma |
| Contra Costa | Mendocino | San Diego | Stanislaus |
| Fresno | Merced | San Joaquin | Tulare |
| Imperial | Orange | San Mateo | Ventura |
| Kern | Sacramento | Santa Barbara | |

There are several other smaller public retirement systems that are reciprocal with LACERA and members should check with any system they enter to determine whether reciprocity is available.

Members entering employment with another public agency covered by a reciprocal retirement system should contact LACERA to obtain deferred retirement/statement of vesting application forms.

Members who subsequently meet the eligibility requirements described in the section on ELIGIBILITY FOR SERVICE RETIREMENT, Page 22 may retire and receive a retirement allowance.

Withdrawal from Membership

Members of LACERA who, by resignation or transfer, change from a position in which membership is compulsory to a position in which membership is not compulsory, may file within sixty (60) days from their resignation or transfer date a written election to discontinue membership. Such written election shall include an application either to:

- Withdraw the member's accumulated contributions and interest credited thereon, if in Plans A, B, C, or D, or
- If eligible, apply for deferred/vested retirement benefits.

If within such sixty-day period members do not file such an election, they shall continue as active members of LACERA, except that if they were safety members they shall become general members. Such membership shall continue until County or district service is discontinued.

Return to Membership

Any member, who has elected to take deferred retirement and who by reinstatement, rehire or transfer is appointed to a permanent position of three-quarter time (or more), shall immediately return to active membership in LACERA, with a contribution rate based on the member's entry age in effect at the time of the member's most recent election to take a deferred retirement.

Any member, who has elected to take deferred retirement and who by reinstatement, rehire or transfer is appointed to a permanent position of less than three-quarter time or to any temporary position, may file, at any time, a written election to terminate such deferred retirement and return to active membership in LACERA, with a contribution rate based on the member's entry age in effect at the time of the member's most recent election to take a deferred retirement. Such written election shall specify whether the member also elects to receive credit for any County service not previously credited up to the date of the election. Contributions for such creditable service may be made at any time prior to the effective date of retirement.

RETIREMENT SERVICE CREDIT

Introduction

Members' allowances in all retirement plans are based on the number of months and years of retirement service credit accumulated prior to retirement. Members in contributory Plan A, B, C or D receive credit based on the number of months for which they have made appropriate retirement contributions through payroll deductions or, if eligible, through lump sum payment or payroll deductions for additional months of County, district, public or prior service prior to membership. Payment for retirement service credit for public service, prior service or previous County service must be completed **prior** to retirement date – so please allow sufficient time to process your request and complete payment. Members in the non-contributory Plan E receive credit based only on the number of months of uninterrupted employment or, **if eligible**, for additional months of County, district or public service prior to membership if they **transferred** to Plan E from a contributory plan during a period authorized in a resolution adopted by the Board of Supervisors.

Plan A, B, C or D Credit for Current or Previous County/District Service

Members in Plan A, B, C & D make monthly retirement contributions computed as a percentage of their gross salary based on their age at entry into LACERA to receive retirement credit for current service. These members may also **purchase** credit for the following previous County or district service:

- Service in a non-permanent position, or permanent position of less than three-quarter time before entering current or previous membership, up to the date of eligibility for membership.
- Service in a permanent position covered by LACERA membership before entering current membership and for which the member withdrew retirement contributions. Members who redeposit withdrawn contributions will be reinstated to their former retirement plan, if other than their current plan. Please refer to the section on CONSEQUENCES OF PLAN ELECTION AND TRANSFER/REDEPOSIT OF CONTRIBUTIONS, Page 7 and WITHDRAWAL OF RETIREMENT CONTRIBUTIONS, Page 17.
- A period up to 12 months for which the member made no contributions because of an uncompensated leave of absence due to illness, including medically approved maternity leave, if the member has returned to active service.

No service credit is given for other periods of absence, whether approved or not, or if a member works less than 16 days in a month. Members who transferred from Plan E to Plan D may not, however, purchase credit for any of the above service if the member would not have been eligible to receive such credit under Plan E, nor would such members be entitled to be reinstated to any plan other than Plan D even if they purchased credit for previous LACERA membership service covered under Plan A, B or C.

Plan A Credit for Previous Public or Prior Service

Certain members in Plan A, or other members in Plan B, C or D who were previously in Plan A and are reinstated to Plan A upon the redeposit of withdrawn contributions, **may** be eligible to purchase and receive credit for public or prior service with another public agency which was worked prior to the member's first entry into LACERA provided they are not entitled to retirement benefits now or in the future, or eligible to establish reciprocity, with the public agency for that service. To be eligible for such credit, these Plan A members **must** have been LACERA members **during the periods** that were authorized in resolutions adopted by the Board of Supervisors. **Prior to the member's first entry** into LACERA means prior to the member's current entrance into LACERA, or prior to any previous entrance into LACERA if the member withdrew contributions and has now redeposited contributions for that previous service. Public and prior service definitions and key dates are shown in the following sections:

Public Service:

- **Public service** means service rendered as an officer or employee of a public agency for which the officer or employee received compensation from the public agency and with respect to which the member is not entitled to receive credit in any retirement system supported wholly or in part by public funds after becoming a member of LACERA. Such public agency service is limited to the following agencies pursuant to resolutions adopted by the Board of Supervisors:
 - (a) State of California or in any department thereof (includes all agencies covered under the Public Employees' Retirement System (PERS) if the member cannot establish reciprocity with PERS upon the redeposit of contributions withdrawn from PERS)
 - (b) any county in California
 - (c) the City and County of San Francisco
 - (d) any city or special district in Los Angeles County
 - (e) United States government and every department and agency thereof (including military service).

- To be eligible for public service credit under (a), (b), (c) or (d) above, employees must have been **in service and members** of LACERA **anytime** between **on or after** January 1, 1968 and **on or before** November 1, 1974. Employees **hired on or after** November 1, 1974 are not eligible unless, as stated above, they were previously members of LACERA during the period noted in this paragraph and have now redeposited contributions which they withdrew for that period.
- To be eligible for public service credit under (e) above, employees must have been **in service and members** of LACERA **anytime** between **on or after** December 1, 1972 and **on or before** July 1, 1974. Employees **hired on or after** July 1, 1974 are not eligible unless, as stated above, they were previously members of LACERA during the period noted in this paragraph and have now redeposited contributions which they withdrew for that period.

Prior Service:

- **Prior service**, pursuant to Board of Retirement By-laws, means employment of a person by a County, district or court prior to January 1, 1938. It also includes service performed for any public agency located wholly in the County of Los Angeles prior to a member's first entry into LACERA membership for which the member is not eligible to receive a pension or retirement allowance. To be eligible for this prior service credit, persons must have been in service and members of LACERA **on or before** December 31, 1975. Persons who **entered LACERA on or after** January 1, 1976 are not eligible unless they were previously members of LACERA **on or before** December 31, 1975 and have now redeposited contributions which they withdrew for that period.
- In January 1988, the By-laws were amended to also include, as prior service, service performed for the United States of America, the State of California or any department or agency of either, or any public entity located within the State of California prior to a member's first entry into membership. All active members of LACERA in Plan A, B, C or D, regardless of their date of hire, are eligible, provided that the member must not be eligible now or in the future to receive a pension or retirement allowance for such service in any other retirement system. **Plan A, B, C or D members who purchase or are eligible to purchase prior service credit under the amended by-laws, and who subsequently transfer to Plan E, will not be entitled to retain or receive credit for such service and any contributions made will be refunded.**

Plan E Credit for Current or Previous County/District Service

Employees who elected Plan E as their retirement plan upon **entry** into County service receive retirement credit for current service based on the number of months of uninterrupted employment after becoming members of LACERA. No service credit is given for any period of time, in excess of 22 consecutive workdays, in which the member is absent

from work without pay. These Plan E members are **not** eligible to receive credit for previous County or district service. Members who **transferred** from Plan A, B, C or D to Plan E, however, are eligible to receive service credit, **at no cost to the members**, for all of the following previous County/district service which they would have been eligible to purchase had they not elected to transfer to Plan E:

- Service in a non-permanent position, or position of less than three-quarter time before entering current or previous membership, up to the date of eligibility for membership.
- Service in a permanent position covered by LACERA membership before entering current membership and for which the member withdrew retirement contributions.
- A period up to 12 months for which the member made no contributions because of an uncompensated leave of absence due to illness, if the member has returned to active service.

Again, no service credit will be given for any of the above service, if the member who transferred to Plan E would not have been eligible to purchase such credit as a contributory plan member. In addition, no service credit is given for any period of time, in excess of 22 consecutive workdays, in which the member is absent from work without pay during a period of Plan E membership.

Members may, however, receive service credit for the time in which they are totally disabled and are receiving disability benefits or are eligible to receive disability benefits either during or after any elimination or qualifying period under the Long-Term Disability and Survivor Benefit Plan.

Plan E Credit for Previous Public or Prior Service

Employees who elected Plan E as their retirement plan upon **entry** into County service are **not** eligible to receive credit for previous public or prior service. Members who **transferred** from Plan A, B, C or D to Plan E, however, are eligible to receive service credit, **at no cost to the members**, for all of the previous public or prior service which they would have been eligible to purchase had they not elected to transfer to Plan E with the exception of prior service as defined in the amended by-laws adopted in January 1988. This means that certain members who were previously in Plan A, or other members in Plan B, C or D who were previously in Plan A and would have been eligible to redeposit contributions and be reinstated to Plan A, who now transfer to Plan E, may be eligible to receive credit for public or prior service with another public agency which was worked prior to the member's first entry into LACERA provided they are not entitled to retirement benefits now or in the future, or eligible to establish reciprocity, with the public agency for that service. To be eligible for such credit, these former Plan A members must have been LACERA members **during the periods** that were authorized in resolutions adopted by the Board of Supervisors. Please refer to the section on PLAN A CREDIT FOR PREVIOUS PUBLIC OR PRIOR SERVICE, Page 20 for definitions and key dates related to the service which is creditable if you transferred to Plan E.

YOUR SERVICE RETIREMENT ALLOWANCE AND HOW TO COMPUTE AN ESTIMATE

Introduction

Members who meet the eligibility requirements based on age and years of service may retire for service and receive a service retirement allowance for life. In addition, there are benefits payable to eligible surviving spouses or other beneficiaries of members who have retired depending on the particular retirement settlement chosen at the time of retirement.

Planning for Retirement

Members will usually want to make plans for their retirement well in advance of the date they intend to retire. One consideration for retirement will be the amount of retirement allowance you will receive. You may make an estimate of your allowance by following the instructions on Pages 24–28 depending on your type of membership and plan. If you are within several months of retiring, LACERA staff will provide you with a formal estimate of your retirement allowance options. To obtain a formal estimate, you should contact LACERA to obtain a Request for Estimate form. After returning your estimate request form to LACERA, a Retirement Benefit Estimate and Election form will be prepared and sent to you showing the various retirement allowance options if you are in a contributory plan. Plan E members will receive a Plan E Retirement Benefit Estimate form showing their Plan E allowance estimate. Pre-retirement planning sessions are offered by both the County and LACERA.

Application/Approval for Service Retirement

The Retirement Benefit Estimate and Election form or Plan E Retirement Application form which will be prepared and sent to you after you request an estimate is the document which you must sign when you want to retire. Signing and returning your election/application form constitutes your application to retire. Applications to retire must be received **prior** to the effective date of retirement and must be approved by the Board of Retirement which meets the first business Wednesday of every month. The retirement date chosen by you will be the first day of your retirement. In the event you change your mind about retiring after an application has been signed and returned to LACERA, you must rescind your application to retire **in writing** and such rescission must be received by LACERA **prior** to the effective date of retirement. You will receive a confirming letter from the Board following the Board's approval of your application to retire.

Eligibility for Service Retirement

Members meeting the following eligibility requirements may file an application for a service retirement allowance:

General Members:

Plan A, B, C, or D

- Has retirement credit for 30 years of service under LACERA or combined LACERA and reciprocal agency service, other than public service, regardless of age. (If in deferred retirement status, 30 or more years after membership entry date), or
- Is at least 50 years of age and has retirement credit for 10 or more years of service under LACERA or combined LACERA and reciprocal agency service, other than public service. (If in deferred retirement status, age 50 and 10 or more years after membership entry date), or
- Has attained the age of 70, regardless of years of service credit, or
- Has attained the age of 65 with less than 10 years of service credit and was a member prior to December 31, 1978.

Plan E

- Is at least 55 years of age and has retirement credit for 10 or more years of service under LACERA or combined LACERA and reciprocal agency service, other than public service.
- Has attained the age of 70, regardless of years of service credit, or
- Has attained the age of 65 with less than 10 years of service credit and was a member prior to December 31, 1978.

Safety Members:

Plan A or B

- Has retirement credit for 20 years of service under LACERA or combined LACERA and reciprocal agency service, other than public service, regardless of age. (If in deferred retirement status, 20 or more years after membership entry date), or
- Is at least 50 years of age and has retirement credit for 10 or more years of service under LACERA or combined LACERA and reciprocal agency service, other than public service. (If in deferred retirement status, age 50 and 10 or more years after membership entry date.)

Note: Prior to January 1, 1987, safety members were required, by law, to retire no later than the first day of the calendar month following the month in which the members attained age 60. The law was amended effective January 1, 1987 to provide that the maximum retirement age provisions for safety members contained within the County Employees Retirement Law of 1937 would remain

in effect only if approved by a resolution of the Board of Supervisors. As of the same date, local law enforcement officers and firefighters became exempt from the provisions of the Federal Age Discrimination and Employment Act, and thus, were subject to local age provisions. On December 30, 1987 the Board of Supervisors adopted a resolution making the mandatory retirement age provisions contained within the County Employees Retirement Law operative and applicable effective January 1, 1987. In Los Angeles County, however, District Attorney investigators and lifeguards may not be mandatorily retired at age 60 pursuant to order of the Federal Court.

Service Retirement Allowances for All Plans

The service retirement allowance which will be received by a retired member and eligible surviving spouse or other beneficiary is dependent on the member's retirement plan, final compensation, age, years of service and the retirement settlement selected by the member upon filing an application to retire. A member may choose either the unmodified settlement, which provides the largest monthly allowance and a 60% continuance to an eligible surviving spouse (50% if member in Plan E), or one of the four optional settlements which provide a smaller retirement allowance for the member. The optional settlements enable a member to provide benefits to any beneficiary that has an **insurable interest** in the life and health of the member.

California Insurance Code Section 10110 defines insurable interest as follows: Insurable Interest: Every person has an insurable interest in the life and health of:

- (a) Himself
- (b) Any person on whom he depends wholly or in part for an education or support
- (c) Any person under a legal obligation to him for the payment of money or respecting property or services, of which death or illness might delay or prevent the performance
- (d) Any person upon whose life any estate or interest vested in him depends.

LACERA requires the member to certify that the beneficiary, named at the time of retirement, has an insurable interest in the life of the member.

A description of the unmodified settlement and options #1, #2, #3 and #4 is as follows:

Unmodified Service Retirement Allowance:

This option results in the largest monthly allowance possible under the law. It is paid during the lifetime of the retired member. Sixty percent of the member's monthly basic allowance (50% if member in Plan E) at the time of death is payable each month to the surviving spouse for life if the spouse was married to the member at least one year prior to the

date of retirement and is the named, sole primary beneficiary. When the member does not have a surviving spouse, the 60% (50% if member in Plan E) allowance may be paid collectively to the member's unmarried children under age 18 (or through the age of 21 if such children remain unmarried and are regularly enrolled as full-time students in an accredited school). The unmodified retirement allowance is normally most advantageous for members who are married and in reasonably good health when they retire. If, at the time of the member's death, there is no surviving spouse or minor children, and the total retirement allowance income received by the member during the member's lifetime did not exceed the member's accumulated contributions, the designated beneficiary shall be paid the balance of unpaid contributions in a lump sum.

Option #1:

Under this option the member receives a slight reduction in the unmodified service retirement allowance. During retirement, the member's normal contributions and interest are reduced by only the annuity portion of his allowance. If the member dies before receiving the total amount of the accumulated normal contributions at retirement, the member's estate or beneficiary who has an insurable interest in the member's life will receive the balance. The accumulated contributions are, therefore, reduced at a much slower rate than in the unmodified settlement.

This option is attractive to some retirees who do not have a spouse or minor children eligible for the 60% continuance of the unmodified retirement allowance. (Not applicable to Plan E members since Plan E members do not make retirement contributions.)

Option #2:

This optional retirement settlement results in the largest reduction of the member's monthly unmodified service retirement allowance. It provides a 100% continuance allowance to a co-annuitant who has an insurable interest in the member's life after the member's death. The amount of the member's retirement allowance under this option is directly affected by the age of the co-annuitant, the reduction being greater if the co-annuitant is younger. All payments cease upon the death of both annuitants. This optional settlement may be of benefit to a prospective retiree who has a dependent who does not qualify for a continuance under the unmodified retirement allowance, or to a member with a short life expectancy.

Option #3:

This optional retirement settlement is similar in principle to option #2, but the co-annuitant receives only 50% of the member's allowance after the member's death. The co-annuitant must have an insurable interest in the member's life. The member's retirement allowance which this option provides is less than the unmodified or option #1, but is more than that calculated under option #2. As with option #2, the allowance is directly affected by the age of the co-annuitant and all payments cease upon the deaths of both annuitants.

Option #4:

This option provides for a fixed monthly income in the amount or percentage the member selects to be paid to a co-annuitant after the member's death. As in the other options, the co-annuitant must have an insurable interest in the member's life.

Note: If a member has elected option #2, option #3 or option #4, no continuance allowance may be paid after the death of the retiree if the member changes beneficiaries after retirement.

Plan A, B, C or D Retirement Allowances

An unmodified service retirement allowance for Plan A, B, C or D members is computed as a percentage of the member's final compensation. The percentage is based on the member's age and years of service and varies according to the retirement plan of the member. Two other factors may, however, enter into the final allowance computation: (1) whether the member was covered by Social Security under LACERA and (2) whether the member is fully insured under Social Security. If the member was covered by Social Security under LACERA, the member's allowance will be reduced by a fixed dollar amount for each year of LACERA service covered by Social Security. If the member is fully insured under Social Security, the member may be eligible for and may elect the level income option whereby the member's allowance will be increased to age 62 and reduced after age 62. These factors are calculated as follows:

- **Final compensation** is calculated using the member's average monthly salary for the latest or highest paid:
 - one (1) year of service, if the member is in Plan A, or
 - three (3) years of service, if the member is in Plan B, C, or D.
- **Age** is calculated to the nearest completed quarter year of age. Factors for each completed quarter year of age increase for general members to age 62 (Plan A) and age 65 (Plans B, C & D) and for safety members to age 55 (Plans A & B).
- **Service** is calculated to the nearest completed month. The nearest completed month means that if a member retires on or after the 17th of a month (16th if February), the month will be included in both the service total and the final compensation period.
- **Social Security Coverage** refers only to that period of time during which a member paid into Social Security while a member of LACERA.
- **Fully insured** under Social Security means the member will be eligible to receive Social Security retirement benefits at age 62.

Examples of calculating final compensation when salary changed during the final compensation period are as follows:

| PLAN A MEMBER | PLAN B, C & D MEMBERS |
|---|--|
| \$1,392 x 3 months = \$ 4,176.00 | \$1,250 x 3 months = \$ 3,750.00 |
| <u>\$1,469 x 9 months = \$13,221.00</u> | <u>\$1,319 x 12 months = \$15,828.00</u> |
| 12 months = \$17,397.00 | \$1,392 x 12 months = \$16,704.00 |
| | <u>\$1,469 x 9 months = \$13,221.00</u> |
| | 36 months = \$49,503.00 |
| Final Compensation | Final Compensation |
| \$17,397.00 ÷ 12 = \$1,449.75 | \$49,503 ÷ 36 = \$1,375.08 |

How to Compute an Unmodified Service Retirement Allowance Estimate if You Are in Plan A, B, C or D and Were Not Covered by Social Security Under LACERA

LACERA has calculated the percentages applicable to various ages and years of service for each of the retirement plans as shown on Tables 9–12, Pages 29–32. (While the percentages shown are for completed years of age and service at retirement, your actual benefits will be based on completed quarter-year age factors and completed years and months of service at the time of retirement.) For example, if a Plan A general member retires at age 60 with 25 years of service, the percentage of final compensation would be 60.99% (from Table 10, Page 30). An estimate of your unmodified service retirement allowance from LACERA may be computed as follows:

1. Calculate your final compensation following the example above based on your plan.
2. Determine the percentage that applies to your age and years of service at retirement from the appropriate Table.
3. Multiply your percentage times your final compensation to compute your unmodified service retirement allowance (No. 2 times No. 3).

Example: A general or safety member retires at age 60 with 25 years of retirement service credit. The member's unmodified service retirement allowance would be computed as follows:

| | PLAN A GENERAL MEMBER | PLAN B GENERAL MEMBER | PLAN A SAFETY MEMBER |
|--|-----------------------------|-----------------------------|----------------------------|
| % of final compensation (from appropriate Table) | 60.99% | 54.55% | 65.50% |
| Times final compensation (from examples above) | <u>\$1,449.75</u> | <u>\$1,375.08</u> | <u>\$1,449.75</u> |
| Equals unmodified service retirement allowance | \$ 884.20 | \$ 750.11 | \$ 949.59 |

How to Compute an Unmodified Service Retirement Allowance Estimate if You Are in Plan A, B, C or D and Were Covered by Social Security Under LACERA

Please refer to the preceding section before reading this section if you have not already done so. Members who were covered by Social Security under LACERA will receive a reduced unmodified service retirement allowance from LACERA. The amount of reduction is dependent on age at retirement, the number of years of Social Security coverage under LACERA, and the retirement plan. (See Table 14, Page 34 for Retirement Allowance Reduction Amounts). These members are eligible to receive Social Security benefits beginning at age 62, in addition to a retirement allowance from LACERA. An estimate of your reduced unmodified service retirement allowance from LACERA may be computed as follows:

1. Compute your unmodified service retirement allowance (See Page 24).
2. Determine the reduction amount based on your plan and age at retirement from Table 14, Page 34.
3. Determine your number of years of service covered by Social Security under LACERA.
4. Multiply the reduction amount times the number of years of service covered by Social Security under LACERA (No. 2 times No. 3) to obtain the total amount of reduction.
5. Subtract the total amount of reduction from the unmodified service retirement allowance to compute your reduced unmodified service retirement allowance (No. 1 minus No. 4).

