

## Ventura Settlement No Longer Subject to Appeal

The trial court's approval of the settlement agreement covering procedures for retroactive implementation of the Ventura ruling is now **final and no longer subject to appeal**. LACERA is currently calculating retroactive adjustments for retirees, survivors, and beneficiaries.

**Active members** should know that retirement contributions are required on all special pay items you have earned since October 1, 1997, the date of the initial Ventura decision. The **good news for active members** is that the Board of Retirement has decided that LACERA will not require contributions on special pay items you earned prior to October 1, 1997. Active members who retire in the future will receive the full benefits of the Ventura decision. 

## LACERA's Ever-helpful Call Center Expands Services

To better serve you, we have expanded our Call Center services to include **beneficiary changes by phone**.

For security purposes, when you call 1-800-786-6464, our Retirement Benefits Specialists will ask you a series of questions to confirm your identity. This verification, along with your beneficiary change, will take approximately five to ten minutes. You will receive a confirmation of your change by mail.

**Tip:** To expedite verification and your beneficiary changes, please have the following information ready when you call:

- Most recent paycheck dated the 15th of the month
- The name, address, social security number, date of birth, and phone number of each beneficiary

This expanded service, which previously could be completed only by mail, represents another example

of our commitment to provide our members with the best possible service. Once again, we saw an opportunity to serve you better, and we acted on it. 



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- Assistant Executive Officer  
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From the **EXECUTIVE DESK**

Marsha D. Richter—CEO, LACERA



# Our Focus Is Service

As our mission statement proclaims, “LACERA exists to produce the highest quality of service for our members.” Our dedication to quality service is expressed in every element of our operations.

As you’ve likely noticed, we often include a survey with our responses to your requests. **Member surveys** help us adhere to our mission by gauging our level of service and the level of your satisfaction with our service. Your responses provide us with invaluable feedback, which often serves as a catalyst for service upgrades. We’re always listening!

Evidence of our responsiveness can be seen in our most recent upgrade: the expansion of Call Center services to process **beneficiary changes by phone**. And speaking of responsiveness, did you know our Call Center receives approximately 140,000 telephone inquiries each year, and 87% of those calls are answered within 30 seconds? Sure, we’re proud, but we’re always striving to do even better.

To further assist us in providing service at the highest possible levels of quality, accuracy, and efficiency, our **Quality Assurance (QA) Division** continually evaluates and analyzes our procedures.

I encourage you to take full advantage of our user-friendly web site. A visit to **www.lacera.com** will provide you with the latest LACERA news, retirement information, and a

wealth of other important and informative material. Highlights of the web site include:

- **Calculators** for instant retirement estimates or plan transfer costs
- Access on “**My LACERA**” to your personal retirement information, including contributions and payments on purchase contracts (updated monthly) and your most recent Annual Benefit Statement
- **Brochures & Forms** page: read, print, or order information and forms

LACERA also offers **Outreach Workshops** to assist you in planning your financial future at any stage of your career. New Member Workshops provide an overview of our retirement plans and are geared to help new hires make retirement plan choices best suited to their needs. Mid-Career Workshops provide information that helps members enhance their retirement benefits. Pre-Retirement Workshops are designed for members who are three to five years from their intended retirement date. The program offers information aimed at promoting a smooth transition into retirement.

LACERA is here to serve you. I welcome your feedback. 🌊

# 2005 Legislative Updates

by Jan Barcus

The 2005 Legislative year is winding to a close. September 9th was the last day for each house to pass all bills. If a bill is to become law, it must have cleared both houses and been delivered to the Governor by that date. 2005 is the first year of a two-year session; therefore, bills that did not clear the houses may have further hearing in 2006.

Governor Schwarzenegger has until October 9th to sign or veto bills that reached his desk. Our next report will show the bills signed by the Governor, and those that became law without his signature (neither signed nor vetoed).

Pension Reform legislation was not successful this year. All bills introduced in the regular and extraordinary session remained in the house of origin. However, we do not think that the issue is closed. We anticipate that some of the bills will be amended and reintroduced in 2006.

Below is the current status on some of the bills LACERA followed this year. You can track bills of personal interest at the Official California Legislative Information web site, [www.leginfo.ca.gov](http://www.leginfo.ca.gov).

## AB 30 County Employees Retirement: Military Service Purchase (Negrete-McLeod)

Existing retirement law authorizes a County Board of Supervisors to allow members to purchase military service. One limitation on the member's eligibility to purchase his or her military service is that the member is not now, or in the future, eligible to receive a retirement pension based on that service. This bill would amend the law to authorize a Board of Supervisors to allow the member to purchase the military service whether or not he or she is entitled to a future pension based on that service. This bill would also remove the 4-year limit on the amount of service that could be purchased for STRS and PERS (not LACERA). The April 25th amendment made this provision at the option of the Board of Supervisors in each county. The bill died in Committee before it went back to the Board of Retirement to lift its opposition.

