

P.S.

POST SCRIPT

NEWS FOR ACTIVE MEMBERS

JUNE 2012 • VOL. 23, NO. 2

FAQs: The Temporary Relocation of Pre-Retirement Workshops and Public Counter

LACERA is located in the Gateway Plaza, at 300 N. Lake in Pasadena. As the first floor of the building is under construction, LACERA's Public Counter will be temporarily relocated to Suite 340 (the third floor of the building). Pre-Retirement Workshops will temporarily be held off site, at Descanso Gardens. Read on for more information.

1. Q: Why is the first floor of LACERA under construction?

A: LACERA's Public Counter, located in the lobby on the first floor, is being remodeled to include 19 private offices to better protect your confidential information in conversations with Retirement Benefits Specialists. We want to ensure that every member is comfortable disclosing personal information.

2. Q: When will the construction begin, and for how long will it continue?

A: Construction began in May and is scheduled to continue through the end of August. If the work is done prior to the end of August, an update will be posted on lacera.com.

3. Q: During construction, where will Public Counter services be offered?

A: Until construction is finished, the Public Counter will be relocated to suite 340, on the third floor of Gateway Plaza. Signs will be posted in the lobby of the first floor and on the third floor to direct you. You may also ask for assistance at the security desk in the lobby. The Public Counter will continue to be open Monday through Friday from 7:00 a.m. to 5:00 p.m.

4. Q: Where will the Pre-Retirement Workshops be held until the construction is completed?



A: From now until the end of August, LACERA's Pre-Retirement Workshops will be held in the Birch Room at Descanso Gardens in La Cañada Flintridge. The Pre-Retirement Workshops will be

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Los Angeles County Employees Retirement Association

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Elected by General Members

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GREGG RADEMACHER

Assistant Executive Officer

ROBERT HILL

Assistant Executive Officer

JJ Popowich

From the **Executive Desk**

Gregg Rademacher – CEO, LACERA



The County Began Its Own Pension Reform Close to 40 Years Ago

I was honored to address the Conference Committee on Public Employee Pensions in April. The committee, which is a bipartisan panel of six state legislators, was created to examine Governor Brown's Twelve-Point Pension Reform Plan, along with the pension structures of public retirement systems in California. I was invited to address the April 13, 2012 hearing, which focused on issues specific to the 1937 County Employees Retirement Law, the law that governs LACERA.

Since I was asked to speak on the topic of creative plan design, I felt the committee members were especially interested in learning about the non-contributory structure of our retirement

Plan E. For the legislators to fully understand the background leading to the creation of Plan E, I knew it was important to review the history and evolution of LACERA's retirement plans for general members.

With that in mind, I expressed to the lawmakers how **Los Angeles County began exercising pension reform on its own almost 40 years ago.** I pointed out how in 1977 the County recognized the benefit formula for Plan A, the original 1937 retirement plan for general members, would not be sustainable over the long term.

At that time, the Los Angeles County Board of Supervisors (BOS) as the plan sponsor, sat down with employee groups and the parties worked out the modified benefit formula that became known as Plan B. In 1978, the parties sat down again and created another formula modification, Plan C. The scenario repeated in 1979 with introduction of Plan D. **Each new Plan established a reduced benefit formula and marked the closing of the previous Plan.**

"The County and its employee groups have a rich history of coming together and doing what's right for the community."

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Executive Desk cont'd from pg. 2

I noted that until 1982, all LACERA retirement plans were contributory plans, whereby each employee made mandatory contributions, through payroll deductions, to his or her Plan. In 1982, the County and its stakeholders took a new, creative approach to plan design and created non-contributory Plan E for general members. I explained that unlike our contributory plans, Plan E does not provide pre-retirement disability benefits. Additionally, it pays a lower benefit than Plan D. To enhance their retirement benefits, Plan E members are also encouraged to participate in a County-sponsored 457 defined contribution plan.