Example: A general member in Plan A retires at age 60 with 25 years of retirement service credit, 15 of which were covered by Social Security under LACERA. The member's reduced unmodified service retirement allowance would be computed as follows:

| | |
|--|---------------|
| Unmodified service retirement allowance (from example on Page 24) | \$884.20 |
| Less reduction amount (15 years x \$2.85; from Table 14, Page 34) | <u>-42.75</u> |
| Equals reduced unmodified service retirement allowance | \$841.45 |

Level Income Option

General or safety members who retire from service **prior** to age 62, and who are fully insured under Social Security at the time of retirement, may elect to have their unmodified service or option #1 retirement allowances increased until age 62. Members may satisfy the requirement of being fully insured under Social Security if they paid into Social Security for the required number of quarters, through either County or non-County employment or a combination of both. Members retiring for disability or under Plan E or under option #2, #3 or #4 are **not** eligible to elect this option. Based on the member's attained age in the year of retirement and earnings at retirement, LACERA determines the member's **estimated** Social Security benefit at age 62 from information obtained from LACERA's actuary. (See Table 17, Page 36 for Social Security Benefits for the Level Income Option showing estimated Social Security benefits for members who will attain various ages during the year based on the member's annual earnings.) The member's retirement allowance will be increased until age 62 by a **percentage** of that estimated Social Security benefit. The percentage of the estimated Social Security benefit is a figure also determined by LACERA's actuary and is called the Social Security Adjustment Factor (See Table 15, Page 35). The factors shown are for completed years of age at retirement. (There are additional factors for completed quarter years of age which will be used in computing actual benefits at the time of retirement.)

The member's retirement allowance will be reduced **after** the member reaches age 62 by the **full** amount of the **estimated** Social Security benefit. These figures are determined at the time of retirement and will not be affected by subsequent changes in Social Security. If the member applies for Social Security at age 62, the member's total income from both the retirement allowance and Social Security should be about "level" with the amount received before the reduction, hence, the name "Level Income Option." Because LACERA uses estimates of Social Security benefits, the reduction in the member's allowance at age 62 may be **greater or lesser** than the actual Social Security benefit to which the member may be entitled. Members, therefore, who have information that their Social Security benefits will be greater or lesser than the estimated amount should contact LACERA immediately. Note: Any applicable cost-of-living increases to a member's retirement allowance will also be applied to the increased allowance if a member elects this option.

If a member dies, whether before or after age 62, and leaves a spouse or minor child who is eligible to a continuance allowance, the amount of the survivor's allowance will be based on the basic allowance the member would have received had the member not made the election to receive this option.

Example: Member retires at age 60 and the basic monthly allowance was computed to be \$841.45. Based on the Social Security Adjustment Factor of 81.51% for a 60-year-old from Table 15 and an estimated Social Security benefit of \$352.00 for a person who attained age 60 in 1988 from Table 17 (based on an annual earnings rate of \$17,628), the member's basic allowance would be **increased** by \$286.92 (81.51% of \$352.00), bringing the member's total allowance to \$1,128.37. At age 62 the allowance would be **decreased** by the full estimated Social Security benefit of \$352.00 leaving a retirement allowance of \$776.37. If the member was eligible to receive a Social Security benefit of \$352.00, the combined total allowance and Social Security benefit after age 62 would again equal \$1,128.37 as shown below:

| | |
|---|-----------------|
| Basic monthly allowance: | \$ 841.45 |
| Plus percentage of estimated Social Security benefit (81.51% x 352.00): | <u>286.92</u> |
| Equals total allowance to age 62 from LACERA: | \$1,128.37 |
| Less full estimated Social Security benefit: | <u>- 352.00</u> |
| Equals total allowance after age 62 from LACERA: | \$ 776.37 |
| Plus actual Social Security benefit at age 62: | <u>352.00</u> |
| Equals total allowance after age 62 from LACERA and the Social Security Administration: | \$1,128.37 |

Plan E Retirement Allowances

An unmodified service retirement allowance for Plan E members is computed as a percentage of the member's final compensation. The percentage is based only on the member's years of service. Two other factors may, however, enter into the final allowance computation: (1) whether the member was covered by Social Security under LACERA and (2) the age of the member at the time of retirement. If the member was covered by Social Security, a percentage of the estimated Social Security benefit will be subtracted from the Plan E allowance as an offset. In addition, the age of the member will determine whether the retirement allowance will be calculated as a **normal retirement allowance** (age 65 or over) or an **early retirement allowance** (under age 65) which could further reduce the allowance. Plan E members may also elect one of the optional retirement settlements, with the exception of Option #1, as described on Page 23. The factors used in calculating allowances and definitions of terms are as follows:

- **Final compensation** is calculated using the member's average monthly salary for the latest or highest paid three (3) years of service, whether or not consecutive.
- **Age** is calculated to the nearest birthday immediately preceding the date of retirement.

- **Service** is calculated to the nearest completed month. The nearest completed month means that if a member retires on or after the 17th of a month (16th if February), the month will be included in both the service total and the final compensation period.
- **Social Security coverage** refers only to that period of time during which a member paid into Social Security while a member of LACERA.
- **Social Security benefit** means the monthly retirement benefit payable under the federal Social Security system at the age at which **full** retirement benefits are payable under the system. LACERA's actuary has provided a table of **estimated** Social Security benefits for members who will attain various ages during the year based on the member's annual earnings as shown in Table 18, Page 37. Annual earnings are computed by multiplying the last month's earnings by 12 and rounding to the nearest \$500.
- **A normal retirement allowance** is an allowance which equals 2% of the member's final compensation for each year of service for the first 35 years, plus 1% of the member's final compensation for each year of service for the next ten years, to a maximum of 80%, reduced by a fraction of the estimated Social Security benefit, if any. The fraction is equal to the number of years of service under LACERA covered by Social Security divided by 35.
- **An early retirement allowance** is an allowance which is the actuarial equivalent of the normal retirement allowance and is computed by multiplying the normal retirement allowance by the **early retirement adjustment (ERA) factor** based on the member's age as of the birthday immediately preceding the date of retirement. The early retirement adjustment factors are shown in Table 16, Page 35.

An example of calculating final compensation when salary changed during the final compensation period is as follows:

| | |
|-----------------------------|----------------------------|
| \$1,250 x 3 months = | \$ 3,750.00 |
| \$1,319 x 12 months = | \$15,828.00 |
| \$1,392 x 12 months = | \$16,704.00 |
| <u>\$1,469 x 9 months =</u> | <u>\$13,221.00</u> |
| 36 months = | \$49,503.00 |
| | Final Compensation |
| | \$49,503 ÷ 36 = \$1,375.08 |

How to Compute a Normal Retirement Allowance Estimate (65 or Over) if You Are in Plan E and Were Not Covered by Social Security Under LACERA

An estimate of your Plan E normal retirement allowance from LACERA may be computed as follows:

1. Calculate your final compensation following the example above.
2. Calculate the percentage that applies to your completed years (and months) of service at 2% per year. (Cr see Table 13, Page 33)
3. Multiply your percentage times your final compensation to compute your normal retirement allowance (No. 2 times No. 1).

Example: A general member in Plan E retires at age 65 with 25 years of retirement service credit. The member's normal retirement allowance would be computed as follows:

2% x 25 years = 50% (See also Table 13, Page 33)

50% x \$1,375.08 (final compensation from above)

equals \$687.54 (normal retirement allowance)

How to Compute a Normal Retirement Allowance Estimate (65 or Over) if You Are in Plan E and Were Covered by Social Security Under LACERA

An estimate of your Plan E normal retirement allowance from LACERA if you were covered by Social Security under LACERA may be computed as follows:

1. Compute your normal retirement allowance (See example in above section).
2. Calculate your annual earnings rate by multiplying your last month's earnings rate times 12.
3. Determine your estimated Social Security benefit for Plan E offset based on your annual earnings rate and your attained age in 1988 from Table 18, Page 37.
4. Determine the number of years of service under LACERA subject to Social Security coverage.
5. Calculate the Social Security offset by multiplying your estimated Social Security benefit times the number of years of service under LACERA subject to Social Security coverage divided by 35 (No. 3 times No. 4 ÷ 35).
6. Subtract the Social Security offset from your normal retirement allowance to compute your reduced normal retirement allowance (No. 1 minus No. 5).

Example: A general member in Plan E retires at age 65 with 25 years of retirement service credit, 15 of which were covered by Social Security under LACERA. Before computing your normal retirement allowance, reduced by the Social Security offset, you must calculate your Social Security offset as follows:

First, calculate annual earnings rate:

| | |
|---|---------------------|
| Last month's salary from final compensation calculations above: | \$ 1,469 |
| Times 12: | <u> x 12</u> |
| Equals annual earnings rate: | \$17,628 |

Second, determine estimated Social Security benefit for Plan E offset:

Equals \$630 (from Table 18, Page 37, based on nearest annual earnings rate at age 65)

Third, calculate Social Security offset:

Years of Social Security coverage under LACERA: 15 Years divided by 35 times estimated Social Security benefit for Plan E offset: 15 ÷ 35 x \$630.00
 Equals Social Security offset \$270.00

Your normal retirement allowance reduced by the Social Security offset would be computed as follows:

| | |
|--|--------------------|
| Normal retirement allowance: (from example on this page) | \$687.54 |
| Less Social Security offset (from above calculation) | <u> -270.00</u> |
| Equals reduced normal retirement allowance: | \$417.43 |

How to Compute an Early Retirement Allowance Estimate (Under 65) if You Are in Plan E and Were Not Covered by Social Security Under LACERA

An estimate of your Plan E early retirement allowance from LACERA if you were not covered by Social Security under LACERA may be computed as follows:

1. Compute your normal retirement allowance (See example on Page 27).
2. Determine the early retirement adjustment factor that applies to your age at retirement from Table 16, Page 35.
3. Multiply the early retirement adjustment factor times your normal retirement allowance to compute your early retirement allowance (No. 2 times No. 1).

Example: A general member in Plan E retires at age 60 with 25 years of retirement service credit. The member's early retirement allowance would be computed as follows:

| | |
|---|-----------------|
| Early retirement adjustment factor: | |
| (from Table 16, Page 35) | 59.16% |
| Times normal retirement allowance: | |
| (from example on Page 27) | <u>\$687.54</u> |
| Equals early retirement allowance: | \$406.75 |
| (Also, from Table 13, Page 33, percentage at age 60 with 25 years' service equals 29.58. 29.58% x final compensation of \$1,375.08 equals \$406.75) | |

How to Compute an Early Retirement Allowance Estimate (Under 65) if You Are in Plan E and Were Covered by Social Security Under LACERA

An estimate of your Plan E early retirement allowance from LACERA if you were covered by Social Security under LACERA may be computed as follows:

1. Compute your normal retirement allowance (See example on Page 27).
2. Calculate the Social Security offset (See example on Page 27).
3. Determine the early retirement adjustment factor that applies to your age at retirement from Table 16, Page 35.
4. Compute your reduced normal retirement allowance by subtracting the Social Security offset from your normal retirement allowance (No. 1 minus No. 2).
5. Multiply the early retirement adjustment factor times your reduced normal retirement allowance to compute your reduced early retirement allowance (No. 3 times No. 4).

Example: A general member in Plan E retires at age 60 with 25 years of retirement service credit, 15 of which were covered by Social Security under LACERA. The member's early retirement allowance reduced by the Social Security offset would be computed as follows:

| | |
|---|------------------|
| Normal retirement allowance: | |
| (from example on Page 27) | \$687.54 |
| Less Social Security offset: | <u>- 279.00*</u> |
| Equals reduced normal retirement allowance: | \$408.54 |
| Times early retirement adjustment factor: | |
| (from Table 16, Page 35) | <u>59.16%</u> |
| Equals reduced early retirement allowance: | \$241.69 |

*The Social Security offset was calculated as follows:

15 ÷ 35 times \$651 (from Table 18, Page 37 based on annual earnings of \$17,628 and attained age of 60) equals \$279.00.

Table 9

SAFETY MEMBERS — PLAN A & B
PERCENTAGE OF FINAL COMPENSATION USED TO
COMPUTE RETIREMENT ALLOWANCE ESTIMATE

| Years of service | AGES | | | | | | | | | | | | | | | 55 & over | Years of service |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|------------------------|
| | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | | | |
| 10 | | | | | | | | | | 20.00% | 21.03% | 22.16% | 23.38% | 24.67% | 26.20% | 10 | |
| 11 | | | | | | | | | | 22.00 | 23.14 | 24.37 | 25.72 | 27.14 | 28.82 | 11 | |
| 12 | | | | | | | | | | 24.00 | 25.24 | 26.59 | 28.06 | 29.61 | 31.44 | 12 | |
| 13 | | | | | | | | | | 26.00 | 27.34 | 28.80 | 30.40 | 32.07 | 34.06 | 13 | |
| 14 | | | | | | | | | | 28.00 | 29.44 | 31.02 | 32.74 | 34.54 | 36.68 | 14 | |
| 15 | | | | | | | | | | 30.00 | 31.55 | 33.23 | 35.08 | 37.01 | 39.30 | 15 | |
| 16 | | | | | | | | | | 32.00 | 33.65 | 35.45 | 37.41 | 39.48 | 41.92 | 16 | |
| 17 | | | | | | | | | | 34.00 | 35.75 | 37.67 | 39.75 | 41.94 | 44.54 | 17 | |
| 18 | | | | | | | | | | 36.00 | 37.86 | 39.88 | 42.09 | 44.41 | 47.16 | 18 | |
| 19 | | | | | | | | | | 38.00 | 39.96 | 42.10 | 44.43 | 46.88 | 49.78 | 19 | |
| 20 | 25.03% | 26.50% | 28.02% | 29.59% | 31.22% | 32.90% | 34.71% | 36.34% | 38.09% | 40.00 | 42.06 | 44.31 | 46.77 | 49.34 | 52.40 | 20 | |
| 21 | 26.28 | 27.83 | 29.42 | 31.07 | 32.78 | 34.55 | 36.45 | 38.16 | 39.99 | 42.00 | 44.17 | 46.53 | 49.11 | 51.81 | 55.02 | 21 | |
| 22 | 27.54 | 29.15 | 30.82 | 32.55 | 34.34 | 36.19 | 38.18 | 39.97 | 41.90 | 44.00 | 46.27 | 48.74 | 51.44 | 54.28 | 57.64 | 22 | |
| 23 | | 30.48 | 32.22 | 34.03 | 35.90 | 37.84 | 39.92 | 41.79 | 43.80 | 46.00 | 48.37 | 50.96 | 53.78 | 56.75 | 60.26 | 23 | |
| 24 | | | 33.62 | 35.51 | 37.46 | 39.48 | 41.65 | 43.61 | 45.71 | 48.00 | 50.48 | 53.17 | 56.12 | 59.21 | 62.88 | 24 | |
| 25 | | | | 37.00 | 39.03 | 41.13 | 43.39 | 45.43 | 47.61 | 50.00 | 52.58 | 55.39 | 58.46 | 61.68 | 65.50 | 25 | |
| 26 | | | | | 40.59 | 42.78 | 45.13 | 47.24 | 49.51 | 52.00 | 54.68 | 57.61 | 60.80 | 64.15 | 68.11 | 26 | |
| 27 | | | | | | 44.42 | 46.86 | 49.06 | 51.42 | 54.00 | 56.79 | 59.82 | 63.14 | 66.61 | 70.73 | 27 | |
| 28 | | | | | | | 48.60 | 50.88 | 53.32 | 56.00 | 58.89 | 62.04 | 65.48 | 69.08 | 73.35 | 28 | |
| 29 | | | | | | | | 52.69 | 55.23 | 58.00 | 60.99 | 64.25 | 67.81 | 71.55 | 75.97 | 29 | |
| 30 | | | | | | | | | 57.13 | 60.00 | 63.10 | 66.47 | 70.15 | 74.02 | 78.59 | 30 | |
| 31 | | | | | | | | | | 62.00 | 65.20 | 68.68 | 72.49 | 76.48 | 81.21 | 31 | |
| 32 | | | | | | | | | | 64.00 | 67.30 | 70.90 | 74.83 | 78.95 | 83.83 | 32 | |
| 33 | | | | | | | | | | 66.00 | 69.41 | 73.11 | 77.17 | 81.42 | 86.45 | 33 | |
| 34 | | | | | | | | | | 68.00 | 71.51 | 75.33 | 79.51 | 83.68 | 89.07 | 34 | |
| 35 | | | | | | | | | | | 73.61 | 77.55 | 81.84 | 86.35 | 91.69 | 35 | |
| 36 | | | | | | | | | | | | 79.76 | 84.18 | 88.82 | 94.31 | 36 | |
| 37 | | | | | | | | | | | | | 86.52 | 91.29 | 96.93 | 37 | |
| 38 | | | | | | | | | | | | | | 93.75 | 99.55 | 38 | |
| 39 | | | | | | | | | | | | | | | 100.00 | 39 | |

Table 10

GENERAL MEMBERS—PLAN A

PERCENTAGE OF FINAL COMPENSATION USED TO COMPUTE RETIREMENT ALLOWANCE ESTIMATE

(If Member Not Covered Under Social Security as a County Employee)

| Years of service | AGES | | | | | | | | | | | | | Years of service |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|------------------------|
| | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 & over | |
| 10 | 14.75% | 15.67% | 16.67% | 17.41% | 18.41% | 19.48% | 20.61% | 21.82% | 22.68% | 23.54% | 24.40% | 25.26% | 26.11% | 10 |
| 11 | 16.23 | 17.23 | 18.33 | 19.15 | 20.25 | 21.42 | 22.67 | 24.00 | 24.95 | 25.89 | 26.84 | 27.78 | 28.72 | 11 |
| 12 | 17.70 | 18.80 | 20.00 | 20.89 | 22.10 | 23.37 | 24.73 | 26.19 | 27.22 | 28.25 | 29.28 | 30.31 | 31.34 | 12 |
| 13 | 19.18 | 20.36 | 21.67 | 22.64 | 23.94 | 25.32 | 26.79 | 28.37 | 29.48 | 30.60 | 31.72 | 32.83 | 33.95 | 13 |
| 14 | 20.65 | 21.93 | 23.33 | 24.38 | 25.78 | 27.27 | 28.85 | 30.55 | 31.75 | 32.95 | 34.16 | 35.36 | 36.56 | 14 |
| 15 | 22.13 | 23.50 | 25.00 | 26.12 | 27.62 | 29.22 | 30.91 | 32.73 | 34.02 | 35.31 | 36.60 | 37.88 | 39.17 | 15 |
| 16 | 23.60 | 25.06 | 26.67 | 27.86 | 29.46 | 31.16 | 32.97 | 34.91 | 36.29 | 37.66 | 39.03 | 40.41 | 41.78 | 16 |
| 17 | 25.08 | 26.63 | 28.33 | 29.60 | 31.30 | 33.11 | 35.03 | 37.10 | 38.56 | 40.01 | 41.47 | 42.93 | 44.39 | 17 |
| 18 | 26.55 | 28.20 | 30.00 | 31.34 | 33.14 | 35.06 | 37.09 | 39.28 | 40.82 | 42.37 | 43.91 | 45.46 | 47.00 | 18 |
| 19 | 28.03 | 29.76 | 31.67 | 33.08 | 34.99 | 37.01 | 39.16 | 41.46 | 43.09 | 44.72 | 46.35 | 47.98 | 49.62 | 19 |
| 20 | 29.50 | 31.33 | 33.33 | 34.82 | 36.83 | 38.95 | 41.22 | 43.64 | 45.36 | 47.08 | 48.79 | 50.51 | 52.23 | 20 |
| 21 | 30.98 | 32.90 | 35.00 | 36.56 | 38.67 | 40.90 | 43.28 | 45.83 | 47.63 | 49.43 | 51.23 | 53.04 | 54.84 | 21 |
| 22 | 32.45 | 34.46 | 36.67 | 38.31 | 40.51 | 42.85 | 45.34 | 48.01 | 49.90 | 51.78 | 53.67 | 55.56 | 57.45 | 22 |
| 23 | 33.93 | 36.03 | 38.33 | 40.05 | 42.35 | 44.80 | 47.40 | 50.19 | 52.16 | 54.14 | 56.11 | 58.09 | 60.06 | 23 |
| 24 | 35.40 | 37.60 | 40.00 | 41.79 | 44.19 | 46.74 | 49.46 | 52.37 | 54.43 | 56.49 | 58.55 | 60.61 | 62.67 | 24 |
| 25 | 36.88 | 39.16 | 41.67 | 43.53 | 46.03 | 48.69 | 51.52 | 54.55 | 56.70 | 58.85 | 60.99 | 63.14 | 65.28 | 25 |
| 26 | 38.35 | 40.73 | 43.33 | 45.27 | 47.87 | 50.64 | 53.58 | 56.74 | 58.97 | 61.20 | 63.43 | 65.66 | 67.89 | 26 |
| 27 | 39.83 | 42.30 | 45.00 | 47.01 | 49.72 | 52.59 | 55.64 | 58.92 | 61.24 | 63.55 | 65.87 | 68.19 | 70.51 | 27 |
| 28 | 41.30 | 43.86 | 46.67 | 48.75 | 51.56 | 54.53 | 57.70 | 61.10 | 63.50 | 65.91 | 68.31 | 70.71 | 73.12 | 28 |
| 29 | 42.78 | 45.43 | 48.33 | 50.49 | 53.40 | 56.48 | 59.76 | 63.28 | 65.77 | 68.26 | 70.75 | 73.24 | 75.73 | 29 |
| 30 | 44.25 | 47.00 | 50.00 | 52.23 | 55.24 | 58.43 | 61.82 | 65.47 | 68.04 | 70.61 | 73.19 | 75.77 | 78.34 | 30 |
| 31 | 45.73 | 48.56 | 51.67 | 53.98 | 57.08 | 60.38 | 63.89 | 67.65 | 70.31 | 72.97 | 75.63 | 78.29 | 80.95 | 31 |
| 32 | 47.20 | 50.13 | 53.33 | 55.72 | 58.92 | 62.33 | 65.95 | 69.83 | 72.58 | 75.32 | 78.07 | 80.82 | 83.56 | 32 |
| 33 | 48.68 | 51.69 | 55.00 | 57.46 | 60.76 | 64.27 | 68.01 | 72.01 | 74.84 | 77.68 | 80.51 | 83.34 | 86.17 | 33 |
| 34 | 50.15 | 53.26 | 56.67 | 59.20 | 62.61 | 66.22 | 70.07 | 74.19 | 77.11 | 80.03 | 82.95 | 85.87 | 88.79 | 34 |
| 35 | ..... | 54.83 | 58.33 | 60.94 | 64.45 | 68.17 | 72.13 | 76.38 | 79.38 | 82.38 | 85.39 | 88.39 | 91.40 | 35 |
| 36 | ..... | ..... | 60.00 | 62.68 | 66.29 | 70.12 | 74.19 | 78.56 | 81.65 | 84.74 | 87.83 | 90.92 | 94.01 | 36 |
| 37 | ..... | ..... | ..... | 64.42 | 68.13 | 72.06 | 76.25 | 80.74 | 83.92 | 87.09 | 90.27 | 93.44 | 96.62 | 37 |
| 38 | ..... | ..... | ..... | ..... | 69.97 | 74.01 | 78.31 | 82.92 | 86.18 | 89.45 | 92.71 | 95.97 | 99.23 | 38 |
| 39 | ..... | ..... | ..... | ..... | ..... | 75.96 | 80.37 | 85.10 | 88.45 | 91.80 | 95.15 | 98.49 | 100.00 | 39 |
| 40 | ..... | ..... | ..... | ..... | ..... | ..... | 82.43 | 87.29 | 90.72 | 94.15 | 97.59 | 100.00 | | 40 |
| 41 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 92.99 | 96.51 | 100.00 | | | 41 |