*Introduced:* December 6, 2004

*Last Amended:* April 25, 2005

*Sponsor:* National Guard Association

*Status:* Remained in Committee and is Dead

*LACERA position:* Oppose, unless made at local option

## AB 456 County Employees Retirement: Fraud (Torrico)

Would make it a crime for any person to make false statements or representations in order to seek or obtain benefits from PERS, STRS or a 37 Act System for themselves or others. "Statement" includes oral or written and relating to family relationship, injury reports, and medical records. It would also make it a crime for a person to knowingly accept a payment from the system knowing that he or she is not eligible for the benefit. The bill further sets the statute of limitations and the penalties.

*Introduced:* February 15, 2005

*Last Amended:* July 7, 2005

*Sponsor:* CalPERS

*Status:* To Assembly Inactive File, September 8, 2005

*LACERA position:* Watch

## AB 1405 County Employees Retirement: Actuarial Valuations (Evans)

This bill would have changed the time period in which the Board of Retirement is required to recommend to the Board of Supervisors any changes in interest or contribution rates. The latest amendment deleted that language. The bill now would ratify, approve,

and set forth the provisions of the Emergency Management Assistance Compact between the states. The Compact is to provide for mutual assistance between participating states for disaster planning and response.

*Introduced:* February 22, 2005

*Last Amended:* September 2, 2005

*Sponsor:* California Professional Firefighters

*Status:* To Senate Inactive File, September 8, 2005

*LACERA position:* Watch (prior to September 2, 2005 amendments)

## AB 1769 County Employees Retirement: Mandatory Retirement (Negrete-McLeod)

This bill provides that a fire chief who is a safety member, but whose duties are administrative only, shall not be subject to mandatory retirement. This bill is limited to a fire chief holding position in Los Angeles County on May 1, 2005 and requires that he retires before April 1, 2009. The bill provides that no salary increase shall be granted to the Chief that is not comparable to other Los Angeles

cont'd on pg. 7

# New Contribution Rates Effective July 1, 2005

Your LACERA contribution rate may have changed effective July 1, 2005, based on recommendations from the most recent actuarial valuation. Some employee contribution rates increased slightly, some decreased slightly, and some experienced no change at all. These rates were negotiated by the County and employee representatives, and were approved by the Los Angeles County Board of Supervisors at their meeting on June 21, 2005.

LACERA's actuary conducts periodic valuations of the retirement fund, including a determination of

whether employee and employer (County) contribution rates are adequate to properly fund the retirement system. The most recent valuation, as of fiscal year ended June 30, 2004, recommended changes to both employee and employer contribution rates.

County Employees Retirement Law specifies that employee contribution rates are affected by changes to actuarial assumptions such as interest, salary, and post-retirement life expectancy. Since these assumptions have changed, employee contribution rates also

have changed. All changes to employee rates were fractions of 1%.

Effective July 1, 2005, the County will pay higher employer contributions to the retirement system, more than 16% of total employees' salary.

If you would like additional information about the most recent actuarial report, you may view the report on our web site, [www.lacera.com](http://www.lacera.com), under Investments.

Plan A General Member Contribution Rates			
AGE	RATE	AGE	RATE
16	3.74%	36	5.62%
17	3.80	37	5.79
18	3.85	38	5.98
19	3.91	39	6.16
20	3.94	40	6.35
21	4.00	41	6.54
22	4.05	42	6.74
23	4.10	43	6.96
24	4.18	44	7.14
25	4.22	45	7.33
26	4.31	46	7.55
27	4.39	47	7.72
28	4.50	48	7.92
29	4.59	49	8.04
30	4.71	50	8.12
31	4.86	51	8.17
32	4.95	52	8.19
33	5.10	53	8.19
34	5.25	54	8.19
35	5.43	55+	8.19

Plan B General Member Contribution Rates			
AGE	RATE	AGE	RATE
16	5.56%	36	8.67%
17	5.70	37	8.87
18	5.82	38	9.07
19	5.95	39	9.27
20	6.09	40	9.46
21	6.22	41	9.67
22	6.35	42	9.87
23	6.50	43	10.05
24	6.65	44	10.24
25	6.79	45	10.43
26	6.94	46	10.60
27	7.10	47	10.77
28	7.26	48	10.94
29	7.42	49	11.07
30	7.59	50	11.18
31	7.76	51	11.26
32	7.93	52	11.27
33	8.11	53	11.27
34	8.29	54	11.27
35	8.48	55+	11.27