Since 1982, general employees entering County service may elect

either Plan D or Plan E. **It was important for the legislators to know Plan D and Plan E meet the majority of tenets put forward by Governor Brown and many citizen groups.**

County and Employee Groups Work Together to Do What's Right for the Community

In the course of my remarks, I emphasized the track record of the BOS and its stakeholders of acting conservatively and responsibly, even during the bull market years. In the 1990s, when most other public retirement systems increased their pension formulas, the BOS and employee groups remained focused on the long term and left LACERA's benefit formulas unchanged.

I was proud to report Los Angeles County and its employee groups have a rich history of coming together and doing what's right for the community.

Additionally, I praised the BOS for fully funding its portion of the retirement plan on an annual basis. I concluded my comments by stressing LACERA is stable, well-funded, and solidly positioned to pay its current, as well as future obligations.

To watch Gregg Rademacher addressing the Conference Committee on Public Employee Pensions, go to "CEO at Pension Committee" under the About section on lacera.com.



Election for General Member Board Seats Set for July

An election for the Third Members of the Board of Investments and the Board of Retirement will be held Tuesday, July 31, 2012. The open positions are General Member seats, which carry three-year terms commencing January 1, 2013.

The County Registrar-Recorder/County Clerk will begin mailing

ballots to eligible general members by Monday, June 18. General members of LACERA as of March 1, 2012 are eligible to vote in the election. If you are an eligible voter and do not receive a ballot by July 3, you may request a duplicate ballot through your Departmental Election Coordinator on or before July 10. To be eligible for counting,

completed ballots must be received by the County Registrar-Recorder/County Clerk by 5:00 p.m. on July 31, 2012.

For further information on this year's election, visit the Services section of the Board of Supervisors' website: bos.co.la.ca.us.

FAQs cont'd from pg. 1

held from 8:30 a.m. to 11:30 a.m.; and you must still call 800-786-6464 to reserve a seat. The street address is: 1418 Descanso

Drive; and a map is available on lacera.com, under Benefits, Active Member, Pre-Retirement Workshop. If you have questions

about the facility itself, please call 818-949-4200 to speak with a Descanso Gardens associate.

The LACERA PENSION DOLLAR

10¢
Employee
Contributions

75¢
LACERA
Investment Earnings



15¢
Employer
(County)
Contributions

LACERA Pensions are Funded Through Three Sources

Investment Income Funds 75 Percent of Each Pension Dollar

As public pensions come under increasing public criticism, it's important to know that over the past 15 years, 75 cents of each LACERA pension dollar has been funded by returns on investments. Employee contributions have funded 10 cents of each dollar, while employer (County) contributions have funded the remaining 15 cents.

LACERA Takes Its Daughters and Sons to Work for a Day

An enthusiastic crowd of LACERA employees' kids, ages 8 to 12, joined us on April 19 to celebrate Take Your Daughters and Sons to Work Day at LACERA.

The kids shared a day of interesting and informative activities generated around this year's theme, "Build Opportunity." They were welcomed to LACERA by our CEO, Gregg Rademacher, and were introduced to several LACERA divisions and special guests throughout the day.

The kids learned about LACERA's technological equipment from Systems, illustrated a take-home book in our Communications Division, played educational games with the Claims Processing

and Financial & Accounting Services Divisions, toured Procurement, worked on an



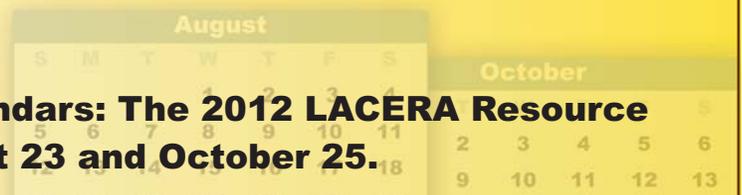
enormous crossword puzzle with Disability Litigation, and talked with planetary geophysicist Todd

Ratcliff of NASA's Jet Propulsion Laboratory about the parallels between *Star Wars* – a subject on which several of the kids were well versed – and space and spacecraft. Later in the day, they met with a Pasadena firefighter, who invited them onto the fire truck and explained the duties of a firefighter and fire safety rules.