Table II
GENERAL MEMBERS — PLAN B
PERCENTAGE OF FINAL COMPENSATION USED TO
COMPUTE RETIREMENT ALLOWANCE ESTIMATE

(If Member Not Covered Under Social Security as a County Employee)

| Years of service | AGES | | | | | | | | | | | | | | | | Years of service |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|------------------------|
| | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 & over | |
| 10 | 12.42% | 13.14% | 13.91% | 14.75% | 15.66% | 16.67% | 17.41% | 18.41% | 19.48% | 20.61% | 21.82% | 22.68% | 23.54% | 24.40% | 25.26% | 26.11% | 10 |
| 11 | 13.67 | 14.45 | 15.30 | 16.23 | 17.23 | 18.33 | 19.15 | 20.25 | 21.42 | 22.67 | 24.00 | 24.95 | 25.89 | 26.84 | 27.78 | 28.72 | 11 |
| 12 | 14.91 | 15.76 | 16.69 | 17.70 | 18.80 | 20.00 | 20.89 | 22.10 | 23.37 | 24.73 | 26.19 | 27.22 | 28.25 | 29.28 | 30.31 | 31.34 | 12 |
| 13 | 16.15 | 17.08 | 18.08 | 19.18 | 20.36 | 21.67 | 22.64 | 23.94 | 25.32 | 26.79 | 28.37 | 29.48 | 30.60 | 31.72 | 32.83 | 33.95 | 13 |
| 14 | 17.39 | 18.39 | 19.47 | 20.65 | 21.93 | 23.33 | 24.38 | 25.78 | 27.27 | 28.85 | 30.55 | 31.75 | 32.95 | 34.16 | 35.36 | 36.56 | 14 |
| 15 | 18.63 | 19.70 | 20.87 | 22.13 | 23.50 | 25.00 | 26.12 | 27.62 | 29.22 | 30.91 | 32.73 | 34.02 | 35.31 | 36.60 | 37.88 | 39.17 | 15 |
| 16 | 19.88 | 21.02 | 22.26 | 23.60 | 25.06 | 26.67 | 27.86 | 29.46 | 31.16 | 32.97 | 34.91 | 36.29 | 37.66 | 39.03 | 40.41 | 41.78 | 16 |
| 17 | 21.12 | 22.33 | 23.65 | 25.08 | 26.63 | 28.33 | 29.60 | 31.30 | 33.11 | 35.03 | 37.10 | 38.56 | 40.02 | 41.47 | 42.93 | 44.39 | 17 |
| 18 | 22.36 | 23.65 | 25.04 | 26.55 | 28.20 | 30.00 | 31.34 | 33.14 | 35.06 | 37.10 | 39.28 | 40.82 | 42.37 | 43.91 | 45.46 | 47.00 | 18 |
| 19 | 23.60 | 24.96 | 26.43 | 28.03 | 29.76 | 31.67 | 33.08 | 34.99 | 37.01 | 39.16 | 41.46 | 43.09 | 44.72 | 46.35 | 47.98 | 49.62 | 19 |
| 20 | 24.85 | 26.27 | 27.82 | 29.50 | 31.33 | 33.33 | 34.82 | 36.83 | 38.95 | 41.22 | 43.64 | 45.36 | 47.08 | 48.79 | 50.51 | 52.23 | 20 |
| 21 | 26.09 | 27.59 | 29.21 | 30.98 | 32.90 | 35.00 | 36.56 | 38.67 | 40.90 | 43.28 | 45.83 | 47.63 | 49.43 | 51.23 | 53.04 | 54.84 | 21 |
| 22 | 27.33 | 28.90 | 30.60 | 32.45 | 34.46 | 36.67 | 38.31 | 40.51 | 42.85 | 45.34 | 48.01 | 49.90 | 51.78 | 53.67 | 55.56 | 57.45 | 22 |
| 23 | 28.57 | 30.21 | 31.99 | 33.92 | 36.03 | 38.33 | 40.05 | 42.35 | 44.80 | 47.40 | 50.19 | 52.16 | 54.14 | 56.11 | 58.09 | 60.06 | 23 |
| 24 | 29.82 | 31.53 | 33.38 | 35.40 | 37.60 | 40.00 | 41.79 | 44.19 | 46.74 | 49.46 | 52.37 | 54.43 | 56.49 | 58.55 | 60.61 | 62.67 | 24 |
| 25 | 31.06 | 32.84 | 34.78 | 36.88 | 39.16 | 41.67 | 43.53 | 46.03 | 48.69 | 51.52 | 54.55 | 56.70 | 58.85 | 60.99 | 63.14 | 65.28 | 25 |
| 26 | 32.30 | 34.16 | 36.17 | 38.35 | 40.73 | 43.33 | 45.27 | 47.87 | 50.64 | 53.58 | 56.74 | 58.97 | 61.20 | 63.43 | 65.66 | 67.89 | 26 |
| 27 | 33.54 | 35.47 | 37.56 | 39.83 | 42.30 | 45.00 | 47.01 | 49.72 | 52.59 | 55.64 | 58.92 | 61.24 | 63.55 | 65.87 | 68.19 | 70.51 | 27 |
| 28 | 34.79 | 36.78 | 38.95 | 41.30 | 43.86 | 46.67 | 48.75 | 51.56 | 54.53 | 57.70 | 61.10 | 63.50 | 65.91 | 68.31 | 70.71 | 73.12 | 28 |
| 29 | 36.03 | 38.10 | 40.34 | 42.78 | 45.43 | 48.33 | 50.49 | 53.40 | 56.48 | 59.76 | 63.28 | 65.77 | 68.26 | 70.75 | 73.24 | 75.73 | 29 |
| 30 | 37.27 | 39.41 | 41.73 | 44.25 | 47.00 | 50.00 | 52.24 | 55.24 | 58.43 | 61.83 | 65.46 | 68.04 | 70.62 | 73.19 | 75.77 | 78.34 | 30 |
| 31 | 38.51 | 40.72 | 43.12 | 45.73 | 48.56 | 51.67 | 53.98 | 57.08 | 60.38 | 63.89 | 67.65 | 70.31 | 72.97 | 75.63 | 78.29 | 80.95 | 31 |
| 32 | 39.75 | 42.04 | 44.51 | 47.20 | 50.13 | 53.33 | 55.72 | 58.92 | 62.33 | 65.95 | 69.83 | 72.58 | 75.32 | 78.07 | 80.82 | 83.56 | 32 |
| 33 | 41.00 | 43.35 | 45.90 | 48.68 | 51.69 | 55.00 | 57.46 | 60.76 | 64.27 | 68.01 | 72.01 | 74.84 | 77.68 | 80.51 | 83.34 | 86.17 | 33 |
| 34 | 42.24 | 44.66 | 47.29 | 50.15 | 53.26 | 56.67 | 59.20 | 62.61 | 66.22 | 70.07 | 74.19 | 77.11 | 80.03 | 82.95 | 85.87 | 88.79 | 34 |
| 35 | ..... | 45.98 | 48.69 | 51.63 | 54.83 | 58.33 | 60.94 | 64.45 | 68.17 | 72.13 | 76.38 | 79.38 | 82.38 | 85.39 | 88.39 | 91.40 | 35 |
| 36 | ..... | ..... | 50.08 | 53.10 | 56.39 | 60.00 | 62.68 | 66.29 | 70.12 | 74.19 | 78.56 | 81.65 | 84.74 | 87.83 | 90.92 | 94.01 | 36 |
| 37 | ..... | ..... | ..... | 54.58 | 57.96 | 61.67 | 64.42 | 68.13 | 72.06 | 76.25 | 80.74 | 83.92 | 87.09 | 90.27 | 93.44 | 96.62 | 37 |
| 38 | ..... | ..... | ..... | ..... | 59.53 | 63.33 | 66.16 | 69.97 | 74.01 | 78.31 | 82.92 | 86.18 | 89.45 | 92.71 | 95.97 | 99.23 | 38 |
| 39 | ..... | ..... | ..... | ..... | ..... | 65.00 | 67.91 | 71.81 | 75.96 | 80.37 | 85.10 | 88.45 | 91.80 | 95.15 | 98.49 | 100.00 | 39 |
| 40 | ..... | ..... | ..... | ..... | ..... | ..... | 69.65 | 73.65 | 77.91 | 82.43 | 87.29 | 90.72 | 94.15 | 97.59 | 100.00 | | 40 |
| 41 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 75.49 | 79.85 | 84.49 | 89.47 | 92.99 | 96.51 | 100.00 | | | 41 |

Table 12

GENERAL MEMBERS — PLAN C & D

PERCENTAGE OF FINAL COMPENSATION USED TO COMPUTE RETIREMENT ALLOWANCE ESTIMATE

(If Member Not Covered Under Social Security as a County Employee)

| Years of service | AGES | | | | | | | | | | | | | | | | Years of service |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|------------------------|
| | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 & over | |
| 10 | 11.82% | 12.43% | 13.03% | 13.64% | 14.26% | 14.92% | 15.64% | 16.41% | 17.25% | 18.17% | 19.17% | 19.91% | 20.91% | 21.98% | 23.11% | 24.32% | 10 |
| 11 | 13.00 | 13.67 | 14.33 | 15.00 | 15.69 | 16.42 | 17.20 | 18.05 | 18.98 | 19.98 | 21.08 | 21.90 | 23.00 | 24.17 | 25.42 | 26.75 | 11 |
| 12 | 14.18 | 14.91 | 15.63 | 16.36 | 17.11 | 17.91 | 18.76 | 19.69 | 20.70 | 21.80 | 23.00 | 23.89 | 25.10 | 26.37 | 27.73 | 29.19 | 12 |
| 13 | 15.36 | 16.16 | 16.93 | 17.73 | 18.54 | 19.40 | 20.33 | 21.33 | 22.42 | 23.61 | 24.92 | 25.89 | 27.19 | 28.57 | 30.04 | 31.62 | 13 |
| 14 | 16.55 | 17.40 | 18.24 | 19.09 | 19.96 | 20.89 | 21.89 | 22.97 | 24.15 | 25.43 | 26.83 | 27.88 | 29.28 | 30.77 | 32.35 | 34.05 | 14 |
| 15 | 17.73 | 18.64 | 19.54 | 20.45 | 21.39 | 22.39 | 23.46 | 24.62 | 25.87 | 27.25 | 28.75 | 29.87 | 31.37 | 32.97 | 34.66 | 36.48 | 15 |
| 16 | 18.91 | 19.89 | 20.84 | 21.82 | 22.82 | 23.88 | 25.02 | 26.26 | 27.60 | 29.06 | 30.67 | 31.86 | 33.46 | 35.16 | 36.97 | 38.91 | 16 |
| 17 | 20.09 | 21.13 | 22.15 | 23.18 | 24.24 | 25.37 | 26.58 | 27.90 | 29.33 | 30.88 | 32.58 | 33.85 | 35.55 | 37.36 | 39.28 | 41.35 | 17 |
| 18 | 21.27 | 22.37 | 23.45 | 24.54 | 25.67 | 26.86 | 28.15 | 29.54 | 31.05 | 32.70 | 34.50 | 35.84 | 37.64 | 39.56 | 41.60 | 43.78 | 18 |
| 19 | 22.45 | 23.61 | 24.75 | 25.91 | 27.09 | 28.35 | 29.71 | 31.18 | 32.78 | 34.51 | 36.42 | 37.83 | 39.74 | 41.76 | 43.91 | 46.21 | 19 |
| 20 | 23.64 | 24.86 | 26.05 | 27.27 | 28.52 | 29.85 | 31.27 | 32.82 | 34.50 | 36.33 | 38.33 | 39.82 | 41.83 | 43.95 | 46.22 | 48.64 | 20 |
| 21 | 24.82 | 26.10 | 27.36 | 28.63 | 29.95 | 31.34 | 32.84 | 34.46 | 36.23 | 38.15 | 40.25 | 41.81 | 43.92 | 46.15 | 48.53 | 51.08 | 21 |
| 22 | 26.00 | 27.34 | 28.66 | 30.00 | 31.37 | 32.83 | 34.40 | 36.10 | 37.95 | 39.96 | 42.17 | 43.81 | 46.01 | 48.35 | 50.84 | 53.51 | 22 |
| 23 | 27.18 | 28.59 | 29.96 | 31.36 | 32.80 | 34.32 | 35.96 | 37.74 | 39.67 | 41.78 | 44.08 | 45.80 | 48.10 | 50.55 | 53.15 | 55.94 | 23 |
| 24 | 28.36 | 29.83 | 31.26 | 32.72 | 34.22 | 35.82 | 37.53 | 39.38 | 41.40 | 43.60 | 46.00 | 47.79 | 50.19 | 52.74 | 55.46 | 58.37 | 24 |
| 25 | 29.55 | 31.07 | 32.57 | 34.09 | 35.65 | 37.31 | 39.09 | 41.03 | 43.12 | 45.41 | 47.92 | 49.78 | 52.28 | 54.94 | 57.77 | 60.80 | 25 |
| 26 | 30.73 | 32.31 | 33.87 | 35.45 | 37.08 | 38.80 | 40.66 | 42.67 | 44.85 | 47.23 | 49.83 | 51.77 | 54.37 | 57.14 | 60.08 | 63.24 | 26 |
| 27 | 31.91 | 33.56 | 35.17 | 36.81 | 38.50 | 40.29 | 42.22 | 44.31 | 46.58 | 49.05 | 51.75 | 53.76 | 56.47 | 59.34 | 62.39 | 65.67 | 27 |
| 28 | 33.09 | 34.80 | 36.47 | 38.18 | 39.93 | 41.79 | 43.78 | 45.95 | 48.30 | 50.86 | 53.67 | 55.75 | 58.56 | 61.53 | 64.70 | 68.10 | 28 |
| 29 | 34.27 | 36.04 | 37.78 | 39.54 | 41.35 | 43.28 | 45.35 | 47.59 | 50.02 | 52.68 | 55.58 | 57.74 | 60.65 | 63.73 | 67.01 | 70.53 | 29 |
| 30 | 35.46 | 37.29 | 39.08 | 40.91 | 42.78 | 44.77 | 46.91 | 49.23 | 51.75 | 54.50 | 57.50 | 59.74 | 62.74 | 65.93 | 69.33 | 72.97 | 30 |
| 31 | 36.64 | 38.53 | 40.38 | 42.27 | 44.21 | 46.26 | 48.47 | 50.87 | 53.48 | 56.31 | 59.42 | 61.73 | 64.83 | 68.13 | 71.64 | 75.40 | 31 |
| 32 | 37.82 | 39.77 | 41.69 | 43.63 | 45.63 | 47.75 | 50.04 | 52.51 | 55.20 | 58.13 | 61.33 | 63.72 | 66.92 | 70.33 | 73.95 | 77.83 | 32 |
| 33 | 39.00 | 41.01 | 42.99 | 45.00 | 47.06 | 49.25 | 51.60 | 54.15 | 56.92 | 59.94 | 63.25 | 65.71 | 69.01 | 72.52 | 76.26 | 80.26 | 33 |
| 34 | 40.18 | 42.26 | 44.29 | 46.36 | 48.48 | 50.74 | 53.16 | 55.79 | 58.65 | 61.76 | 65.17 | 67.70 | 71.11 | 74.72 | 78.57 | 82.69 | 34 |
| 35 | ..... | 43.50 | 45.59 | 47.72 | 49.91 | 52.23 | 54.73 | 57.43 | 60.37 | 63.58 | 67.08 | 69.69 | 73.20 | 76.92 | 80.88 | 85.13 | 35 |
| 36 | ..... | ..... | 46.90 | 49.09 | 51.34 | 53.72 | 56.29 | 59.08 | 62.10 | 65.39 | 69.00 | 71.68 | 75.29 | 79.12 | 83.19 | 87.56 | 36 |
| 37 | ..... | ..... | ..... | 50.45 | 52.76 | 55.22 | 57.86 | 60.72 | 63.83 | 67.21 | 70.92 | 73.67 | 77.38 | 81.31 | 85.50 | 89.99 | 37 |
| 38 | ..... | ..... | ..... | ..... | 54.19 | 56.71 | 59.42 | 62.36 | 65.55 | 69.03 | 72.83 | 75.66 | 79.47 | 83.51 | 87.81 | 92.42 | 38 |
| 39 | ..... | ..... | ..... | ..... | ..... | 58.20 | 60.98 | 64.00 | 67.27 | 70.84 | 74.75 | 77.66 | 81.56 | 85.71 | 90.12 | 94.85 | 39 |
| 40 | ..... | ..... | ..... | ..... | ..... | ..... | 62.55 | 65.64 | 69.00 | 72.66 | 76.67 | 79.65 | 83.65 | 87.91 | 92.43 | 97.29 | 40 |
| 41 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | 67.28 | 70.72 | 74.48 | 78.58 | 81.64 | 85.74 | 90.10 | 94.74 | 99.72 | 41 |