Plan C General Member Contribution Rates			
AGE	RATE	AGE	RATE
16	4.74%	38	7.72%
17	4.85	39	7.90
18	4.95	40	8.07
19	5.07	41	8.25
20	5.19	42	8.45
21	5.30	43	8.64
22	5.42	44	8.82
23	5.54	45	9.02
24	5.67	46	9.21
25	5.79	47	9.39
26	5.93	48	9.58
27	6.05	49	9.75
28	6.19	50	9.92
29	6.32	51	10.10
30	6.47	52	10.26
31	6.61	53	10.41
32	6.76	54	10.54
33	6.91	55	10.65
34	7.07	56	10.72
35	7.21	57	10.73
36	7.38	58	10.73
37	7.56	59+	10.73

Contribution Rates, cont'd from pg. 4

Plan D General Member Contribution Rates			
AGE	RATE	AGE	RATE
16	4.63%	38	7.55%
17	4.74	39	7.72
18	4.84	40	7.89
19	4.96	41	8.07
20	5.07	42	8.26
21	5.18	43	8.44
22	5.30	44	8.63
23	5.42	45	8.82
24	5.54	46	9.00
25	5.66	47	9.18
26	5.79	48	9.36
27	5.92	49	9.53
28	6.05	50	9.70
29	6.18	51	9.87
30	6.33	52	10.03
31	6.46	53	10.17
32	6.61	54	10.31
33	6.75	55	10.42
34	6.91	56	10.48
35	7.05	57	10.49
36	7.21	58	10.49
37	7.38	59+	10.49

Plan A Safety Member Contribution Rates			
AGE	RATE	AGE	RATE
18	6.90%	34	9.46%
19	6.94	35	9.69
20	6.97	36	9.93
21	7.01	37	10.13
22	7.16	38	10.33
23	7.30	39	10.53
24	7.43	40	10.71
25	7.61	41	10.89
26	7.75	42	11.07
27	7.90	43	11.23
28	8.12	44	11.37
29	8.33	45	11.49
30	8.55	46	11.57
31	8.76	47	11.57
32	8.98	48	11.57
33	9.22	49+	11.57

Plan B Safety Member Contribution Rates			
AGE	RATE	AGE	RATE
18	5.73%	34	9.46%
19	5.92	35	9.72
20	6.12	36	9.98
21	6.33	37	10.26
22	6.54	38	10.50
23	6.75	39	10.75
24	6.96	40	11.00
25	7.18	41	11.25
26	7.42	42	11.47
27	7.65	43	11.70
28	7.89	44	11.88
29	8.14	45	12.02
30	8.38	46	12.11
31	8.65	47	12.13
32	8.92	48	12.13
33	9.18	49+	12.13

For your personal contribution rate, visit [www.lacera.com](http://www.lacera.com) and register or sign in to “My LACERA.” On your “My LACERA” page, you will find your **contribution percentage rate** and **dollar amount** under Retirement Plan Information. 



## Did you know?

## DB/DC Plan Comparison

Defined Benefit (DB) Plans	Defined Contribution (DC) Plans
LACERA provides a lifetime benefit	401(k) and 457 Plans are savings accounts
<ul style="list-style-type: none"> <li>You will receive your retirement allowance every month for the rest of your life</li> </ul>	<ul style="list-style-type: none"> <li>Your benefit payments (withdrawals) stop when your money runs out</li> </ul>

“Youth has no age.”  
 – Pablo Picasso

## Do you have questions regarding your retirement benefits?

Call the numbers below and speak with a Retirement Benefits Specialist.

**626-564-6132**  
**1-800-786-6464**

Visit our web site at:  
**www.lacera.com**

Email us:  
**welcome@lacera.com**

Fax: **626-564-6155**

**NOTE:** Your Social Security number is the key to finding your records.

## Editor's Note

**PostScript** is published by the staff of LACERA. Signed articles represent the opinion of the writers and not necessarily the opinion of LACERA Management, Board of Retirement, or Board of Investments.

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*Alternate formats are available upon request.*

# LACERA Earns Awards

LACERA has received two awards from the Government Finance Officers Association (GFOA). The GFOA's Awards for Excellence in Government Finance recognize contributions to the practice of government finance that exemplify outstanding financial management. The awards stress practical, documented work that offers leadership to the profession and promotes improved public finance.

LACERA has received:

- **Certificate of Achievement for Excellence in Financial Reporting** for LACERA's Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2004. LACERA has been awarded this certificate **15 years in a row.**

- **Award for Outstanding Achievement in Popular Annual Financial Reporting** for LACERA's Popular Annual Financial Report (PAFR) for fiscal year ending June 30, 2004. This is the **seventh year** LACERA has won this award.