In addition to the fire truck tour and Mr. Ratcliff's talk, the biggest hits with the kids were the chicken and Hawaiian rolls at lunch and some pretty awesome hip-hop lessons. Several of the kids will have aged out of the Take Our Daughters and Sons to Work Day events for 2013 but, given their enthusiasm, were invited to come again next year as volunteers.

Save the Date!

HR professionals, mark your calendars: The 2012 LACERA Resource Conference will be held on August 23 and October 25.



New Assistant Executive Officer Joins LACERA's Executive Office

In March 2012, John Popowich (or JJ, as he prefers to be called) joined LACERA's Executive Office as Assistant Executive Officer (AEO). As AEO, Mr. Popowich assists in developing the strategic direction, leadership, and planning of LACERA.

Mr. Popowich brings a wealth of relevant experience to this position. Prior to becoming AEO, he served as Manager of our Member Services Division,

where he oversaw 60 employees in providing customer service and retirement counseling to LACERA's 156,000 active and retired members. In an effort to enhance LACERA's customer service systems, Mr. Popowich created, launched, and managed our Member Services Quality Control Unit, which ensures service quality levels through call-monitoring, work reviews, audits, and surveys. Additionally, he

created a Member Services-specific knowledge base designed to raise the level of detail in retirement counseling and other customer services.

Before joining LACERA in 2005, Mr. Popowich earned a BS in Business Management from the University of Phoenix, and he held private sector positions that focused on customer service and quality control.

LACERA Staff and Board Members Attend the SACRS Spring Conference

LACERA's board members, managers, and staff shared information and exchanged ideas with their counterparts from other California retirement systems at this year's State Association of County Retirement Systems (SACRS) Spring Conference. The May conference was held in Lake Tahoe.

Individuals associated with LACERA participated in several capacities:

- Yves Chery, Secretary of the Board of Retirement and

Vice President of the SACRS 2012 Board of Directors, moderated the General Session "European Market: The Euro's Rocky Road."

- LACERA's Ricki Contreras, Manager of the Disability Retirement Division, was a panelist at a Disability Workshop that discussed the role of the system's medical advisor from different perspectives within the system. She also presented in the Disability Roundtable.

- John "JJ" Popowich, LACERA's new Assistant Executive Officer (AEO), spoke in a session entitled, "Coping Mechanisms – Dealing with an Increasing Number of Retirees."

SACRS is a government-sponsored association of 20 California country retirement systems enacted under the County Employees Retirement Law of 1937.



LACERA
RETIREMENT UNIVERSITY
Los Angeles County Employees Retirement Association

Now You Can Experience the Pre-Retirement Workshop Online!

We have Videos.

CHECK IT OUT!

Look for the link on the lacera.com homepage.

WORKSHOP SCHEDULE

JUNE 2012

S	M	T	W	T	F	S
					1	2
3	4	S	6	7	8	9
10	11	12	13	14	15	16
17	18	G	20	21	22	23
24	25	26	27	28	29	30

JULY 2012

S	M	T	W	T	F	S
1	2	3	H	5	6	7
8	9	G	11	12	13	14
15	16	17	18	19	20	21
22	23	G	25	26	27	28
29	30	31				

AUGUST 2012

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	G	15	16	17	18
19	20	21	22	23	24	25
26	27	G	29	30	31	

*G = General Members Pre-Retirement

*S = Safety Members Pre-Retirement

H = Holiday

***ATTENTION: All Pre-Retirement Workshops scheduled in May through August will held at:**

Descanso Gardens
 Birch Room
 1418 Descanso Drive
 La Cañada Flintridge, CA 91011
 Phone: 818-949-4200

No one-on-one consultations.

Call 800-786-6464 to Register

Unless otherwise indicated, workshops are held at LACERA from 8:30 - 11:30 a.m. Most include presentations by Great-West and long-term care providers. New Member workshops run from 3:00 - 4:00 p.m.