Table 13

GENERAL MEMBERS—PLAN E

PERCENTAGE OF FINAL COMPENSATION USED TO COMPUTE RETIREMENT ALLOWANCE ESTIMATE

(If Member Not Covered Under Social Security as a County Employee)

| Years of service | AGES | | | | | | | | | | | Years of service |
|------------------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------------|------------------------|
| | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 & over | |
| 10 | 7.28% | 8.00% | 8.81% | 9.70% | 10.71% | 11.83% | 13.09% | 14.52% | 16.12% | 17.94% | 20.00% | 10 |
| 11 | 8.01 | 8.80 | 9.69 | 10.67 | 11.78 | 13.02 | 14.40 | 15.97 | 17.73 | 19.73 | 22.00 | 11 |
| 12 | 8.74 | 9.60 | 10.57 | 11.64 | 12.85 | 14.20 | 15.71 | 17.42 | 19.34 | 21.52 | 24.00 | 12 |
| 13 | 9.47 | 10.41 | 11.45 | 12.62 | 13.92 | 15.38 | 17.02 | 18.87 | 20.96 | 23.32 | 26.00 | 13 |
| 14 | 10.19 | 11.21 | 12.33 | 13.59 | 14.99 | 16.56 | 18.33 | 20.32 | 22.57 | 25.11 | 28.00 | 14 |
| 15 | 10.92 | 12.01 | 13.21 | 14.56 | 16.06 | 17.75 | 19.64 | 21.77 | 24.18 | 26.90 | 30.00 | 15 |
| 16 | 11.65 | 12.81 | 14.09 | 15.53 | 17.13 | 18.93 | 20.95 | 23.23 | 25.79 | 28.70 | 32.00 | 16 |
| 17 | 12.38 | 13.61 | 14.97 | 16.50 | 18.20 | 20.11 | 22.26 | 24.68 | 27.40 | 30.49 | 34.00 | 17 |
| 18 | 13.11 | 14.41 | 15.85 | 17.47 | 19.27 | 21.30 | 23.57 | 26.13 | 29.02 | 32.28 | 36.00 | 18 |
| 19 | 13.84 | 15.21 | 16.74 | 18.44 | 20.35 | 22.48 | 24.88 | 27.58 | 30.63 | 34.08 | 38.00 | 19 |
| 20 | 14.56 | 16.01 | 17.62 | 19.41 | 21.42 | 23.66 | 26.19 | 29.03 | 32.24 | 35.87 | 40.00 | 20 |
| 21 | 15.29 | 16.81 | 18.50 | 20.38 | 22.49 | 24.85 | 27.50 | 30.48 | 33.85 | 37.67 | 42.00 | 21 |
| 22 | 16.02 | 17.61 | 19.38 | 21.35 | 23.56 | 26.03 | 28.81 | 31.94 | 35.46 | 39.46 | 44.00 | 22 |
| 23 | 16.75 | 18.41 | 20.26 | 22.32 | 24.63 | 27.21 | 30.12 | 33.39 | 37.08 | 41.25 | 46.00 | 23 |
| 24 | 17.48 | 19.21 | 21.14 | 23.29 | 25.70 | 28.40 | 31.43 | 34.84 | 38.69 | 43.05 | 48.00 | 24 |
| 25 | 18.21 | 20.01 | 22.02 | 24.26 | 26.77 | 29.58 | 32.74 | 36.29 | 40.30 | 44.84 | 50.00 | 25 |
| 26 | 18.93 | 20.81 | 22.90 | 25.23 | 27.84 | 30.76 | 34.04 | 37.74 | 41.91 | 46.63 | 52.00 | 26 |
| 27 | 19.66 | 21.61 | 23.78 | 26.20 | 28.91 | 31.95 | 35.35 | 39.19 | 43.52 | 48.43 | 54.00 | 27 |
| 28 | 20.39 | 22.41 | 24.66 | 27.17 | 29.98 | 33.13 | 36.66 | 40.64 | 45.14 | 50.22 | 56.00 | 28 |
| 29 | 21.12 | 23.21 | 25.54 | 28.14 | 31.05 | 34.31 | 37.97 | 42.10 | 46.75 | 52.01 | 58.00 | 29 |
| 30 | 21.85 | 24.01 | 26.42 | 29.11 | 32.12 | 35.50 | 39.28 | 43.55 | 48.36 | 53.81 | 60.00 | 30 |
| 31 | 22.57 | 24.81 | 27.30 | 30.08 | 33.19 | 36.68 | 40.59 | 45.00 | 49.97 | 55.60 | 62.00 | 31 |
| 32 | 23.30 | 25.61 | 28.19 | 31.05 | 34.27 | 37.86 | 41.90 | 46.45 | 51.58 | 57.40 | 64.00 | 32 |
| 33 | 24.03 | 26.41 | 29.07 | 32.02 | 35.34 | 39.05 | 43.21 | 47.90 | 53.20 | 59.19 | 66.00 | 33 |
| 34 | 24.76 | 27.21 | 29.95 | 32.99 | 36.41 | 40.23 | 44.52 | 49.35 | 54.81 | 60.98 | 68.00 | 34 |
| 35 | 25.49 | 28.01 | 30.83 | 33.96 | 37.48 | 41.41 | 45.83 | 50.81 | 56.42 | 62.78 | 70.00 | 35 |
| 36 | 25.85 | 28.41 | 31.27 | 34.45 | 38.01 | 42.00 | 46.48 | 51.53 | 57.23 | 63.67 | 71.00 | 36 |
| 37 | 26.22 | 28.81 | 31.71 | 34.93 | 38.55 | 42.60 | 47.14 | 52.26 | 58.03 | 64.57 | 72.00 | 37 |
| 38 | 26.58 | 29.21 | 32.15 | 35.42 | 39.08 | 43.19 | 47.79 | 52.98 | 58.84 | 65.47 | 73.00 | 38 |
| 39 | 26.94 | 29.61 | 32.59 | 35.90 | 39.62 | 43.78 | 48.45 | 53.71 | 59.64 | 66.36 | 74.00 | 39 |
| 40 | ..... | 30.02 | 33.03 | 36.39 | 40.16 | 44.37 | 49.10 | 54.44 | 60.45 | 67.26 | 75.00 | 40 |
| 41 | ..... | ..... | 33.47 | 36.88 | 40.69 | 44.96 | 49.76 | 55.16 | 61.26 | 68.16 | 76.00 | 41 |

Table 1-

RETIREMENT ALLOWANCE REDUCTION AMOUNTS FOR
MEMBERS IN PLANS A, B, C & D
COVERED BY SOCIAL SECURITY

| <u>Age at Retirement</u> | <u>PLAN A Reduction per YOS*</u> | <u>PLAN B Reduction per YOS*</u> | <u>PLAN C Reduction per YOS*</u> | <u>PLAN D Reduction per YOS*</u> |
|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 50 | \$1.72 | \$1.45 | \$1.38 | \$4.14 |
| 51 | 1.88 | 1.53 | 1.45 | 4.35 |
| 52 | 1.94 | 1.62 | 1.52 | 4.56 |
| 53 | 2.03 | 1.72 | 1.59 | 4.77 |
| 54 | 2.15 | 1.83 | 1.66 | 4.99 |
| 55 | 2.27 | 1.94 | 1.74 | 5.22 |
| 56 | 2.40 | 2.03 | 1.82 | 5.47 |
| 57 | 2.55 | 2.15 | 1.91 | 5.74 |
| 58 | 2.65 | 2.27 | 2.01 | 6.04 |
| 59 | 2.75 | 2.40 | 2.12 | 6.36 |
| 60 | 2.85 | 2.55 | 2.24 | 6.71 |
| 61 | 2.95 | 2.65 | 2.32 | 6.97 |
| 62 | 3.05 | 2.75 | 2.44 | 7.32 |
| 63 | 3.05 | 2.85 | 2.56 | 7.69 |
| 64 | 3.05 | 2.95 | 2.70 | 8.09 |
| 65 | 3.05 | 3.05 | 2.84 | 8.51 |

and over

*Notes: "YOS" means years of service covered by Social Security under LACERA.

Table 15

PLAN A, B, C OR D
SOCIAL SECURITY ADJUSTMENT FACTORS FOR THE LEVEL INCOME
OPTION BY AGE AT RETIREMENT*

| <u>Age at Retirement</u> | <u>Social Security Adjustment Factor (expressed in percentages)</u> | <u>Age at Retirement</u> | <u>Social Security Adjustment Factor (expressed in percentages)</u> |
|--------------------------|---|--------------------------|---|
| 50 | 31.76% | 56 | 55.14 |
| 51 | 34.73 | 57 | 60.68 |
| 52 | 38.02 | 58 | 66.86 |
| 53 | 41.66 | 59 | 73.77 |
| 54 | 45.69 | 60 | 81.51 |
| 55 | 50.16 | 61 | 90.21 |

*Note: These factors are subject to change based on recommendations by LACERA's actuary.

Table 16

PLAN E
EARLY RETIREMENT ADJUSTMENT (ERA) FACTORS
BY AGE AT RETIREMENT*

| <u>Age at Retirement</u> | <u>ERA Factors (expressed in percentages)</u> | <u>Age at Retirement</u> | <u>ERA Factors (expressed in percentages)</u> |
|--------------------------|---|--------------------------|---|
| 55 | 36.41% | 60 | 59.16 |
| 56 | 40.02 | 61 | 65.47 |
| 57 | 44.04 | 62 | 72.58 |
| 58 | 48.52 | 63 | 80.60 |
| 59 | 53.54 | 64 | 89.68 |

*Note: These factors are subject to change based on recommendations by LACERA's actuary.

Table 17

SOCIAL SECURITY BENEFITS FOR LEVEL INCOME OPTION
ESTIMATED MONTHLY SOCIAL SECURITY BENEFITS PAYABLE AT AGE 62—AS OF JANUARY 1988

| 1988 ANNUAL EARNINGS RATE | —ATTAINED AGE IN 1988— | | | | | | | | | | | | |
|------------------------------------|------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 |
| 6500 | 105 | 110 | 113 | 117 | 121 | 125 | 128 | 132 | 136 | 140 | 143 | 147 | 151 |
| 7000 | 111 | 117 | 121 | 125 | 129 | 133 | 137 | 141 | 145 | 149 | 153 | 157 | 161 |
| 7500 | 118 | 124 | 128 | 132 | 137 | 141 | 145 | 150 | 154 | 158 | 162 | 167 | 171 |
| 8000 | 124 | 130 | 135 | 140 | 144 | 149 | 154 | 158 | 163 | 167 | 172 | 176 | 181 |
| 8500 | 131 | 137 | 142 | 147 | 152 | 157 | 162 | 167 | 172 | 177 | 181 | 186 | 191 |
| 9000 | 137 | 144 | 149 | 155 | 160 | 165 | 170 | 175 | 181 | 186 | 191 | 196 | 201 |
| 9500 | 144 | 151 | 157 | 162 | 168 | 173 | 179 | 184 | 190 | 195 | 200 | 206 | 212 |
| 10000 | 151 | 158 | 164 | 170 | 175 | 181 | 187 | 193 | 199 | 204 | 210 | 216 | 222 |
| 10500 | 157 | 165 | 171 | 177 | 183 | 189 | 195 | 201 | 207 | 214 | 219 | 225 | 232 |
| 11000 | 164 | 172 | 178 | 185 | 191 | 197 | 204 | 210 | 216 | 223 | 229 | 235 | 242 |
| 11500 | 170 | 179 | 186 | 192 | 199 | 205 | 212 | 219 | 225 | 232 | 238 | 245 | 252 |
| 12000 | 177 | 186 | 193 | 200 | 207 | 214 | 220 | 227 | 234 | 241 | 248 | 255 | 262 |
| 12500 | 183 | 193 | 200 | 207 | 214 | 222 | 229 | 236 | 243 | 250 | 257 | 264 | 272 |
| 13000 | 190 | 200 | 207 | 215 | 222 | 230 | 237 | 245 | 252 | 260 | 267 | 274 | 282 |
| 13500 | 196 | 207 | 214 | 222 | 230 | 238 | 246 | 253 | 261 | 269 | 276 | 284 | 292 |
| 14000 | 203 | 213 | 222 | 230 | 238 | 246 | 254 | 262 | 270 | 278 | 286 | 294 | 302 |
| 14500 | 209 | 220 | 229 | 237 | 245 | 254 | 262 | 271 | 279 | 287 | 295 | 304 | 312 |
| 15000 | 216 | 227 | 236 | 245 | 253 | 262 | 271 | 279 | 288 | 297 | 305 | 313 | 323 |
| 15500 | 223 | 234 | 243 | 252 | 261 | 270 | 279 | 288 | 297 | 306 | 314 | 323 | 333 |
| 16000 | 229 | 241 | 250 | 260 | 269 | 278 | 287 | 297 | 306 | 315 | 324 | 333 | 343 |
| 16500 | 236 | 248 | 258 | 267 | 277 | 286 | 296 | 305 | 315 | 324 | 333 | 343 | 353 |
| 17000 | 242 | 255 | 265 | 275 | 284 | 294 | 304 | 314 | 324 | 333 | 343 | 352 | 363 |
| 17500 | 249 | 262 | 272 | 282 | 292 | 302 | 312 | 322 | 332 | 343 | 352 | 362 | 373 |
| 18000 | 255 | 269 | 279 | 290 | 300 | 310 | 321 | 331 | 342 | 352 | 362 | 372 | 383 |
| 18500 | 262 | 276 | 286 | 297 | 308 | 318 | 329 | 340 | 350 | 361 | 371 | 382 | 393 |
| 19000 | 268 | 283 | 294 | 305 | 316 | 326 | 337 | 348 | 359 | 370 | 381 | 392 | 403 |
| 19500 | 275 | 289 | 300 | 312 | 323 | 334 | 345 | 357 | 368 | 379 | 390 | 401 | 413 |
| 20000 | 281 | 296 | 307 | 319 | 330 | 342 | 353 | 365 | 376 | 388 | 399 | 410 | 422 |
| 20500 | 286 | 302 | 313 | 325 | 337 | 349 | 361 | 373 | 384 | 396 | 407 | 419 | 432 |
| 21000 | 292 | 307 | 320 | 332 | 344 | 356 | 368 | 380 | 392 | 404 | 416 | 428 | 440 |
| 21500 | 297 | 313 | 325 | 338 | 350 | 362 | 375 | 387 | 399 | 412 | 423 | 435 | 448 |
| 22000 | 302 | 319 | 331 | 343 | 356 | 369 | 381 | 393 | 406 | 418 | 430 | 442 | 456 |
| 22500 | 307 | 324 | 336 | 348 | 361 | 374 | 386 | 398 | 411 | 424 | 436 | 449 | 462 |
| 23000 | 312 | 329 | 341 | 353 | 366 | 379 | 391 | 403 | 416 | 429 | 442 | 454 | 468 |
| 23500 | 316 | 333 | 345 | 357 | 370 | 383 | 396 | 408 | 421 | 434 | 446 | 459 | 473 |
| 24000 | 320 | 337 | 349 | 361 | 374 | 387 | 399 | 412 | 424 | 438 | 450 | 463 | 477 |
| 24500 | 323 | 340 | 352 | 365 | 377 | 391 | 403 | 415 | 428 | 442 | 454 | 467 | 481 |
| 25000 | 328 | 344 | 356 | 368 | 381 | 394 | 406 | 418 | 431 | 445 | 458 | 471 | 485 |
| 25500 | 329 | 347 | 359 | 371 | 384 | 397 | 409 | 422 | 435 | 448 | 461 | 474 | 488 |
| 26000 | 333 | 350 | 362 | 374 | 387 | 400 | 413 | 425 | 438 | 451 | 464 | 477 | 492 |
| 26500 | 335 | 353 | 365 | 377 | 390 | 403 | 415 | 427 | 440 | 454 | 467 | 480 | 495 |
| 27000 | 338 | 355 | 367 | 380 | 392 | 406 | 418 | 430 | 443 | 457 | 469 | 483 | 498 |
| 27500 | 340 | 358 | 370 | 382 | 395 | 408 | 420 | 433 | 446 | 459 | 472 | 486 | 500 |
| 28000 | 343 | 360 | 372 | 385 | 397 | 411 | 423 | 435 | 448 | 462 | 475 | 489 | 503 |
| 28500 | 345 | 363 | 375 | 387 | 400 | 414 | 426 | 438 | 451 | 464 | 477 | 491 | 506 |
| 29000 | 348 | 366 | 378 | 390 | 403 | 416 | 428 | 440 | 453 | 467 | 480 | 494 | 509 |
| 29500 | 351 | 368 | 380 | 393 | 405 | 419 | 431 | 443 | 456 | 470 | 483 | 497 | 512 |
| 30000 | 353 | 371 | 383 | 395 | 408 | 421 | 433 | 446 | 458 | 472 | 485 | 500 | 515 |
| 30500 | 355 | 373 | 385 | 397 | 410 | 424 | 436 | 448 | 461 | 474 | 488 | 502 | 516 |
| 31000 | 357 | 375 | 387 | 399 | 412 | 425 | 437 | 450 | 462 | 476 | 490 | 504 | 517 |
| 31500 | 358 | 376 | 388 | 400 | 413 | 426 | 439 | 451 | 464 | 477 | 491 | 505 | 517 |
| 32000 | 359 | 377 | 389 | 401 | 414 | 428 | 440 | 452 | 465 | 478 | 492 | 506 | 518 |
| 32500 | 361 | 378 | 390 | 403 | 415 | 429 | 441 | 453 | 466 | 480 | 493 | 508 | 519 |
| 33000 | 362 | 379 | 392 | 404 | 416 | 430 | 442 | 454 | 467 | 481 | 494 | 509 | 519 |
| 33500 | 363 | 381 | 393 | 405 | 418 | 431 | 443 | 455 | 468 | 482 | 496 | 510 | 520 |
| 34000 | 364 | 382 | 394 | 406 | 419 | 432 | 444 | 457 | 469 | 483 | 497 | 511 | 520 |
| 34500 | 365 | 383 | 395 | 407 | 420 | 433 | 446 | 458 | 471 | 484 | 498 | 512 | 521 |
| 35000 | 366 | 384 | 396 | 408 | 421 | 435 | 447 | 459 | 472 | 485 | 499 | 514 | 522 |
| 35500 | 367 | 385 | 397 | 410 | 422 | 436 | 448 | 460 | 473 | 487 | 500 | 515 | 522 |
| 36000 | 369 | 386 | 398 | 411 | 423 | 437 | 449 | 461 | 474 | 488 | 501 | 515 | 523 |
| 36500 | 370 | 387 | 400 | 412 | 424 | 438 | 450 | 462 | 475 | 489 | 503 | 516 | 523 |
| 37000 | 371 | 388 | 401 | 413 | 425 | 439 | 451 | 463 | 476 | 490 | 504 | 517 | 524 |
| 37500 | 372 | 389 | 401 | 414 | 426 | 440 | 452 | 464 | 477 | 491 | 505 | 517 | 524 |
| 38000 | 372 | 390 | 402 | 415 | 427 | 441 | 453 | 465 | 478 | 492 | 506 | 517 | 525 |
| 38500 | 373 | 391 | 403 | 415 | 428 | 441 | 454 | 466 | 479 | 492 | 506 | 518 | 525 |
| 39000 | 374 | 391 | 404 | 416 | 428 | 442 | 454 | 466 | 479 | 493 | 507 | 518 | 525 |
| 39500 | 374 | 392 | 404 | 416 | 429 | 443 | 455 | 467 | 480 | 493 | 507 | 518 | 526 |
| 40000 | 375 | 392 | 405 | 417 | 429 | 443 | 455 | 467 | 480 | 494 | 508 | 519 | 526 |
| 40500 | 375 | 393 | 405 | 417 | 430 | 443 | 455 | 468 | 480 | 494 | 508 | 519 | 526 |
| 41000 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 494 | 508 | 519 | 526 |
| 41500 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 42000 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 42500 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 43000 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 43500 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 44000 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 44500 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 45000 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |
| 45500 | 375 | 393 | 405 | 417 | 430 | 444 | 456 | 468 | 481 | 495 | 508 | 519 | 526 |

AND
GREATER

EARNINGS PRIOR TO 1982 BASED ON U.S. AVERAGE WAGE LEVELS FROM LATER OF 1951 OR YEAR AGE 22.

EARNINGS AFTER 1982 ARE ASSUMED ZERO.

CPI: INCLUDES 4.2% EFFECTIVE DEC. 1987 AND ZERO THEREAFTER.

WAGE BASE: \$45,000 IN 1988 AND THEREAFTER.

(1983 ACT—N8888A)

Table 18

SOCIAL SECURITY BENEFITS FOR PLAN E OFFSET ESTIMATED MONTHLY SOCIAL SECURITY BENEFITS PAYABLE AT AGE 65—AS OF JANUARY 1988