The GFOA's Certificate Program (CAFR Program) is designed to recognize and encourage excellence in financial reporting by state and local governments.

The PAFR Program's goal is to encourage the production of reports that make financial data more accessible to those who need less detailed information than what is traditionally found in CAFRs.

# LACERA Board Election Results



Your votes have been counted, and election results were certified by the Registrar-Recorder/County Clerk. The Board of Supervisors must declare the election results official before the elected members may assume office. LACERA welcomes the following Board members, whose terms will begin on January 1, 2006:

### Board of Retirement

- Yves Chery (elected by general members)
- Ed Morris, Alternate Retired Member (elected by retired members)

- William de la Garza (unopposed; appointed in lieu of an election)

### Board of Investments

- Simon Russin (elected by general members)
- Diane Sandoval (elected by retired members)

Watch for profiles of the new Board members in a future issue of *PostScript*.

# Redeposit of Withdrawn Contributions

Effective January 1, 2003, AB 2766 granted certain former members the ability to redeposit contributions they had withdrawn from LACERA in order to receive certain benefits of reciprocity. This law applies only to an **active member** at the time of the redeposit who, either now or while a member of the reciprocal retirement system, was employed as an officer or employee of a law enforcement agency or fire department and whose principal duties consist(ed) of **active law enforcement or firefighting and prevention service**.

A recent opinion by the Legislative Counsel of California interprets AB 2766 to allow eligible members who redeposit their withdrawn contributions (plus

interest) to have their **retirement allowance** from LACERA and the reciprocal retirement system calculated using the **highest final average compensation** earned while a member of **either system**. To qualify for this calculation, members must (1) retire concurrently (on the same date) from both systems without overlapping service, and (2) have joined the reciprocal system within six months of leaving service with Los Angeles County (or within 90 days if reemployment occurred before January 1, 1976).

Prior to issuance of the Legislative Counsel's opinion, LACERA had interpreted AB 2766 to require calculation of the

retirement allowance based **only** upon the member's final compensation **while a member of LACERA**.

Qualifying members are also eligible to use **combined service credit** to meet vesting and service retirement requirements for both systems. In addition, their **contributions** are based on their **age at entry into the first system** (a younger entry age means a lower contribution rate for LACERA members).

If you think you are eligible and would like to consider a redeposit of your withdrawn contributions, call LACERA at 1-800-786-6464. Our Retirement Benefits Specialists will be happy to assist you. 

## Legislative Updates, cont'd from pg. 3

Department Heads.

*Introduced:* April 4, 2005

*Last Amended:* July 11, 2005

*Sponsor:* Los Angeles County

*Status:* Signed by the Governor on July 27, 2005, Chapter 134

### SB 973 County Employees Retirement: Domestic Partners Benefits (Kuehl)

Since January 1, 2000, domestic partners have been able to register their relationship with the California Secretary of State, provided specific requirements are met. The registration with the Secretary of State must occur at least one year

prior to the member's retirement effective date. This bill would recognize that many domestic partner relationships were established prior to the 2000 enactment of state law creating the Domestic Partner Registration. The bill would amend the County Employees Retirement Law to entitle a retired member to elect to change his or her optional retirement allowance to an allowance that may be more beneficial to the member and his or her partner. To be eligible to change the retirement option, the partnership must be registered with the Secretary of State and the member and domestic partner must sign an affidavit under penalty of

perjury stating that at least one year prior to the member's service retirement effective date or at the disability retirement date, the member and partner would have qualified to be registered as domestic partners pursuant to Section 297 of the Family Code. Any increase in the member's allowance under this provision would be payable on a time-forward basis only.

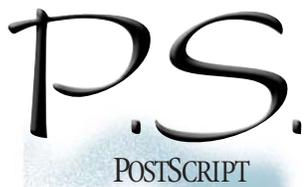
*Introduced:* February 20, 2005

*Last Amended:* August 25, 2005

*Sponsor:* Equality California

*Status:* To Governor, September 8, 2005

*LACERA position:* Support 



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## September 2005 POSTSCRIPT Highlights

### **In September, we feature our Customer Service efforts:**

- ✓ Expanded Call Center services
- ✓ Outreach Workshops
- ✓ [www.lacera.com](http://www.lacera.com) - Calculators, "My LACERA," Brochures & Forms
- ✓ Customer Service Surveys

**Plus New Contribution Rates, Legislative Updates, Board Election Results, Redeposit of Withdrawn Contributions, and more!**



**"To produce, protect, and provide the promised benefit."**

**— LACERA Mission Statement**