Increased Contribution Rates

The contributions you make to your retirement Plan will increase, effective July 1, 2012. Once these rate changes are available, we will post them on lacera.com. Look for the full story in September's *PostScript*.

3 THINGS

Three non-financial ways to prepare for an easier transition into retirement:

- ◆ Establish concrete goals that will give you a new sense of purpose: plan to earn a degree or take classes on a subject that interests you, ask about volunteering for a cause you've always wanted to support, plan to work on a project – writing a book, for example – you can't find the time in your working life to pursue.
- ◆ Nurture relationships outside of work and consider social pursuits that will broaden your network: pick a meet-up or a reading group to join, think of scheduling a weekly coffee date, and consider how your role in the lives of your children and grandchildren or younger relatives might change.
- ◆ If you plan to travel, consider where you want to go and how you will prepare: Are you interested in exotic locals or familiar trips? Do you want to visit relatives who live in another state or immerse yourself in a foreign culture?

Did You Know?

Defined Benefit (DB) Plans

LACERA invests the funds; **your employer bears the risk** of adverse investment performance.

Defined Contribution (DC) Plans

The employee decides how he or she will invest the funds, and the **employee bears the risk** of adverse investment performance.

The Madness is Over!

To those of us at LACERA, “March Madness” means **the mad dash to retire before March 31.**

What’s the deal with retiring in March? The answer involves **COLA, an acronym for the annual cost-of-living adjustment** that the Board of Retirement grants to eligible LACERA retirees and their survivors. In accordance with the law, each year prior to April 1, the Board of Retirement must determine whether there has been either an increase or a decrease in the Los Angeles - Riverside - Orange County Consumer Price Index (CPI) based on statistics released by the Bureau of Labor Statistics. In years in which the CPI has increased from the prior year, the Board of Retirement approves

a corresponding COLA increase – up to 2 percent for those in Plans B, C, D, and E and up to 3 percent for those in Plan A – to the monthly allowances of LACERA retirees and their survivors. COLA becomes effective each year on April 1, so any member who retires by March 31 is eligible to receive the current year’s COLA adjustment on his or her monthly retirement allowance.

COLA is only one of several factors important to choosing your most favorable retirement date. If you’re within five years of retirement, it’s imperative that you attend a LACERA Pre-Retirement Workshop. The workshops present information on an array of issues critical to planning your retirement. You may learn of options you weren’t

aware are available to you. Or, you may be made aware of an issue you didn’t anticipate. By speaking to a Retirement Benefits Specialist, you’ll be able to gain the knowledge you need to address the matter and stay on track to retire with confidence. All registered attendees of Pre-Retirement Workshops receive a personalized, preliminary calculation of their benefits and advantageous retirement dates. To register for a workshop, call: 800-786-6464.

Experience the Pre-Retirement Workshop online! Look for the link on the lacera.com homepage.



*“In three words, I can sum up everything I’ve learned about life:
It goes on.”*

— Robert Frost

Inside lacera.com



Visit the **Brochures & Forms** page to view, download, print, and/or order hard copies of the latest versions of:

- Summary plan description books
- “Q&A: Purchasing Additional Retirement Credit (ARC)” brochure
- Address and name-change forms
- “Pre-Retirement Guide”

Whether you’re a new LACERA member or became a member years ago, the materials you need to stay on track into your retirement –much more than what’s listed here! – are available on the Brochures & Forms page. A link to the Brochures & Forms page is on the top right of the lacera.com homepage.



NEWSLETTER HIGHLIGHTS



Upcoming Holidays

LACERA will be closed on **Wednesday, July 4** in observance of Independence Day and **Monday, September 3**, in observance of Labor Day



Temporary Relocation
of Pre-Retirement Workshops
and Public Counter

More Inside!
JUNE 2012

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. Consult with professional advisors regarding legal, tax, and/or medical matters; LACERA does not offer legal, tax, or medical advice.

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