| 1988 ANNUAL EARNINGS RATE | ATTAINED AGE IN 1988 | | | | | | | | | | | | | | |
|------------------------------------|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | |
| 6500 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 358 | 363 | 353 | 345 | |
| 7000 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 371 | 376 | 366 | 358 | |
| 7500 | 384 | 384 | 384 | 384 | 384 | 384 | 384 | 384 | 384 | 384 | 384 | 390 | 380 | 371 | |
| 8000 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 398 | 403 | 393 | 384 | |
| 8500 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 417 | 406 | 397 | |
| 9000 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 424 | 430 | 419 | 410 | |
| 9500 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 438 | 444 | 433 | 423 | |
| 10000 | 451 | 451 | 451 | 451 | 451 | 451 | 451 | 451 | 451 | 451 | 451 | 457 | 446 | 436 | |
| 10500 | 464 | 464 | 464 | 464 | 464 | 464 | 464 | 464 | 464 | 464 | 464 | 471 | 459 | 449 | |
| 11000 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 485 | 472 | 462 | |
| 11500 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 491 | 498 | 485 | 475 | |
| 12000 | 504 | 504 | 504 | 504 | 504 | 504 | 504 | 504 | 504 | 504 | 504 | 512 | 499 | 488 | |
| 12500 | 518 | 518 | 518 | 518 | 518 | 518 | 518 | 518 | 518 | 518 | 518 | 525 | 512 | 500 | |
| 13000 | 531 | 531 | 531 | 531 | 531 | 531 | 531 | 531 | 531 | 531 | 531 | 539 | 525 | 513 | |
| 13500 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 552 | 538 | 526 | |
| 14000 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 558 | 566 | 552 | 539 | |
| 14500 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 579 | 565 | 552 | |
| 15000 | 584 | 584 | 584 | 584 | 584 | 584 | 584 | 584 | 584 | 584 | 584 | 593 | 578 | 565 | |
| 15500 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 598 | 607 | 591 | 578 | |
| 16000 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 611 | 620 | 605 | 591 | |
| 16500 | 624 | 624 | 624 | 624 | 624 | 624 | 624 | 624 | 624 | 624 | 624 | 634 | 618 | 604 | |
| 17000 | 638 | 638 | 638 | 638 | 638 | 638 | 638 | 638 | 638 | 638 | 638 | 647 | 631 | 617 | |
| 17500 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 651 | 661 | 644 | 630 | |
| 18000 | 664 | 664 | 664 | 664 | 664 | 664 | 664 | 664 | 664 | 664 | 664 | 674 | 657 | 643 | |
| 18500 | 678 | 678 | 678 | 678 | 678 | 678 | 678 | 678 | 678 | 678 | 678 | 688 | 671 | 656 | |
| 19000 | 691 | 691 | 691 | 691 | 691 | 691 | 691 | 691 | 691 | 691 | 691 | 701 | 684 | 669 | |
| 19500 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 715 | 697 | 682 | |
| 20000 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 718 | 728 | 710 | 695 | |
| 20500 | 731 | 731 | 731 | 731 | 731 | 731 | 731 | 731 | 731 | 731 | 731 | 742 | 723 | 708 | |
| 21000 | 744 | 744 | 744 | 744 | 744 | 744 | 743 | 743 | 743 | 743 | 743 | 754 | 735 | 719 | |
| 21500 | 758 | 757 | 757 | 757 | 756 | 755 | 755 | 755 | 755 | 754 | 754 | 766 | 746 | 730 | |
| 22000 | 770 | 770 | 769 | 769 | 768 | 766 | 765 | 765 | 765 | 765 | 765 | 776 | 757 | 740 | |
| 22500 | 782 | 781 | 780 | 779 | 778 | 776 | 775 | 775 | 775 | 774 | 774 | 785 | 765 | 749 | |
| 23000 | 794 | 792 | 791 | 790 | 788 | 786 | 784 | 784 | 783 | 783 | 783 | 794 | 774 | 757 | |
| 23500 | 802 | 801 | 800 | 800 | 798 | 795 | 793 | 792 | 792 | 791 | 791 | 802 | 781 | 764 | |
| 24000 | 807 | 806 | 805 | 804 | 803 | 802 | 801 | 800 | 800 | 799 | 799 | 809 | 787 | 768 | |
| 24500 | 812 | 811 | 810 | 809 | 807 | 806 | 805 | 804 | 804 | 803 | 803 | 813 | 791 | 771 | |
| 25000 | 817 | 816 | 814 | 813 | 812 | 810 | 809 | 808 | 807 | 807 | 806 | 816 | 794 | 774 | |
| 25500 | 822 | 820 | 819 | 817 | 816 | 814 | 812 | 811 | 811 | 810 | 809 | 820 | 797 | 777 | |
| 26000 | 827 | 825 | 823 | 822 | 820 | 818 | 816 | 815 | 814 | 813 | 813 | 823 | 800 | 780 | |
| 26500 | 832 | 830 | 828 | 826 | 824 | 822 | 820 | 818 | 818 | 817 | 816 | 826 | 803 | 783 | |
| 27000 | 837 | 834 | 832 | 830 | 828 | 826 | 824 | 822 | 821 | 820 | 819 | 829 | 807 | 786 | |
| 27500 | 841 | 839 | 837 | 835 | 832 | 830 | 828 | 825 | 825 | 824 | 823 | 833 | 810 | 789 | |
| 28000 | 846 | 844 | 841 | 839 | 836 | 834 | 831 | 829 | 828 | 827 | 826 | 836 | 813 | 792 | |
| 28500 | 851 | 848 | 845 | 843 | 840 | 837 | 835 | 832 | 831 | 830 | 829 | 839 | 816 | 795 | |
| 29000 | 855 | 852 | 849 | 847 | 844 | 841 | 838 | 836 | 834 | 833 | 832 | 842 | 818 | 798 | |
| 29500 | 859 | 856 | 853 | 850 | 847 | 844 | 841 | 838 | 837 | 836 | 834 | 844 | 821 | 800 | |
| 30000 | 863 | 860 | 857 | 854 | 850 | 847 | 844 | 841 | 840 | 838 | 837 | 847 | 823 | 802 | |
| 30500 | 867 | 864 | 860 | 857 | 854 | 850 | 847 | 844 | 842 | 841 | 839 | 849 | 825 | 804 | |
| 31000 | 871 | 867 | 864 | 861 | 857 | 853 | 849 | 846 | 845 | 843 | 841 | 851 | 827 | 806 | |
| 31500 | 875 | 871 | 867 | 864 | 860 | 856 | 852 | 849 | 847 | 846 | 844 | 853 | 829 | 808 | |
| 32000 | 879 | 875 | 871 | 867 | 863 | 859 | 855 | 852 | 850 | 848 | 846 | 856 | 831 | 809 | |
| 32500 | 883 | 879 | 875 | 871 | 867 | 862 | 858 | 854 | 853 | 851 | 849 | 858 | 833 | 811 | |
| 33000 | 887 | 882 | 878 | 874 | 870 | 865 | 861 | 857 | 855 | 853 | 851 | 860 | 835 | 813 | |
| 33500 | 891 | 886 | 882 | 878 | 873 | 868 | 864 | 860 | 858 | 856 | 853 | 863 | 837 | 815 | |
| 34000 | 895 | 890 | 885 | 881 | 876 | 871 | 867 | 862 | 860 | 858 | 856 | 865 | 840 | 817 | |
| 34500 | 899 | 894 | 889 | 884 | 879 | 874 | 869 | 865 | 863 | 860 | 858 | 867 | 842 | 819 | |
| 35000 | 902 | 897 | 892 | 888 | 882 | 877 | 872 | 868 | 865 | 863 | 860 | 869 | 844 | 821 | |
| 35500 | 906 | 901 | 896 | 891 | 885 | 880 | 875 | 870 | 868 | 865 | 862 | 871 | 845 | 823 | |
| 36000 | 910 | 904 | 899 | 894 | 888 | 883 | 878 | 873 | 870 | 867 | 864 | 873 | 847 | 824 | |
| 36500 | 913 | 908 | 902 | 897 | 891 | 886 | 880 | 875 | 872 | 869 | 866 | 875 | 849 | 826 | |
| 37000 | 917 | 911 | 905 | 900 | 894 | 888 | 883 | 877 | 874 | 871 | 868 | 877 | 851 | 827 | |
| 37500 | 920 | 915 | 909 | 903 | 897 | 891 | 885 | 880 | 877 | 873 | 870 | 879 | 852 | 829 | |
| 38000 | 924 | 918 | 912 | 906 | 900 | 893 | 887 | 882 | 879 | 875 | 872 | 880 | 854 | 830 | |
| 38500 | 927 | 921 | 915 | 909 | 902 | 896 | 890 | 884 | 881 | 877 | 874 | 882 | 855 | 832 | |
| 39000 | 931 | 924 | 918 | 911 | 905 | 898 | 892 | 886 | 882 | 879 | 875 | 884 | 857 | 833 | |
| 39500 | 934 | 927 | 920 | 914 | 907 | 901 | 894 | 888 | 884 | 881 | 877 | 885 | 858 | 834 | |
| 40000 | 937 | 930 | 923 | 917 | 910 | 903 | 896 | 890 | 886 | 882 | 878 | 886 | 859 | 835 | |
| 40500 | 940 | 933 | 926 | 919 | 912 | 905 | 898 | 892 | 888 | 884 | 880 | 888 | 861 | 836 | |
| 41000 | 943 | 936 | 929 | 922 | 914 | 907 | 900 | 893 | 889 | 885 | 881 | 889 | 861 | 837 | |
| 41500 | 946 | 938 | 931 | 924 | 916 | 909 | 902 | 895 | 891 | 887 | 882 | 890 | 862 | 837 | |
| 42000 | 948 | 941 | 933 | 926 | 918 | 911 | 903 | 896 | 892 | 888 | 883 | 891 | 863 | 838 | |
| 42500 | 951 | 943 | 935 | 928 | 920 | 912 | 905 | 897 | 893 | 889 | 884 | 891 | 863 | 838 | |
| 43000 | 953 | 945 | 937 | 930 | 922 | 914 | 906 | 899 | 894 | 890 | 885 | 892 | 864 | 838 | |
| 43500 | 956 | 948 | 940 | 932 | 924 | 916 | 907 | 900 | 895 | 890 | 885 | 893 | 864 | 838 | |
| 44000 | 958 | 950 | 942 | 934 | 925 | 917 | 909 | 901 | 896 | 891 | 886 | 893 | 864 | 839 | |
| 44500 | 961 | 952 | 944 | 936 | 927 | 918 | 910 | 902 | 897 | 892 | 887 | 893 | 865 | 839 | |
| 45000 | 963 | 954 | 946 | 937 | 929 | 920 | 911 | 903 | 898 | 893 | 887 | 894 | 865 | 839 | |

AND
GREATER

EARNINGS PRIOR TO 1988 BASED ON S.S. AVERAGE WAGE LEVELS FROM LATER OF 1951 OR YEAR AGE 22.

EARNINGS AFTER 1988 ARE ASSUMED LEVEL UP TO AND INCLUDING CALENDAR YEAR OF AGE 64.

CPI: INCLUDES 4.2% EFFECTIVE DEC. 1987 AND ZERO THEREAFTER.

WAGE BASE: \$45,000 IN 1988 AND THEREAFTER.

(1983 ACT—NSS88A)

DISABILITY RETIREMENT

Introduction

General and safety members who become permanently disabled and unable to perform the duties of their specific job may, regardless of age, apply for disability retirement. If found disabled by the Board of Retirement, members receive a disability retirement allowance for life. In addition, there are benefits payable to eligible surviving spouses or minor children of members who have been granted a disability retirement allowance. Members must present proof of disability including a physician's statement showing they are permanently disabled. Moreover, the Board of Retirement may require that they be examined by a Board-appointed physician.

Application/Approval for Disability

An application for disability retirement shall be made while the member is in the service, within four months after his discontinuance of service, or while from the date of discontinuance of service to the time of the application he is continuously physically or mentally incapacitated to perform his duties. Assistance of an attorney is not required to file an application for disability retirement. Retirement staff is available to assist any member, who does not have an attorney, in completing the application form. The decision on whether to hire an attorney is a matter left to the discretion of the member at any stage of the application/appeal process. The processing time for disability retirement takes from three to six months. Staff must obtain Worker's Compensation and other records, schedule a medical examination and obtain the examination results, conduct the necessary investigation and prepare an evaluation report for consideration by the Board of Retirement. The Board of Retirement meets the first business Wednesday of each month to approve or deny applications for disability retirement.

A member may be retired for disability upon the application of the member, the head of the office or department in which the member was last employed, the Board of Retirement or its agents, or any other person on behalf of the member.

Eligibility for Disability Retirement

Only members in a contributory plan (Plans A, B, C or D) are eligible for disability retirement under LACERA. Plan E members are **not** eligible for disability retirement. Members in **all** retirement plans, including Plan E, are eligible, however, for disability benefits under the Long-Term Disability and Survivor Benefit Plan provided by the County of Los Angeles and administered by Long-Term Disability and Survivor Benefit Plan Section in the Chief Administrative Office.

There are two types of disability retirement: service-connected and nonservice-connected. Plan A, B, C or D members **permanently** incapacitated for the performance of duty may be granted a disability retirement by the Board of Retirement if they meet the following eligibility requirements by type of disability:

Service-Connected Disability:

- Incapacity is the result of injury or disease arising out of and in the course of the member's employment, and there is substantial evidence of a real and measurable connection between such incapacity and the member's employment.
- There is no minimum age **or** retirement service credit requirement.

Nonservice-Connected Disability:

- Incapacity is not the result of injury or disease arising out of and in the course of the member's employment, and
- Member has completed a minimum of five (5) years of County/reciprocal retirement service credit.

Disability Retirement Allowance

Members who are found disabled will receive a disability retirement allowance for life by type of disability as follows:

Service-connected disability retirement allowance:

- A minimum of 50% of final compensation, or
- If eligible for a service retirement, the equivalent of a service retirement allowance if it exceeds 50% of final compensation but in no event greater than 100% of final compensation.

Nonservice-connected disability retirement allowance:

- Generally equal to one-third ($\frac{1}{3}$) of final compensation but could be more, or less, depending on age and years of service at the time of retirement, or
- If eligible for a service retirement, the equivalent of a service retirement allowance if it exceeds one-third ($\frac{1}{3}$) of final compensation but in no event greater than 100% of final compensation.

Under either type of disability, if a member would have been eligible for a service retirement, the member may elect an optional settlement. Please refer to the section on SERVICE RETIREMENT ALLOWANCES FOR ALL PLANS, pages 23–24, for a description of the unmodified service retirement allowance and optional settlements. Optional settlements may be substantially less, however, for persons retiring for disability rather than under a service retirement.

Members under the age of 55, who have been granted a disability retirement allowance, may be required to submit to a medical examination at a later date. Failure to do so will result in a discontinuance of the disability retirement allowance and if such refusal continues for one year, the allowance shall be cancelled.

Effective Date of Disability Retirement Allowance

The disability retirement allowance for a member found to be disabled by the Board of Retirement is effective as of the date the application for disability retirement is filed, but not earlier than the day following the last day for which the member received regular compensation. However, the retirement of a member who has been granted or is entitled to sick leave shall not become effective until the expiration of such sick leave with compensation unless the member consents to retirement at an earlier date. Payments under Section 4850 of the Labor Code to safety members will terminate immediately upon the granting of a disability retirement.

Retirement While Disability Application is Pending

If a member filed an application for disability retirement but a final determination is not made within 90 days after filing such application, the member may, if eligible to retire under a regular service retirement, apply for and be granted a service retirement allowance pending the determination of entitlement to disability retirement. Authorization for retirement pending the outcome of a disability application is contained in Section 31725.7 of the California Government Code; this type of retirement is commonly referred to as a ".7" (point 7) retirement. If the member is found disabled, adjustments will be made in the member's allowance retroactive to the effective date of the disability retirement. If the member is not found disabled, the member may not return to his job, but will continue to receive a service retirement allowance.

Continuing to Work After Disability Finding

Members who are found to be disabled, whether for service-connected or nonservice-connected disability, may, if they are capable of performing other duties in a new position, continue in their employment. Such members will receive, in lieu of a service-connected or nonservice-connected disability allowance, a supplemental disability allowance which is equal to the difference between the compensation rate of the position for which the member was incapacitated and the compensation of the new position. Such payments will continue until the member elects to retire and receive the service-connected or nonservice-connected disability allowance.

Appeal Rights

Members who were denied disability retirement or who were found to be disabled for nonservice-connected causes rather than service-connected causes may file an appeal after receiving official notification of the findings of the Board of Retirement. A referee will be assigned to hear the case and the member may be represented by an attorney. The County Counsel's office defends the actions of the Retirement Board. Referee findings are not binding on the Board of Retirement and the member may further appeal to the Superior Court.

DEATH AND SURVIVOR BENEFITS

Introduction

Death and survivor benefits are provided by LACERA for eligible spouses or beneficiaries of deceased **active** members of Plan A, B, C & D and for eligible spouses or beneficiaries of deceased **retired** members of Plan A, B, C, D or E. Benefits for survivors of deceased **active** Plan E members are available **only** through the Long-Term Disability and Survivor Benefit Plan (LTD Plan) provided by the County of Los Angeles and administered by the Long-Term Disability and Survivor Benefit Plan Section in the Chief Administrative Office. Survivors of deceased active members in Plan A, B, C or D are also eligible for LTD Plan benefits. Please consult the LTD Section at (213) 744-3080—2615 South Grand Avenue, 5th Floor, Los Angeles, CA 90007 for further details of those benefits. Pre- and post-retirement death/survivor benefits vary to some degree. The benefits also depend on whether the cause of death or disability was nonservice-connected (not the result of injury or disease arising out of and in the course of the member's employment), or service-connected (the result of injury or disease arising out of and in the course of the member's employment).

Pre-Retirement Death/Survivor Benefits

The death benefit payable to the surviving spouse or other beneficiary of a Plan A, B, C or D member who dies in service before retirement depends on whether the death was the result of nonservice-connected or service-connected causes as follows:

Nonservice-connected death:

1. The basic **death benefit** (lump-sum payment) consists of (a) the member's contributions and interest credited to the member's account plus (b) an amount equal to an average month's salary (based on the last 12 months) for each completed year of retirement credit, but not exceeding six months' salary. In lieu of a lump-sum payment, the beneficiary may elect to receive this benefit in installments over a period of 120 months, or
2. If the deceased member had at least five years' County or combined County and reciprocal agency membership service, a surviving spouse (if none, member's minor children) may elect, in lieu of the basic death benefit, a **monthly allowance** equal to 60% of the monthly retirement allowance to which the deceased member would have been entitled had the member been retired for nonservice-connected disability as of the date of death. This benefit is payable only to a surviving spouse or to minor children under age 18 (or through the age of 21 if they remain unmarried and are regularly enrolled as full-time students in an accredited school).

Note: This benefit will generally equal approximately 20% of the member's final compensation (average salary over the highest 12 months of service if the member was in Plan A, or 36 months of service if the member was in Plan B, C or D) but could be more, or less, depending on the age and years of service of the member and whether the member was eligible to retire for service.

3. A surviving spouse may elect, in lieu of the basic death benefit, a **combined benefit** consisting of a lump sum payment as in 1(b) above, plus a monthly allowance as in 2 above, reduced by an amount which is the actuarial equivalent of the amount in 1(b) above based on the age of the surviving spouse.

Service-connected death:

1. The basic **death benefit** (lump-sum payment) consists of (a) the member's contributions and interest credited to the member's account plus (b) an amount equal to an average month's salary (based on the last 12 months) for each completed year of retirement credit, but not exceeding six months' salary. In lieu of a lump-sum payment, the beneficiary may elect to receive this benefit in installments over a period of 120 months, or
2. Regardless of the length of service, a surviving spouse (if none, member's minor children) may elect, in lieu of the basic death benefit, a **monthly allowance** equal to 100% of the monthly retirement allowance to which the deceased member would have been entitled had the member been retired for service-connected disability as of the date of death. This benefit is payable only to a surviving spouse or to minor children under age 18 (or through the age of 21 if they remain unmarried and are regularly enrolled as full-time students in an accredited school).

Note: This benefit equals a minimum of 50% of the member's final compensation (average salary over the highest 12 months of service if the member was in Plan A, or 36 months of service if the member was in Plan B, C or D) but could be more depending on the age and years of service of the member, if the member was eligible to retire for service.

3. A surviving spouse may elect, in lieu of the basic death benefit, a **combined benefit** consisting of a lump sum payment as in 1(b) above, plus a monthly allowance as in 2 above, reduced by an amount which is the actuarial equivalent of the amount in 1(b) above based on the age of the surviving spouse.

4. In addition to the above benefit, the surviving spouse of a member who is killed in the performance of duty or who dies as the result of an accident or injury caused by external violence or physical force, incurred in the performance of duty, or other person having legal custody of the deceased member's children under age 18 (or through the age of 21 if they remain unmarried and are regularly enrolled as full-time students in an accredited school), shall be paid an **additional allowance** based on the number of children as follows:

| | |
|--------------------|---|
| 1 child | 25% of basic allowance (12.5% of final comp.) |
| 2 children | 40% of basic allowance (20% of final comp.) |
| 3 or more children | 50% of basic allowance (25% of final comp.) |
5. In addition to all other benefits, the surviving spouse of a **safety** member who is killed in the performance of duty or who dies as the result of an accident or injury caused by external violence or physical force, incurred in the performance of duty, shall be paid a lump-sum payment equal to 12 months' pay based on the monthly compensation at the time of death in addition to any other benefits described above.

Post-Retirement Death/Survivor Benefits

The death benefit payable to the surviving spouse or other beneficiary of a member who dies after retirement depends on the member's retirement plan, the retirement settlement elected by the member at the time of retirement and whether the member's retirement was for service, nonservice-connected disability or service-connected disability retirement as follows:

Service retirement or nonservice-connected disability retirement:

1. A surviving spouse, or if none, the member's minor children under age 18 (or through the age of 21 if they remain unmarried and are regularly enrolled as full-time students in an accredited school) may receive 60% of the unmodified service retirement allowance or 60% of the nonservice-connected disability retirement allowance the member was receiving prior to death (if the member was in Plan A, B, C or D) or 50% of the unmodified service retirement allowance the member was receiving prior to death (if the member was in Plan E). To be eligible for this monthly allowance, the surviving spouse must have been:
 - Named as the sole primary beneficiary, and
 - Married to the member at least one year prior to the effective date of retirement.

If an optional settlement was elected by the member at the time of retirement, the survivor's allowance is contingent on the option chosen (See Pages 23–24 for a general description of the optional settlements),

plus

2. A one-time benefit of \$750.00 payable to the named beneficiary or estate of the member (If the member was in Plan A, B, C or D).

Service-connected disability retirement:

1. A surviving spouse, or if none, the member's minor children under age 18 (or through the age of 21 if they remain unmarried and are regularly enrolled as full-time students in an accredited school) may receive 100% of the service-connected disability retirement allowance the member was receiving prior to death (if the member was in Plan A, B, C or D). To be eligible for this monthly allowance, the surviving spouse must have been:

- Named as the sole primary beneficiary, and
- Married to the member prior to the effective date of retirement.

If an optional settlement was elected by the member at the time of retirement, the survivor's allowance is contingent on the option chosen (See Pages 23–24 for a general description of the optional settlements),

plus

2. A one-time benefit of \$750.00 payable to the named beneficiary or estate of the member.

GENERAL INFORMATION FOR RETIRED MEMBERS

Introduction

Retired members and eligible survivors of active or retired members receive lifetime retirement or survivor allowances which, with the exception of Plan E members or survivors, are subject to annual cost-of-living increases each April 1. These allowances continue whether or not the member or survivor remarries after the divorce or the death of the member's or survivor's spouse. Employment after retirement with the County or districts is limited. Retirement income is subject to taxation and deductions for taxes, dues, insurance premiums, credit unions, etc., may be authorized from the monthly retirement warrant or direct deposit payment. Retirement warrants are mailed once a month, at the end of the month, or may be personally picked up at the LACERA office after making the necessary arrangements. Direct deposit of the retirement allowance is available and strongly recommended to avoid mail delays and occasional theft from mail boxes. Members are assigned new numbers to replace their employee numbers. Additional information is provided in the following sections.

For New Retirees

After your service or disability retirement has been approved by the Board of Retirement:

- A letter informing you of the official action taken by the Board of Retirement and your effective retirement date will be sent to you.
- You will receive, along with the above letter, important information about your retirement, a retirement identification card, a retiree member number which will replace your employee number and will be typed on the I.D. card, and a direct deposit form. Your member number, along with your Social Security number, should be used when you communicate with LACERA.
- The direct deposit form, authorizing the deposit of your retirement allowance into a checking or savings account, should be returned to LACERA if you elect to have direct deposit. Please allow 60–90 days for the direct deposit to become effective.
- You will begin receiving monthly retirement allowance payments approximately 60 days after Board of Retirement approval of your retirement. Payments are issued the last day of each month for the month just completed.
- You will be sent a medical and dental/vision insurance package regarding the plans offered to retirees approximately three weeks after you retire. An enrollment form will be included in the package and it is your responsibility to fill out the form and return it to LACERA within 60 days of your retirement if you plan to enroll in a medical or dental/vision plan.

- A tax information letter will be sent to you providing you with information about your taxed/untaxed contributions and taxable status.
- To continue voluntary deductions, you must contact the appropriate agency (See Page 43).
- If eligible, and if you selected the Unmodified or Option 1 retirement settlement, you also elected to receive your allowance with or without the Level Income Option. The Level Income Option benefit increases your monthly retirement allowance until the earliest month in which you are entitled to receive Social Security Benefits. After reaching age 62, your retirement allowance is decreased. If your 62nd birthday falls on the 1st or 2nd of the month, your allowance will be decreased the month of your birth. If your 62nd birthday falls on the 3rd of the month or later, your allowance will be decreased the month following your birth. You should apply for Social Security approximately three months before your 62nd birthday.
- If you need to contact LACERA about any questions you may have or to make beneficiary or address changes, you may write to LACERA at 500 West Temple Street, Room 130, Los Angeles, CA 90012. You may also reach LACERA by telephoning 1-(213) 687-8040 or toll free in the continental United States 1-(800) 366-3875.

County Service After Retirement

A retired member may not be paid for service to the County, except as follows:

- For service as a juror, election officer, field deputy for registration of voters or temporarily as a judge when assigned by the Chairman of the Judicial Council.
- For service as a member of the Board of Retirement or Board of Investments.
- For service as an independent contractor with the County.
- For suggestions made for the improvement of County or district activities.
- Retired court commissioners of L.A. County may be assigned by the presiding judge of a court to serve as a court commissioner and receive the amount equal to the difference between the retirement allowance and the full compensation of a court commissioner.
- Retired members may be employed in a position requiring special skills or knowledge for a period not to exceed 90 working days (720 hours) in any one fiscal year.

Beneficiary Designation

Be sure that your beneficiary designation is always up to date. Remember that changes such as birth, death, marriage or divorce may require a change in your beneficiary. If you die without having a named beneficiary, LACERA will pay any eligible benefits to the Executor or Administrator named in a probate proceeding or to the individual or individuals that qualify under Probate Code Section 13000.

Endorsement of Retirement Warrant/ Replacement Warrant/Direct Deposit

Personal endorsement of the retirement warrant is required of each retired member. A mark witnessed by two persons who sign their names and give their addresses is acceptable when the member is unable to personally endorse the retirement warrant.

If you do not receive your warrant within **five working days** after the first of the month, you may contact LACERA for a replacement warrant. You will be required to sign an affidavit stating that you have not received or cashed your retirement warrant when you receive your replacement warrant.

You may arrange to have Direct Deposit of your retirement allowance into a checking or savings account of a participating financial institution through the Automated Clearing House (ACH). A direct deposit authorization form will be sent to you after you retire.

Deductions from Retirement Allowances

Deductions from retirement allowances will be taken only if authorized by a retired member or survivor. Deductions may be made for the following:

- Group medical and/or dental/vision insurance premiums for plans administered by the Board of Retirement, for Local 1014 Firefighters Insurance premiums and for ALADS Insurance premiums; deductions are automatic if the member enrolls in a plan.
- Dues—Retired Employees of Los Angeles County (RELAC), Sheriff's Relief Association, Professional Peace Officer's Association (PPOA), Firefighters Local 1014, Los Angeles County Employees Association (SEIU-AFL-CIO Local 660), Acacia Club, Association of Los Angeles Deputy Sheriffs (ALADS); contact the appropriate agency to begin, change or cancel deductions.
- Credit union loan repayments or checking/savings deposits; contact the appropriate credit union to begin, change or cancel deductions.
- Medicare premium payments (Part B only); contact the Social Security Administration to obtain the necessary forms to begin or cancel deductions.

- Federal and State income taxes; members may elect at the time of retirement not to have Federal and/or State taxes withheld or to have Federal and/or State taxes withheld based on marital status and number of exemptions or a fixed dollar amount; if no election is made, however, Federal and State taxes will be withheld as if the member was married with three exemptions pursuant to the Federal Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and State law which became effective on January 1, 1987.

Taxation of Retirement Benefits

Retirement allowance is taxable. Retirement allowance income of retired members is taxable under both Federal and State of California income tax laws. A statement showing your taxable income status will be mailed to you after you retire. A W-2P is sent annually to each retired member and survivor. Questions concerning the applicability of the income tax laws to your individual situation should be directed to your tax advisor.

Federal withholding is required. The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) requires LACERA to withhold Federal income tax from your monthly retirement allowance. However, you may elect **not** to have withholding apply to your retirement allowance, or you may elect to have Federal tax withheld at whatever rate you choose, either a specific dollar amount or an amount based on the tax tables. Election forms are available at the time of retirement. If you do not return the election form with your application to retire, federal income tax will be withheld from your retirement allowance, beginning with your first retirement warrant, as if you were a married person claiming three withholding exemptions.

Your election to withhold or not withhold will remain in effect until you revoke it. You may revoke your election or change the amount withheld at any time by notifying LACERA, in writing. You may make and revoke such elections as often as you wish. Penalties may be incurred if withholding taxes are insufficient at the end of the year. Be sure to check with your tax advisor or the Internal Revenue Service if you have any questions.

State withholding is required. Effective January 1, 1987, the State of California also required LACERA to withhold State income tax from your monthly retirement allowance. You may elect the same withholding options for the State tax as you did for the Federal tax. Again, penalties may be incurred if withholding taxes are insufficient at the end of the year. LACERA has been informed that retirement allowance income is subject to taxation in California even when the person receiving the allowance is living in another state.

Tax Reform Act of 1986

The Tax Reform Act of 1986 repealed the three year basis recovery rule (known simply as the "3-Year Rule") for members who retired after July 1, 1986. Retired members should consult a tax advisor to determine the effect of the new Act on the taxation of their retirement benefits. The Act provides a new basis for determining that portion of the member's allowance which will be taxable for those members retiring after July 1, 1986.

Prior to July 2, 1986, if a retired member's projected total benefits during the first three years of retirement were equal to or greater than the member's own contributions (on which the member paid taxes), those retirement benefits were not taxable until the member had recovered his own contributions. After the member recovered his own contributions, all subsequent payments were fully taxable. This was known as the "Special Rule." If, on the other hand, a retired member would not recover all of his contributions during the first three years after retirement, each payment would be treated as partly taxable and partly nontaxable immediately upon retirement for the rest of the member's life. The nontaxable amount would be determined according to the ratio of the member's total contributions (on which the member had paid taxes) to the plan over the total expected lifetime benefits. This was known as the "General Rule."

As noted above, the Act repeals the 3-Year Rule, and new rules apply as to when and how long retirement allowance payments will be taxable. Generally, these will parallel the previous "general rule" provisions whereby each payment will be partly taxable and partly nontaxable immediately upon retirement except that when the taxed contributions have been recovered the entire payment will be taxable. Please consult your tax advisor to determine how the Act will apply to your individual situation.

Service-connected disability. Members granted a service-connected disability retirement allowance may be eligible to exclude a portion of their allowance from being taxed. Additional information will be sent to the member after the granting of a service-connected disability retirement allowance.

Cost-of-Living Adjustments

Under provisions in the California Government Code the Board of Retirement shall, before April 1st of each year, determine whether there has been an increase or decrease in the cost-of-living, as shown by the Bureau of Labor Statistics Consumer Price Index (CPI) for All Urban Consumers for the area in which the county seat is situated, as of the preceding January 1st. Effective April 1st of each year, the Board must increase or decrease retirement and survivor allowances by a percentage of the total allowance to approximate to the nearest one-half of one percent, the percentage of annual increase or decrease in the CPI as of the preceding January 1st, for members and survivors who were retired prior to April 1st. Plan A members may receive a 3% maximum increase while Plan B, C and D members may receive a 2% maximum increase. There are no provisions for a cost-of-living increase for Plan E members.

The difference between the CPI and the maximum cost-of-living increase granted, is retained in a Cost-of-Living Adjustment (COLA) "bank" which can be drawn against in future years should the CPI fall below the maximum allowable cost-of-living increase. For example, if the CPI was 5% and the maximum cost-of-living increase was 3%, the difference, or 2%, would be put in a COLA "bank" and could be used in the following or subsequent years to grant the maximum allowable cost-of-living increase if the CPI in the following or subsequent years fell below the maximum allowable cost-of-living increase.

For example, if the CPI was only 1%, Plan A members who had 2 or more percent in their COLA bank would still receive a 3% cost-of-living increase while Plan B, C or D members who had 1 or more percent in their COLA bank would still receive a 2% cost-of-living increase. The bank, in either case, would be reduced by the amount necessary to equal the 3% or 2% maximum allowable increase.

Death and Survivor Benefits

A death benefit of \$750.00 is paid to the named beneficiary or estate of each retired member who dies after retirement if they retired from the County or SCAQMD. Such benefits are paid only for members who retired under Plan A, B, C or D. Please refer to the section on POST-RETIREMENT DEATH/SURVIVOR BENEFITS, Page 41 for a description of additional benefits available for survivors/beneficiaries of members who die after retirement.

HEALTH CARE PLANS

Introduction

Group hospital and medical insurance coverage as well as a dental/vision care plan has been made available to all retirees and their eligible dependents or survivors by the Board of Supervisors for County and district employees for whom the Board of Supervisors is the governing body and by the Board of Directors of the South Coast Air Quality Management District for its employees. LACERA is responsible for administering these employer sponsored plans and the provisions of the individual plans are subject to change as conditions warrant. To participate in the medical or dental/vision insurance plans, enrollment must be made within 60 days after retirement or, in the case of disability retirees, within 60 days of the Board of Retirement meeting at which a member's application for disability was approved. An insurance packet is mailed to each new retiree after the Board of Retirement approves the member's application for retirement. The packet contains comparative information about the available medical plans and the dental/vision care plan as well as a rate chart. A single enrollment form is also included on which the member makes the choice of a medical plan and/or the dental/vision care plan.

Hospital and Medical Insurance Plans/ Insurance Carriers

There are two different types of hospital and medical insurance plans administered by the Board of Retirement: An "indemnity" plan whereby the retiree chooses his own doctor or hospital and his bills are paid by the insurance company underwriting the plan; and a "service" plan whereby the retiree must use the doctors and facilities offered by the service plan he chooses. Two of the indemnity plans are underwritten by the Provident Life and Accident Insurance Company and one indemnity plan is underwritten by Blue Cross of California. All three plans are available to retirees or eligible survivors regardless of previous coverage. The service plans are underwritten either by the Ross Loos Medical Group (CIGNA Health Plan) or by Kaiser Permanente of Southern California. Both plans are available to retirees or eligible survivors regardless of previous coverage. A member may transfer from one plan to another plan effective on the first of the month following six (6) months from the date a new enrollment form is received by LACERA.

In addition to the employer sponsored plans, retired firemen may choose to remain covered under the hospital/medical plan offered by the Fire Fighters Union, and Association of Los Angeles Deputy Sheriffs' (ALADS) members may choose to remain covered under the CAPE medical plan offered by ALADS.

Cost of Insurance

The portion of the premium payment paid by the employer is dependent on the number of completed years of retirement service credited to the retiree upon retirement. This ranges from 40% of the premium with ten completed years of service to 100% of the premium with 25 or more completed years of service. In general, each completed year of service after ten years reduces the member's cost by 4%. Service includes all service on which the member's retirement allowance was based. Employer premium payments for the various medical plans are limited, however, to the amounts paid by the employer for the Provident Life and Accident Plans. Therefore, if the premium for any one of the other three plans exceeds that for the Provident Life and Accident Plans, then the retiree must pay the difference, even if the retiree has 25 or more years of service.

Dependent Coverage and Change in Dependent Status

Your spouse and your unmarried children (including legally adopted and stepchildren) under age 19 are also eligible for coverage under the LACERA medical plans. If unmarried children are attending an accredited school full-time, their coverage can be extended to age 23. If children are mentally or physically disabled when they reach the maximum age, coverage may be extended for the term of the disability.

LACERA should be notified of any deletions from the insurance coverage to insure that the costs for both the carrier and member are reduced accordingly. If the change in dependent status results in a reduced contribution, and if you delay notification, not more than twelve (12) months' excess contributions will be made. New dependents may be enrolled without a health statement as long as such enrollment is accomplished within 30 days from birth, marriage to the member, etc.

Dental/Vision Care Plan

The dental/vision care plan which is underwritten by the Provident Life and Accident Insurance Company is separate and distinct from the various hospital and medical insurance plans that are also available to retirees. It is not necessary to enroll in a LACERA medical plan in order to be covered by the dental/vision plan. The plan is of the indemnity type which means that you may choose your own dentist or eye

doctor and be reimbursed for the covered portion of the costs of these services. A separate entry on the enrollment form is required to enroll you and your eligible dependents in the dental/vision care plan regardless of the medical plan that you may select. To participate in the plan, enrollment must be made within 60 days after retirement or, in the case of disability retirees, within 60 days of the Board of Retirement meeting at which a member's application for disability was approved. You may enroll at a later date but you will not be covered until the first of the month following twelve (12) months from the date the enrollment form was completed and returned to LACERA. The portion of the premium payment paid by the employer for this coverage is dependent on the number of completed years of retirement service credited to the retiree upon retirement. This ranges from 40% of the premium with ten completed years of service to 100% of the premium with 25 or more completed years of service. Service includes all service on which the member's retirement allowance was based.

- L.A. County Firefighters Local 1014
10824 Saint James Avenue
South Gate, CA 90280
Phone No.: 1-(213) 637-3532
1-(714) 750-3444
1-(805) 653-6936
- Association of Los Angeles Deputy Sheriffs
828 West Washington Blvd.
Los Angeles, CA 90015-3310
Phone No.: 1-(213) 749-1020

Dental/Vision Plan

- Provident Life and Accident Insurance Company (Group #11042HCZY) (same address/phone number as above)

Be sure to include your group number, retirement member number and Social Security number in any written correspondence.

Contacts With Insurance Carriers

Contacts may be made directly with LACERA's insurance carriers at the mailing addresses and phone numbers shown below:

Medical Plans

- Blue Cross of California (Group #387775-A)
P.O. Box 4123
Woodland Hills, CA 91365-4123
Phone No.: 1-(800) 284-1110 (California only)
or 1-(818) 627-2703
- Kaiser Permanente of Southern California
(Group #1002-00)
Membership Services
393 East Walnut
Pasadena, CA 91188
Phone No.: 1-(213) 667-4102 1-(818) 908-2268
1-(714) 788-8061 1-(619) 268-5307
- Health Pledge:
Phone No.: 1-(800) 443-0815 (California only)
1-(818) 405-5890
- Ross Loos (Group #5-399)
CIGNA Health Plans of California
P.O. Box 2125
Glendale, CA 91203
Phone No.: 1-(800) 344-0557 (California only)
or 1-(818) 500-7000
- Provident Life and Accident Insurance Company
(Group #11042HCZY)
P.O. Box 34010
Fullerton, CA 92634
Phone No.: 1-(800) 633-5908 (all 50 states)
or 1-(714) 524-1224

OTHER CONSIDERATIONS

Legal Service

Legal service, including summons and complaints, subpoenas and subpoenas duces tecum, etc., will be accepted by the Retirement Association in matters related to LACERA, upon payment of the required fee at the time of service. The fees will be collected as follows:

- a. \$35 per day plus mileage of 20¢ per mile both ways from the work site to the courthouse for a personal appearance (this fee includes the cost of duplicating documents).
- b. \$15 if a personal appearance is not required (documents only).

The address for service is: Hall of Administration,
Room 140
500 West Temple Street
Los Angeles, CA 90012

Division of Community Property

LACERA, a public pension plan, is not subject to the requirements of the Employee Retirement Income Security Act (ERISA), the Retirement Equity Act (REA) or Section 5106 of the Civil Code concerning the payment of benefits to ex-spouses of LACERA members. Under Section 4351 of the Civil Code, however, the Superior Court has jurisdiction to inquire and render such judgments and make such orders as are appropriate concerning the status of the marriage, the custody and support of minor children of the marriage, the support of either party, the settlement of the property rights of the parties and the award of attorney's fees and costs; provided, however, no such order or judgment shall be enforceable against an employee pension benefit plan **unless the plan has been joined as a party to the proceedings.** Moreover, such orders must be in accordance with the terms of the plan. Joinders may be served on LACERA as described under LEGAL SERVICE, above. If joined and if ordered by the court to divide retirement benefits, LACERA will set up a separate account for the payment to an ex-spouse or children of a retired member. The order should specify a monthly amount or a percentage of the retired member's allowance which is to be paid. All such payments cease upon the death of the retired member unless there are children eligible to a survivor's allowance.

County Blood Bank

The County of Los Angeles has advised LACERA that the "County Blood Bank" no longer exists. In 1977, the credit system was eliminated as a result of California legislation. It was an unfair system that did not guarantee blood when needed. Today, the American Red Cross operates under the philosophy that the community is responsible for meeting patient's needs. In Los Angeles County and Orange County there is no penalty, financial or otherwise, if you use blood and cannot find someone to donate for you. Blood is free; however, the administrative costs incurred by the American Red Cross to collect, process, test, and distribute blood is passed on to the hospital and then to you. These processing fees are usually covered by your health insurance and/or Medicare/Medicaid. For additional information contact your local Red Cross chapter.

RETIRED MEMBER STATISTICAL INFORMATION

Retired Member Profile

The following statistical information was obtained from our payroll vendor concerning LACERA's retired members and survivors as of the following dates:

| | JUNE 30, 1987: | JUNE 30, 1988: |
|--|----------------|----------------|
| Age: | | |
| Over 65 | 18,459 (57.2%) | 19,320 (58.3%) |
| Under 65 | 13,795 (42.8%) | 13,799 (41.7%) |
| Type of Membership: | | |
| General | 27,445 (85.1%) | 28,120 (84.9%) |
| Safety | 4,809 (14.9%) | 4,999 (15.1%) |
| Years of Service: | | |
| Under 10 | 4,311 (13.4%) | 4,361 (13.2%) |
| 10-15 | 7,481 (23.2%) | 7,563 (22.8%) |
| 15-20 | 5,609 (17.4%) | 5,751 (17.4%) |
| 20-25 | 4,673 (14.5%) | 4,778 (14.4%) |
| 25 or more | 10,180 (31.5%) | 10,666 (32.2%) |
| Monthly Allowance Distribution: | | |
| \$ 0.00-\$ 299.99 | 4,984 (15.5%) | 4,736 (14.3%) |
| 300.00- 599.99 | 8,369 (25.9%) | 8,172 (24.7%) |
| 600.00- 899.99 | 5,852 (18.1%) | 5,961 (18.0%) |
| 900.00- 1,199.99 | 4,128 (12.8%) | 4,230 (12.8%) |
| 1,200.00- 1,499.99 | 2,965 (9.2%) | 3,138 (9.5%) |
| 1,500.00- 1,999.99 | 2,836 (8.8%) | 3,156 (9.5%) |
| 2,000.00- 2,499.99 | 1,469 (4.6%) | 1,672 (5.0%) |
| 2,500.00 or more | 1,651 (5.1%) | 2,054 (6.2%) |

MEMBERSHIP STATISTICS

ACTIVE AND DEFERRED MEMBERS

| | ACTIVE MEMBERS | | | DEFERRED MEMBERS | | |
|---------------------------|----------------|--------------|---------------|------------------|-----------|--------------|
| | General | Safety | Total | General | Safety | Total |
| As of July 1, 1987 | 59,781 | 9,313 | 69,094 | 1,992 | 89 | 2,081 |
| Additions | <u>6,164</u> | <u>572</u> | <u>6,736</u> | <u>622</u> | <u>5</u> | <u>627</u> |
| | 65,945 | 9,885 | 75,830 | 2,614 | 94 | 2,708 |
| Deductions: | | | | | | |
| Withdrawals | 762 | 142 | 904 | 11 | | 11 |
| Retired | 1,200 | 268 | 1,468 | 111 | 5 | 116 |
| Deferred | 622 | 5 | 627 | | | |
| Plan E Terminations | 4,880 | | 4,880 | | | |
| To Unclaimed | <u>120</u> | <u>10</u> | <u>130</u> | | | |
| TOTAL Deductions | <u>7,584</u> | <u>425</u> | <u>8,009</u> | <u>122</u> | <u>5</u> | <u>127</u> |
| As of June 30, 1988 | <u>58,361</u> | <u>9,460</u> | <u>67,821</u> | <u>2,492</u> | <u>89</u> | <u>2,581</u> |
| Unclaimed Accounts | 2,008 | 84 | 2,092 | | | |

RETIRED MEMBERS BY TYPE OF RETIREMENT

| | SERVICE | DISABILITY | SURVIVORS | TOTAL |
|---|---------------|--------------|--------------|---------------|
| GENERAL | | | | |
| As of July 1, 1987 | 20,025 | 3,597 | 3,823 | 27,445 |
| Additions | <u>1,160</u> | <u>120</u> | <u>285*</u> | <u>1,565</u> |
| | 21,185 | 3,717 | 4,108 | 29,010 |
| Deductions | <u>678</u> | <u>103</u> | <u>150</u> | <u>931</u> |
| TOTAL | <u>20,507</u> | <u>3,614</u> | <u>3,958</u> | <u>28,079</u> |
| SAFETY | | | | |
| As of July 1, 1987 | 1,858 | 2,192 | 759 | 4,809 |
| Additions | <u>128</u> | <u>136</u> | <u>51**</u> | <u>315</u> |
| | 1,986 | 2,328 | 810 | 5,124 |
| Deductions | <u>37</u> | <u>27</u> | <u>20</u> | <u>84</u> |
| TOTAL | <u>1,949</u> | <u>2,301</u> | <u>790</u> | <u>5,040</u> |
| TOTAL RETIRED as of June 30, 1988 | 22,456 | 5,915 | 4,748 | 33,119 |

*Includes survivors of 31 deceased active general members who receive life payments by election.

**Includes survivors of 9 deceased active safety members who receive life payments by election.

Ernst & Whinney
QUEZADA
NAVARRO & CO.

515 S. Flower Street
Los Angeles, California 90071

213/621-1666

Boards of Investments and Retirement
Los Angeles County Employees Retirement
Association
Los Angeles, California

We have examined the accompanying balance sheets of the Los Angeles County Employees Retirement Association as of June 30, 1988 and 1987, and the related statements of revenues and expenses and changes in reserves for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly the financial position of the Los Angeles County Employees Retirement Association at June 30, 1988 and 1987, and the results of its operations and changes in its reserves for the years then ended, in conformity with generally accepted accounting principles.

Los Angeles, California
October 21, 1988

Ernst & Whinney
Quezada Navarro & Co.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BALANCE SHEETS FOR THE YEARS ENDED JUNE 30, 1988 AND 1987

ASSETS

(Amounts in Thousands)

| | 1988 | 1987 |
|--|---------------------------|---------------------------|
| Current Assets | | |
| Cash | | |
| Cash in Banks | \$ 4,641 | \$ 71,312 |
| Foreign Currencies | 77,953 | |
| Total Cash | <u>\$ 82,594</u> | <u>\$ 71,312</u> |
| Accounts Receivable | | |
| Member Contributions | \$ 7,745 | \$ 7,052 |
| Employer Contributions | 34,471 | 27,489 |
| Principal and Interest Due—Bonds | | |
| Domestic | 44,413 | 66,542 |
| International | 543 | -0- |
| Principal and Interest Due—Mortgages | 3,698 | 4,633 |
| Dividends on Stocks | | |
| Domestic | 5,569 | 6,248 |
| International | 3,157 | -0- |
| Proceeds from Sale of Stocks | | |
| Domestic | 6,280 | 11,683 |
| International | 1,463 | -0- |
| Interest on Pooled Surplus Investment | 44 | 1,798 |
| Interest Due on Retirement Trust Fund Float | 196 | 265 |
| Interest Due on Equity R. E. Funds | -0- | 637 |
| Interest Due on Venture Capital | 59 | 300 |
| Miscellaneous | 1,885 | 422 |
| Total Accounts Receivable | <u>\$ 109,523</u> | <u>\$ 127,069</u> |
| Current Investments | | |
| Repurchase Agreements | \$ 9,002 | \$ -0- |
| Other Short Term Investments | 1,423,951 | \$1,613,625 |
| Total Current Investments | <u>\$1,432,953</u> | <u>\$1,613,625</u> |
| Total Current Assets | <u>\$1,625,070</u> | <u>\$1,812,006</u> |
| Long Term Investments (Notes A, G, H & I) | | |
| Bonds | | |
| Publicly Traded | | |
| Domestic | \$2,989,533 | \$2,938,401 |
| International | -0- | -0- |
| Private Placements | 75,021 | 142,544 |
| Total Bonds | <u>\$3,064,554</u> | <u>\$3,080,945</u> |
| Equities | | |
| Common Stock | | |
| Domestic | \$1,722,900 | \$1,667,764 |
| International | 779,762 | -0- |
| Preferred Stock | | |
| Domestic | 18,125 | 11,648 |
| International | 3,688 | -0- |
| Convertible Debentures | | |
| Domestic | 61,405 | -0- |
| International | 5,301 | -0- |
| Total Equities | <u>\$2,591,181</u> | <u>\$1,679,412</u> |
| Mortgages | | |
| FHA and VA Insured Mortgages (Residential) | \$ 115,454 | \$ 138,448 |
| Conventional Mortgages (Residential) | 10,442 | 18,423 |
| Total Mortgages | <u>\$ 125,896</u> | <u>\$ 156,871</u> |
| Real Estate Equity | | |
| Equity Real Estate Funds | \$ 149,267 | \$ 123,356 |
| Total Real Estate Equities | <u>\$ 149,267</u> | <u>\$ 123,356</u> |
| Other Investments | | |
| Venture Capital Investment Fund | \$ 78,672 | \$ 38,407 |
| Total Other Investments | <u>\$ 78,672</u> | <u>\$ 38,407</u> |
| Total Long-Term Investments | <u>\$6,009,570</u> | <u>\$5,078,991</u> |
| Fixed Assets | | |
| Furniture and Equipment | \$ 992 | \$ 633 |
| Structures and Improvements | 993 | 949 |
| Total Fixed Assets (Net of Depreciation) | <u>\$ 1,985</u> | <u>\$ 1,582</u> |
| Total Assets | <u><u>\$7,636,625</u></u> | <u><u>\$6,892,579</u></u> |

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BALANCE SHEETS FOR THE YEARS ENDED JUNE 30, 1988 AND 1987

LIABILITIES AND RESERVES

(Amounts in Thousands)

| | <u>1988</u> | <u>1987</u> |
|--|--------------------|--------------------|
| Current Liabilities | | |
| Retirement Allowances Payable | \$ 14,912 | \$ 15,150 |
| Retiree Payroll Deductions Payable | 5,280 | 4,778 |
| Mortgage Loan Payments Collected in Advance | 39 | 57 |
| Accrued Operating Expenses – Wiegand Plaza | -0- | 5 |
| Accounts Payable – Purchase of Common Stocks | | |
| Domestic | 18,968 | 10,305 |
| International | 7,928 | |
| Administrative Expense Payable | 666 | 756 |
| Accrued Vacation & Sick Leave | 566 | 468 |
| Commitment Fees on Deposit | 100 | 100 |
| Investment Expenses Payable | 3,916 | 1,762 |
| Retiree Payroll Warrants Payable | 1,282 | 1,200 |
| Other Warrants Payable | 744 | 1,194 |
| Direct Deposit – Retired Members Payroll | 35 | 11,128 |
| Contribution Refunds Payable | 94 | 33 |
| Supplemental Benefits Payable | 89 | 231 |
| Miscellaneous Accounts Payable | 2,118 | 2,121 |
| Total Current Liabilities | <u>\$ 56,737</u> | <u>\$ 49,288</u> |
| Members Deposit Reserves (Note A) | | |
| General Members | \$ 625,810 | \$ 579,430 |
| Safety Members | 275,970 | 247,856 |
| Cost-of-Living | 289,960 | 258,417 |
| Unclaimed Deposits of Former Members | 829 | 881 |
| Total Members Deposit Reserves | <u>\$1,192,569</u> | <u>\$1,086,584</u> |
| Employers Advance Reserves (Note A) | | |
| General Members | \$ 280,227 | \$ 79,202 |
| Safety Members | 209,564 | 107,006 |
| Cost-of-Living | 210,289 | 14,873 |
| Total Employers Reserves | <u>\$ 700,080</u> | <u>\$ 201,081</u> |
| Retired Members Reserves (Note A) | | |
| General Members | \$2,046,580 | \$2,030,096 |
| Safety Members | 796,073 | 804,251 |
| Cost-of-Living | 2,651,923 | 2,652,353 |
| Total Retired Members Reserves | <u>\$5,494,576</u> | <u>\$5,486,700</u> |
| Reserve for Earnings' Deficiencies, Investment Losses and Other Contingencies | | |
| Total Reserves | <u>\$ 192,663</u> | <u>\$ 68,926</u> |
| Total Liabilities and Reserves | <u>\$7,636,625</u> | <u>\$6,892,579</u> |

Exhibit B
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1988 AND 1987

(Amounts in Thousands)

| | 1988 | 1987 |
|---|--------------------------|--------------------------|
| Revenues | | |
| Contributions | | |
| Member Contributions | \$ 93,862 | \$ 86,790 |
| Employer Contributions | 352,076 | 336,533 |
| Special County Contribution (Note E) | -0- | 454,455 |
| Miscellaneous Additions | 40 | 25 |
| Total Contribution Revenue | <u>\$ 445,978</u> | <u>\$ 877,803</u> |
| Investment Income | | |
| Interest Income—Long Term Bonds | | |
| Domestic | \$ 265,535 | \$ 284,017 |
| International | 175 | -0- |
| Interest Income—Short Term Investments | 117,849 | 85,744 |
| Interest Income—Securities on Loan | 8,795 | 5,017 |
| Interest Income on Mortgages | 15,137 | 22,868 |
| Other Interest Income | 1,653 | 3,901 |
| Income—Equity R. E. Funds | 6,755 | 7,057 |
| Income—Venture Capital | 459 | 570 |
| Dividend Income | | |
| Domestic | 72,910 | 71,580 |
| International | 4,875 | -0- |
| Rental Income | -0- | 785 |
| Net Gain (Loss)—Sale of Bonds | | |
| Domestic | (60,708) | 92,022 |
| International | 152 | -0- |
| Net Gain (Loss)—Sale of Stocks | | |
| Domestic | 209,225 | 321,920 |
| International | (3,265) | -0- |
| Net Gain (Loss)—Mortgage Loans | 120 | 151 |
| Net Gain (Loss)—Disposal of Asset | -0- | 4,093 |
| Net Gain (Loss)—Foreign Exchange | 14,695 | -0- |
| Net Gain (Loss)—Sale of Short Term | 6,577 | -0- |
| Net Gain (Loss)—Sale of Equity Real Estate Prop. | 1,069 | -0- |
| Other Investment Income | 2,003 | 610 |
| Total Investment Income | <u>\$ 664,011</u> | <u>\$ 900,335</u> |
| Deduct: Investment Expenses | | |
| Investment Counsel Fees | | |
| Domestic | \$ 8,259 | \$ 6,304 |
| International | 1,458 | -0- |
| Mortgage Loan Service Fees | 480 | 644 |
| Custodial Fees | | |
| Domestic | 354 | 193 |
| International | 455 | -0- |
| Actuarial Fees | -0- | 75 |
| Real Estate Equities Expenditures | 31 | 232 |
| Consultant Services | 150 | 117 |
| Other Investment Expenses | 93 | 21 |
| Total Investment Expenses | <u>\$ 11,280</u> | <u>\$ 7,586</u> |
| Net Investment Income | <u>\$ 652,731</u> | <u>\$ 892,749</u> |
| Other Revenues | \$ 42 | \$ 120 |
| Total Revenues | <u>\$1,098,751</u> | <u>\$1,770,672</u> |
| Expenditures | | |
| Benefits | | |
| Death Benefits—Lump Sum | \$ 1,423 | \$ 1,148 |
| Interest and Payments under Section 31725.5/.6 | 297 | 245 |
| Pension and Annuity Payments | 344,204 | 334,724 |
| Total Benefit Payments | <u>\$ 345,924</u> | <u>\$ 336,117</u> |
| Other Expenditures | | |
| Purchase of Annuity Contract (Note E) | \$ -0- | \$ 454,455 |
| Refunds to Terminated Members | 7,918 | 18,152 |
| Administrative Expenses (Schedule 1) | 8,234 | 6,606 |
| Other Expenditures | 7 | -0- |
| Miscellaneous Deductions | 71 | 142 |
| Total Other Expenditures | <u>\$ 16,230</u> | <u>\$ 479,355</u> |
| Total Expenditures | <u>\$ 362,154</u> | <u>\$ 815,472</u> |
| Excess of Revenues over Expenditures | <u>\$ 736,597</u> | <u>\$ 955,200</u> |

Exhibit C

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN RESERVES AS OF JUNE 30, 1988

(Amounts in Thousands)

| | Members Deposit Reserves | Employers Advance Reserves | Retired Members Reserves | Cost-of-Living Reserves | | | Reserve for Earnings' Deficiencies, Investment Losses and Other Contingencies | Total Reserves |
|--|--------------------------------|----------------------------------|--------------------------------|-------------------------|------------------|--------------------|--|--------------------|
| | | | | Members | Employers | Retired | | |
| Balance, July 1, 1987 | <u>\$828,167</u> | <u>\$ 186,208</u> | <u>\$2,834,347</u> | <u>\$258,417</u> | <u>\$ 14,873</u> | <u>\$2,652,353</u> | <u>\$ 68,926</u> | <u>\$6,843,291</u> |
| Additions: | | | | | | | | |
| Contributions— Retirement | \$ 68,228 | \$ 308,344 | \$ | \$ 25,634 | \$ 38,934 | \$ 4,798 | \$ | \$ 445,938 |
| Investment Income | | | | | | | 652,731 | 652,731 |
| Other Revenues | | | | | | | 42 | 42 |
| Miscellaneous | 159 | | | (119) | | | | 40 |
| Total Additions | <u>\$ 68,387</u> | <u>\$ 308,344</u> | <u>\$ —</u> | <u>\$ 25,515</u> | <u>\$ 38,934</u> | <u>\$ 4,798</u> | <u>\$ 652,773</u> | <u>\$1,098,751</u> |
| Deductions: | | | | | | | | |
| Pension & Annuity Benefits | \$ | \$ | \$ 276,886 | \$ | \$ | \$ 67,318 | \$ | \$ 344,204 |
| Death Benefits— Lump Sum | | 1,423 | | | | | | 1,423 |
| Interest and Payments under Section 31725.5/6 | | 297 | | | | | | 297 |
| Refunds | 6,219 | | | 1,699 | | | | 7,918 |
| Administrative Expenses— Schedule 1 | | | | | | | 8,234 | 8,234 |
| Miscellaneous | 56 | | 13 | 2 | | | 7 | 78 |
| Total Deductions | <u>\$ 6,275</u> | <u>\$ 1,720</u> | <u>\$ 276,899</u> | <u>\$ 1,701</u> | <u>\$ —</u> | <u>\$ 67,318</u> | <u>\$ 8,241</u> | <u>\$ 362,154</u> |
| Transfers: | | | | | | | | |
| Pension and Annuities | \$ (52,685) | \$ (238,330) | \$ 291,015 | \$ (12,969) | \$ (87,358) | \$ 100,327 | \$ | \$ -0- |
| Interest Credited | 65,186 | 17,538 | 211,795 | 20,673 | 6,990 | 198,613 | (520,795) | -0- |
| Miscellaneous (Note E) | (171) | 217,751 | (217,605) | 25 | 236,850 | (236,850) | | -0- |
| Total Transfers | <u>\$ 12,330</u> | <u>\$ (3,041)</u> | <u>285,205</u> | <u>\$ 7,729</u> | <u>\$156,482</u> | <u>\$ 62,090</u> | <u>\$(520,795)</u> | <u>\$ -0-</u> |
| Balance June 30, 1988 | <u>\$902,609</u> | <u>\$ 489,791</u> | <u>\$2,842,653</u> | <u>\$289,960</u> | <u>\$210,289</u> | <u>\$2,651,923</u> | <u>\$ 192,663</u> | <u>\$7,579,888</u> |

Exhibit C

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN RESERVES AS OF JUNE 30, 1987**

(Amounts in Thousands)

| | Members Deposit Reserves | Employers Reserves | Retired Members Reserves | Cost-of-Living Reserves | | | Reserve for Earnings' Deficiencies, Investment Losses and Other Contingencies | Total Reserves |
|--|--------------------------------|-----------------------|--------------------------------|-------------------------|-------------------|--------------------|--|--------------------|
| | | | | Members | Employers | Retired | | |
| Balance, July 1, 1986 | <u>\$770,348</u> | <u>\$151,035</u> | <u>\$2,620,218</u> | <u>\$231,034</u> | <u>\$51,953</u> | <u>\$2,004,226</u> | <u>\$ 59,277</u> | <u>\$5,888,091</u> |
| Additions: | | | | | | | | |
| Contributions -- Retirement | \$ 62,687 | \$261,782 | | \$ 24,103 | \$47,841 | \$ 26,910 | | \$ 423,323 |
| Special County Contribution (Note B) | | 454,455 | | | | | | 454,455 |
| Net Investment Income | | | | | | | \$892,749 | 892,749 |
| Miscellaneous | <u>6</u> | <u></u> | <u>16</u> | <u>2</u> | <u>—</u> | <u>1</u> | <u>120</u> | <u>145</u> |
| Total Additions | <u>\$ 62,693</u> | <u>\$716,237</u> | <u>\$ 16</u> | <u>\$ 24,105</u> | <u>\$47,841</u> | <u>\$ 26,911</u> | <u>\$892,869</u> | <u>\$1,770,672</u> |
| Deductions: | | | | | | | | |
| Pension & Annuity Benefits | | | \$ 269,903 | | | \$ 64,821 | | \$ 334,724 |
| Death Benefits -- Lump Sum | | 1,148 | | | | | | 1,148 |
| Interest and Payments under Section 31725.5/6 | | 245 | | | | | | 245 |
| Purchase of Annuity Contract (Note B) | | 454,455 | | | | | | 454,455 |
| Refunds to Terminated Members | 14,390 | | | 3,762 | | | | 18,152 |
| Administrative Expenses | | | | | | | 6,606 | 6,606 |
| Miscellaneous | <u>125</u> | <u></u> | <u>14</u> | <u>3</u> | <u>—</u> | <u>—</u> | <u></u> | <u>142</u> |
| Total Deductions | <u>\$ 14,515</u> | <u>\$455,848</u> | <u>\$ 269,917</u> | <u>\$ 3,765</u> | <u>\$ —</u> | <u>\$ 64,821</u> | <u>\$ 6,606</u> | <u>\$ 815,472</u> |
| Transfers: | | | | | | | | |
| Pension and Annuities | (\$ 49,970) | (\$232,153) | \$ 282,123 | (\$ 11,445) | (\$85,648) | \$ 97,093 | | -0- |
| Interest Credited | 59,868 | 6,811 | 201,935 | 18,357 | 727 | 76,649 | (\$364,347) | -0- |
| Cost of Living | | | | | | 512,267 | (512,267) | -0- |
| Miscellaneous | <u>(257)</u> | <u>126</u> | <u>(28)</u> | <u>131</u> | <u></u> | <u>28</u> | <u></u> | <u>-0-</u> |
| Total Transfers | <u>\$ 9,641</u> | <u>(\$225,216)</u> | <u>\$ 484,030</u> | <u>\$ 7,043</u> | <u>(\$84,921)</u> | <u>\$ 686,037</u> | <u>(\$876,614)</u> | <u>\$ -0-</u> |
| Balance -- June 30, 1987 | <u>\$828,167</u> | <u>\$186,208</u> | <u>\$2,834,347</u> | <u>\$258,417</u> | <u>\$14,873</u> | <u>\$2,652,353</u> | <u>\$ 68,926</u> | <u>\$6,843,291</u> |

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1988

(All Amounts in Thousands of Dollars)

NOTE A—Summary of Significant Accounting Policies

General: The County Employees Retirement Law of 1937, Government Code Sections 31450 through 31898, authorizes the formation and operation of the Los Angeles County Employees Retirement Association (LACERA) and requires that it be accounted for as a trust fund.

LACERA follows the accounting principles and reporting guidelines as set forth in Statement 1, Governmental Accounting and Financial Reporting Principles, issued by the National Council on Governmental Accounting. Accounting records are maintained on an accrual method, and the financial statements reflect the overall operation of the Trust. LACERA is accounted for as an unexpendable trust in the financial statements of the County of Los Angeles.

Administrative Expenses: Government Code Section 31580.2 allows the entire expense of the administration of the retirement system to be charged against the earnings of the fund. The charge is limited to fifteen-hundredths of one percent of the total assets for general administrative expenses and three-hundredths of one percent of total assets for capital improvements and systems enhancements.

Investments: Bonds and mortgages are carried at cost less net amortized premium or discount. Premium or discount on long-term bonds is amortized using the constant-yield amortization or straight-line method, depending on the nature of the security. Premium or discount on mortgage loans is amortized using the straight-line method over a period of 120 months. Stocks and short-term investments are carried at cost.

Market values for investments are derived by various methods as indicated in the following table:

| Asset Description | Market Value Derivation |
|--|---|
| Bonds, Publicly Traded; Stocks, Common & Preferred; Issues of the U.S. Government and its Agencies | Most recent sales price as of the balance sheet date |
| Cash and Cash Equivalents, Equity in Pooled Cash Funds | Cash Value (cost) |
| Whole Loan Mortgages | Equivalent pricing to comparable GNMA issues |
| Real Estate, Real Estate Funds and Investment Funds | Market appraisal by qualified market experts |
| Private Placement Bonds | By definition, not subject to market pricing. Market value is assumed equivalent to amortized cost. |

Please refer to Note G, Cash and Investments, for comparative book and market values for fiscal years ending June 30, 1988 and 1987.

In computing gains and losses on sales of stocks and mortgage loans, cost is determined using the average cost and specific identification methods, respectively. The method of costing bonds is the weighted-average method.

Fixed Assets: Fixed assets are carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method with five-year useful life for equipment and ten-years for furniture, structures, and improvements. The cost and accumulated depreciation of fixed assets as of June 30, 1988 and 1987, were as follows:

| | June 30, 1988 | June 30, 1987 |
|--|----------------|----------------|
| Furniture and Equipment | \$1,454 | \$ 972 |
| Structures and Improvements | 1,175 | 1,205 |
| Total Fixed Assets (at cost) | <u>\$2,629</u> | <u>\$2,177</u> |
| Less: | | |
| Accumulated Depreciation | | |
| Furniture and Equipment | \$ (462) | \$ (339) |
| Accumulated Depreciation | | |
| Structures and Improvements | <u>(182)</u> | <u>(256)</u> |
| Total Fixed Assets—Net of Depreciation | <u>\$1,985</u> | <u>\$1,582</u> |

Reserves: The fund has four major classes of reserves, each of which is credited with interest semiannually:

- Members Deposit Reserves** represent the balance of active members' contributions. Additions include members' contributions and earnings thereon; deductions include refunds to terminating members and transfers to Retired Members Reserves.
- Employer Reserves** represent the balance of employers' contributions for future retirement payments to current active members. Additions include contributions from the employers and earnings thereon; deductions include transfers to Retired Members Reserves.
- Retired Members Reserves** represent the balance of transfers from Members Deposit Reserves and Employer Reserves, less payments to retired members.
- Cost-of-Living Reserves** relate to each of the above reserves. The purpose of these reserves is to provide for anticipated cost-of-living increases in pension allowances.

Reserves are established from employee and employer contributions and appropriations of earnings in excess of current earnings assumption. Reserves do not represent the present value of assets needed, as determined by actuarial valuation, to satisfy retirements and other benefits as they become due.

NOTE B—Plan Description

LACERA operates as a cost sharing multi-employer defined benefit plan. The County of Los Angeles, other participating agencies, and their employees, the latter on an elective basis beginning in 1982, contribute to LACERA based on rates recommended by an independent actuary and adopted by the Board of Investments and Board of Supervisors. Employer and employee contributions are invested and the earnings and contributions are used for monthly payments to retired members.

Employer contributions are expressed as a percentage of applicable payroll, dependent on plan. Member rates are based upon age upon entry to the system. LACERA has adopted unisex contribution rates for members. As a result of collective bargaining, employee rates for various plans have been reduced through additional employer contributions, known as a surcharge rate.

Vesting occurs when a member accumulates five years of creditable service under contributory plans or accumulates ten years of creditable service under non-contributory plan. Benefits are based upon twelve or thirty-six months average compensation, depending on plan; age at retirement and length of service as of the retirement date, according to applicable statutory formulae. Service and non-service connected disability benefits may be granted regardless of length of service consideration, again according to actuarial-based formulae except for members of non-contributory plans who are covered under separate long-term disability provisions not administered by LACERA. Components of LACERA membership are detailed on Schedule 4, membership data.

NOTE C—Triennial Actuarial Valuation and Investigation

For purposes of determining contribution rates for members and employers and determining the trust's funding status, LACERA engages an independent actuarial firm to conduct a triennial actuarial valuation and investigation, in accordance with the County Employees Retirement Act of 1937.

The last such valuation was made using the entry age normal method as of June 30, 1986 on the basis of an 8% interest assumption specified by the Board of Investments. It assumed a 6% annual increase in salary based on 5% inflation and a 1% merit and productivity increase assumptions. Use of an inflation factor complies with recommendations of the American Academy of Actuaries.

The Unfunded Actuarial Accrued Liability (UAAL) of the fund as determined by the actuarial valuation of June 30, 1986 was \$2,276,789. This amount is composed of \$2,210,151 in Basic Benefits and \$66,638 in Cost-of-Living Benefits. The total UAAL is being funded directly by employer contributions over a period of 30 years which commenced July 1, 1978 and ends June 30, 2008. The contributions are based on rates recommended by the actuary and the Board of Investments and adopted by the Board of Supervisors.

As of January 1, 1987, the employer's UAAL contribution rate was reduced as a direct result of LACERA's purchase of annuities with funds from Pension Obligation Certificates issued by the County (see Note E).

NOTE D—Actuarial Valuation and Update for Purposes of Uniform Disclosure

For purposes of uniform disclosure as required by Statement 5 of the Governmental Accounting Standards Board (GASB), LACERA engages an independent actuary to perform a biennial actuarial valuation in conformance with GASB methodology, with actuarial updates performed off-years. The latest such valuation was performed using the projected unit credit method as required by GASB as of June 30, 1988 using an 8% interest earnings assumption and a 6% assumption for annual salary increases based on factors of 5% for inflation and 1% for merit and productivity increases.

Funding Status and Progress: The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess LACERA on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other pension funds.

At June 30, 1988 the unfunded pension benefit obligation was \$1,511,296 as follows:

| | |
|---|--------------------|
| Pension benefit obligation: | |
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | \$4,440,376 |
| Current employees: | |
| Accumulated employee contributions | \$1,098,874 |
| Employer-financed vested | 3,269,379 |
| Employer-financed nonvested | 89,064 |
| Total Pension Benefit Obligation | \$8,897,693 |
| Net assets available for benefits, at cost (Market Value is \$8,008,613) | \$7,386,397 |
| Unfunded Pension Benefit Obligation | \$1,511,296 |

Contributions Required and Contributions Made: LACERA funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due.

The contribution to LACERA for 1988 of \$445,938 was made in accordance with actuarially determined requirements computed through the above mentioned actuarial valuation. The contribution consisted of (a) \$203,470 normal cost (9.99% of current covered payroll) and (b) \$148,606 amortization of the unfunded actuarial

accrued liability (7.29% of current covered payroll). The County contributed \$352,076 (17.28% of current covered payroll; employees contributed \$93,862 (4.61% of current covered payroll).

Ten year historical trend information is presented in Schedules 2 and 3 accompanying these statements. Trend information gives an indication of the progress made in accumulating sufficient assets to pay for benefits when due.

LACERA has adopted a phased adoption of Schedule 2, Analysis of Funding Progress, as permitted under GASB implementation guidelines. For the fiscal year ending June 30, 1988, available assets were sufficient to fund 83.00% of the total accrued pension benefit obligation. The unfunded pension benefit obligation represented 17.00% of the value of accrued benefits.

Schedule 3, Revenues by Source and Expenses by Type, is presented in its entirety.

NOTE E—Partial Annuitization of Benefit Payments

As of January 1, 1987, LACERA purchased two annuity contracts from insurance carriers to provide benefit payments to a portion of its retired members. Funds for the purchase of these contracts were provided by Los Angeles County as a special one-time contribution of \$454,455. As a result of this purchase, actuarial liability for benefit payments in the amount of \$472,798 was retired. The County of Los Angeles, in return for the advance of one-time funding noted, received a reduction of employer contribution rates (as a percentage of payroll) of 1.20% for General Members and 2.69% for Safety Members, in accordance with the recommendation of LACERA's actuary. These rate decreases represent a reduction of County contributions scheduled to amortize the Unfunded Actuarial Accrued Liability (UAAL).

Under the terms of the annuity contracts, the Association will continue to administer benefit payments to affected members, to be reimbursed monthly by the carriers for the gross amounts of benefits disbursed. LACERA received \$45,363 and \$22,391 in related reimbursements during the year ended June 30, 1988 and 1987 respectively. There is no effect on covered members. Covered members retain all benefits accorded other members of the system, including rights to continuance of benefits to survivors, insurance subsidies, and cost-of-living increases.

NOTE F—Cash

Cash at June 30, 1988 and 1987 is composed of the following:

| | <u>1988</u> | <u>1987</u> |
|--|-----------------|-----------------|
| County Employees Retirement Trust Fund | \$ 2,133 | \$ 594 |
| County Employees Retirement Administrative Fund | 392 | 110 |
| LACERA Investment Account | 10 | 55,877 |
| Security Pacific National Bank Investment Accounts | 2,071 | 3,601 |
| LACERA Property Management Account | -0- | 2 |
| Pension Payroll Direct Deposit | 35 | 11,128 |
| Chase Manhattan Bank Foreign Investment Accounts | 77,953 | -0- |
| | <u>\$82,594</u> | <u>\$71,312</u> |

NOTE G—Cash and Investments

The following information is presented in accordance with the requirements of Statement No. 3, Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements recently issued by the Governmental Accounting Standards Board.

LACERA maintains cash balances with the County Treasury which are incorporated into the Treasurer's pooled investments. These funds are included under the heading "Cash" as shown in the Balance Sheet and discussed in Note F.

Deposits—At June 30, 1988 and 1987 deposits consisted primarily of bank deposits and negotiable certificates of deposit:

| Deposits | 1988 | |
|-----------|----------------|--------------------------------|
| | Insured (FDIC) | Uninsured and Uncollateralized |
| \$477,851 | \$100 | \$477,751 |

| Deposits | 1987 | |
|-----------|----------------|--------------------------------|
| | Insured (FDIC) | Uninsured and Uncollateralized |
| \$179,976 | \$100 | \$179,876 |

GASB Statement No. 3 specifies that Negotiable Certificates of Deposit be classified under this disclosure as "Deposits." Such instruments are not covered under Federal Depository Insurance and this accounts for the low ratio of insured to uninsured deposits.

Investments—Investment authority is granted to LACERA by the County Employees Retirement Law of 1937. Statutes authorize a "Prudent Expert" guideline as to the form and types of investment vehicles which may be purchased. Investments are categorized as to the level of risk held as of June 30, 1988 and 1987 as follows:

CATEGORY 1— includes investments which are insured or registered and held by LACERA or its custodian in LACERA's name, or identified as owned by LACERA in nominee name.

CATEGORY 2— includes investments which are uninsured or unregistered and held by LACERA or its custodian in LACERA's name, or identified as owned by LACERA in nominee name.

CATEGORY 3— includes those investments which are uninsured or unregistered which are held by LACERA's custodian in nominee name.

Investments, by category at June 30, 1988 and 1987 are composed of the following:

| | 1988 | | 1987 | |
|---|-------------|--------------|-------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| CATEGORY 1 | | | | |
| Bankers Acceptances, Commercial Paper and Discount Note | \$1,025,248 | \$1,025,248 | \$1,378,244 | \$1,378,244 |
| Common Stocks | | | | |
| Domestic | 1,722,900 | 2,341,634 | 1,667,764 | 2,753,549 |
| International | 779,762 | 744,268 | -0- | -0- |
| Preferred Stocks | | | | |
| Domestic | 18,125 | 22,239 | 11,648 | 17,969 |
| International | 3,688 | 3,591 | -0- | -0- |
| Convertible Debentures | | | | |
| Domestic | 61,405 | 71,772 | 76,427 | 93,569 |
| International | 5,301 | 5,367 | -0- | -0- |
| U.S. Government Securities | 1,863,217 | 1,875,280 | 1,450,629 | 1,432,178 |
| U.S. Government Agency Bonds | 415,874 | 419,901 | 674,644 | 687,726 |
| Corporate Bonds | 533,850 | 531,124 | 639,271 | 628,257 |
| Private Placement Bonds | 75,021 | 75,336 | 132,169 | 132,191 |
| Non-Government Pass-Thrus | 107,720 | 109,848 | 106,592 | 105,961 |
| Other Asset Backed Obligations | 7,776 | 7,494 | -0- | -0- |
| Other State Municipal Bonds | 5,036 | 5,149 | 11,819 | 13,389 |
| Foreign Municipal Bonds | 10,518 | 10,228 | -0- | -0- |
| Foreign Government Bonds | 43,635 | 42,874 | -0- | -0- |
| Foreign Corporate Bonds | 1,906 | 1,991 | 56,386 | 56,602 |
| Whole Loan Mortgage Portfolio | 125,896 | 137,717 | 156,871 | 170,283 |
| Total—Category 1 | \$6,806,879 | \$7,431,061 | \$6,362,464 | \$7,469,918 |
| CATEGORY 2 | | | | |
| Equity in Investment Funds | | | | |
| Real Estate Funds | \$ 149,267 | \$ 154,346 | \$ 123,356 | \$ 126,946 |
| Venture Capital | 78,672 | 78,829 | 38,407 | 38,774 |
| Total—Category 2 | \$ 227,939 | \$ 233,175 | \$ 161,763 | \$ 165,720 |
| CATEGORY 3 | | | | |
| Equity in Pooled Cash, Custodial Trust | | | | |
| Pacific Horizon | | | | |
| Domestic | \$ 910 | \$ 910 | \$ 3,144 | \$ 3,144 |
| International | 1 | 1 | -0- | -0- |
| Repurchase Agreements | 9,002 | 9,002 | -0- | -0- |
| Total—Category 3 | \$ 9,913 | \$ 9,913 | \$ 3,144 | \$ 3,144 |
| Total Categorized Investments | \$7,044,731 | \$7,674,149 | \$6,527,371 | \$7,638,782 |
| Certificates of Deposit | 397,792 | 397,792 | 165,245 | 165,245 |
| Foreign Currencies | 77,953 | 72,737 | -0- | -0- |
| Equity in Treasurer's Pooled Investments | \$ 2,535 | \$ 2,535 | \$ 56,581 | \$ 56,581 |
| Cash in Banks | 2,106 | 2,106 | 14,731 | 14,731 |
| Total Uncategorized Investments | \$ 480,386 | \$ 475,170 | \$ 236,557 | \$ 236,557 |
| Total Portfolio | \$7,525,117 | \$8,149,319 | \$6,763,928 | \$7,875,339 |

NOTE H—Stocks and Bonds on Loan

Under an agreement with Security Pacific National Bank (SPNB), LACERA lends specified stocks and bonds that are being held in trust at SPNB to various banks or brokers.

SPNB is authorized to handle all of LACERA's loan activity and has agreed to "hold [LACERA] harmless" for any losses of securities or income, or from any litigation arising from these loans. Consequently, the securities on loan at June 30, 1988 and 1987 are not shown separately on the balance sheet but are included in their respective accounts on that statement.

According to the agreement with SPNB, the loans must be secured by collateral with a market value of at least 102% of the market value of the securities loaned. At June 30, 1988, the market value of the stocks and bonds on loan through SPNB was \$245,933 and \$1,546,917 respectively. At June 30, 1987, the market value of the stocks and bonds on loan through SPNB was \$219,035 and \$983,144 respectively.

NOTE I—International Investment

In accordance with Callan Associates asset allocation plan, adopted by the Board of Investments, six equity fund managers were selected for LACERA's initial investment in international equities. The funding of \$90,000 for each of five managers began on October 1, 1987. \$400,000 was funded to the sixth manager (an indexed fund) on April 1, 1988 (\$200,000) and June 1, 1988 (\$200,000).

NOTE J—Custodial Fees

Custodial fees represent charges by Security Pacific National Bank (Domestic) and Chase Manhattan Bank (Global), which act as custodians for securities owned by LACERA. In this capacity, Security Pacific National Bank and Chase Manhattan Bank collect income for the securities and deposit it to LACERA's bank accounts. For the fiscal years ended June 30, 1988 and 1987, custodial fees of \$809 (\$354 domestic and \$455 global) and \$193 (domestic only) respectively, are shown as a separate expense item on the Statement of Revenues and Expenditures (Exhibit B) in lieu of being included as part of Administrative Expenses (Schedule 1). The County Employees Retirement Law as amended effective July 1984 supported this method of presentation.

NOTE K—Litigation

LACERA is a defendant in various lawsuits and other claims arising in the ordinary course of their operations. LACERA management and legal counsel estimate that the ultimate outcome of such litigation would not have a material effect on LACERA's financial statements.

Ernst & Whinney
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515 S. Flower Street
Los Angeles, California 90071

213/621-1666

Boards of Investments and Retirement
Los Angeles County Employees Retirement
Association
Los Angeles, California

The audited financial statements of the Los Angeles County Employees Retirement Association and our report thereon are presented in the preceding section of this report. The information contained in the Schedules of Revenues by Source and Expenses by Type and Administrative Expenses presented hereinafter is for purposes of additional analysis and is required for a fair presentation of the financial position, results of operations, or changes in reserves of the Association in accordance with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Ernst & Whinney
Quezada Navarro & Co.

Los Angeles, California
October 21, 1988

Schedule 1

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
 ADMINISTRATIVE EXPENSES
 FOR THE FISCAL YEARS ENDED JUNE 30, 1988 AND 1987

(Amounts in Thousands)

| | <u>1988</u> | <u>1987</u> |
|--|----------------|----------------|
| Personnel Services | | |
| Salaries and Wages | \$3,173 | \$2,630 |
| Employee Benefits | | |
| Retirement Contributions | \$ 485 | \$ 380 |
| Workers Compensation | 89 | 28 |
| Medical Insurance | 174 | 182 |
| Dental Insurance | 15 | 11 |
| Life Insurance | 1 | 1 |
| Hospital Insurance Tax | 1 | -0- |
| Flexible Benefit Plan | 83 | 58 |
| Thrift Plan | 2 | 2 |
| Savings Plan | 28 | 19 |
| Retirees Health Plan | 63 | |
| Long Term Disability | 2 | |
| Unemployment Insurance | 12 | |
| Total Employee Benefits | <u>\$ 955</u> | <u>\$ 681</u> |
| Total Personnel Services | <u>\$4,128</u> | <u>\$3,311</u> |
| Office Expenses | | |
| Postage | \$ 118 | \$ 100 |
| Stationery and Forms | 107 | 106 |
| Other | 67 | 53 |
| Total Office Expenses | <u>\$ 292</u> | <u>\$ 259</u> |
| Other Services and Charges | | |
| Communications | \$ 129 | \$ 90 |
| Maintenance—Office Equipment | 38 | 64 |
| Maintenance—Structures, Improvements and Grounds | 50 | 20 |
| Attorney Fees | 75 | 64 |
| Department Charge—Pension Bond | 36 | 19 |
| County Data Processing Charges | 292 | 321 |
| Other Data Processing Charges | 396 | 346 |
| Hearing Officer Fees | 160 | 195 |
| Medical Fees | 246 | 294 |
| Stenographic Fees | 28 | 43 |
| Other Professional and Specialized Services | 1,630 | 673 |
| Rent and Leases—Office Equipment | 24 | 26 |
| Rent and Leases—Building and Improvements | 149 | |
| Administrative and Systems Support | 50 | 566 |
| Transportation & Travel | 31 | 25 |
| Educational Expenses | 17 | 23 |
| Other Charges | 140 | 103 |
| Total Other Services and Charges | <u>\$3,491</u> | <u>\$2,872</u> |
| Depreciation—Fixed Assets | <u>\$ 323</u> | <u>\$ 164</u> |
| TOTAL ADMINISTRATIVE EXPENSES | <u>\$8,234</u> | <u>\$6,606</u> |

Schedule 2

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS

| Fiscal Year | Net Assets Available for Benefits | Pension Benefit Obligation | Percentage Funded | Unfunded Pension Benefit Obligation | Annual Covered Payroll | Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll |
|-------------|-----------------------------------|----------------------------|-------------------|-------------------------------------|------------------------|--|
| 1987-88 | 7,386,397 | 8,897,693 | 83.00% | 1,511,296 | 2,037,097 | 74.19% |

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the fund. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the fund.

Schedule 3

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
 REQUIRED SUPPLEMENTARY INFORMATION
 REVENUES BY SOURCE AND EXPENSES BY TYPE

REVENUES BY SOURCE

| Fiscal Year | Employee Contributions | Employer Contributions | Investment Income | Other Revenues | Total |
|-------------|------------------------|------------------------|-------------------|----------------|-----------|
| 1979 | 62,488 | 178,531 | 196,327 | 0 | 437,346 |
| 1980 | 68,515 | 225,151 | 197,765 | 0 | 491,431 |
| 1981 | 78,484 | 273,489 | 233,003 | 405 | 585,381 |
| 1982 | 78,936 | 267,792 | 254,643 | 382 | 601,753 |
| 1983 | 73,879 | 295,181 | 400,583 | 350 | 769,993 |
| 1984 | 74,805 | 282,024 | 370,740 | 845 | 728,414 |
| 1985 | 77,399 | 321,183 | 501,767 | 404 | 900,753 |
| 1986 | 82,356 | 335,754 | 879,042 | 310 | 1,297,462 |
| 1987 | 86,790 | 336,533 | 892,749 | 145 | 1,316,217 |
| 1988 | 93,862 | 352,076 | 652,731 | 82 | 1,098,751 |

EXPENSES BY TYPE

| Fiscal Year | Benefits | Administrative Expenses | Refunds | Other Expenses | Total |
|-------------|----------|-------------------------|---------|----------------|---------|
| 1979 | 156,343 | 1,858 | 22,189 | 0 | 180,390 |
| 1980 | 177,725 | 2,862 | 19,918 | 0 | 200,505 |
| 1981 | 199,952 | 3,618 | 20,036 | 23 | 223,629 |
| 1982 | 226,030 | 4,373 | 101,406 | 321 | 332,130 |
| 1983 | 235,309 | 4,782 | 7,860 | 155 | 248,106 |
| 1984 | 268,056 | 5,196 | 8,175 | 310 | 281,737 |
| 1985 | 299,715 | 6,439 | 25,436 | 353 | 331,943 |
| 1986 | 326,186 | 6,689 | 6,700 | 298 | 339,873 |
| 1987 | 336,117 | 6,606 | 18,152 | 142 | 361,017 |
| 1988 | 345,924 | 8,234 | 7,918 | 78 | 362,154 |

Contributions were made in accordance with actuarially determined contribution requirements.

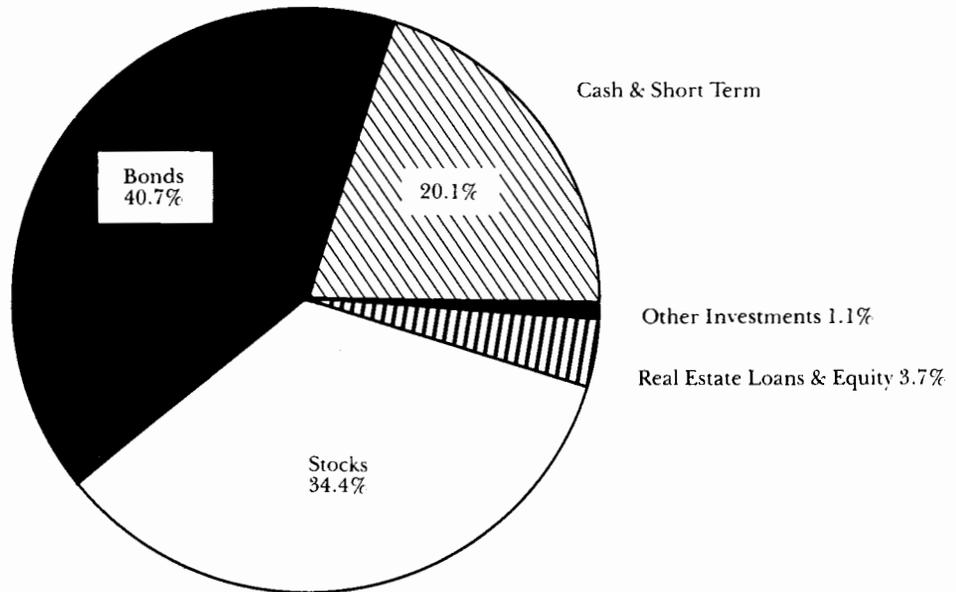
Schedule 4

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
 REQUIRED SUPPLEMENTARY INFORMATION
 MEMBERSHIP DATA

At June 30, 1988, the components of LACERA's membership were as follows:

| | General Members | Safety Members | Total |
|--------------------|-----------------|----------------|--------|
| Active | 58,361 | 9,460 | 67,821 |
| Vested Active | 34,527 | 7,312 | 41,839 |
| Deferred Vested | 2,492 | 89 | 2,581 |
| Unclaimed Accounts | 2,008 | 84 | 2,092 |
| Retired | 28,079 | 5,040 | 33,119 |

INVESTED ASSETS (AT BOOK VALUE)
\$7,525,117,000



NET INVESTMENT INCOME
As Percentage of TOTAL INCOME
\$625,731,000

