

P.S.

POST SCRIPT

NEWS FOR ACTIVE MEMBERS

DECEMBER 2014 • VOL. 25, NO. 4



LACERA ACCOMPLISHMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

LACERA Congratulates Our Returning Board Members

Congratulations to the winners of the August election for seats on LACERA's boards. Each member will serve a three-year term, beginning January 1, 2015.

Board of Retirement (BOR)

The following individuals were reelected to the BOR: Mr. Chery, by active members, and Mr. de la Garza and Mr. Muir, by retired members.



Yves Chery also serves as president of the State Association of County Retirement Systems and sits on the Trustees

Committee of the International Foundation of Employee Benefit Plans. Mr. Chery serves the County through his work with at-risk youth as a Deputy Probation Officer II. He is a strong supporter of LACERA's worksite counseling seminars and other outreach programs. He is a graduate of California State University-Northridge, holds a Master of Fine Arts degree from California Institute of the Arts, and a Juris Doctor degree from

Southern California Institute of Law.



William "Bill" de la Garza was first elected to the BOR in 2003. He retired from the position of Deputy Director of Parks and

Recreation in 1991, after 35 years with the department. He has lectured on sports and recreation administration at area universities and has authored publications on sports officiating. Mr. de la Garza is a past president of the California Retired County Employees Association and the Retired Employees of Los Angeles County. He is also a past chair of the BOR.



David L. Muir is the alternate retired member of the BOR. He has had a distinguished career as a

government attorney, first as a member of the Los Angeles

County Counsel's Office and later as Chief Counsel of LACERA. In addition, Mr. Muir was a member of a private law firm specializing in business litigation. He served as a founding member and past president of National Association of Public Pension Attorneys (NAPPA) and chair of the Long-Term Care Insurance Rate Increase Committee. Mr. Muir is also a

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Los Angeles County Employees Retirement Association

Board of Retirement:

YVES CHERY

Chair
Elected by General Members

ALAN J. BERNSTEIN

Vice Chair
Appointed by Board of Supervisors

WILLIAM DE LA GARZA

Secretary
Elected by Retired Members

JOSEPH KELLY

Acting County Treasurer & Tax Collector
Ex-officio Member

MARVIN ADAMS

Appointed by Board of Supervisors

VIVIAN H. GRAY

Elected by General Members

SHAWN R. KEHOE

Elected by Safety Members

DAVID L. MUIR

Alternate Retired Member
Appointed by Board of Retirement

RONALD A. OKUM

Appointed by Board of Supervisors

WILLIAM R. PRYOR

Alternate Member
Elected by Safety Members

LES ROBBINS

Appointed by Board of Supervisors

Board of Investments:

JOHN M. BARGER

Chair
Appointed by the Board of Supervisors

DAVID GREEN

Vice Chair
Elected by General Members

SHAWN R. KEHOE

Secretary
Elected by Safety Members

JOSEPH KELLY

Acting County Treasurer & Tax Collector
Ex-officio Member

DIANE A. SANDOVAL

Elected by Retired Members

HERMAN B. SANTOS

Elected by General Members

MICHAEL SCHNEIDER

Appointed by Board of Supervisors

LEONARD UNGER

Appointed by Board of Supervisors

ESTEVAN R. VALENZUELA

Appointed by Board of Supervisors

Chief Executive Officer

GREGG RADEMACHER

Assistant Executive Officer

ROBERT HILL

Assistant Executive Officer

JJ Popowich

From the **Executive Desk**

Gregg Rademacher – CEO, LACERA



2014: The Year That Was

As the year winds to a close, it's natural to take a look back at everything that's been accomplished. It's also prudent to look forward and consider what you want realized in the year ahead. It's a time to reflect on how we did and acknowledge our gains.

At LACERA, we strive to be a premier retirement system as we service one of the largest retirement populations in America. We continue to build our core practices, as we keep a mindful eye on the future. I'm reminded of a quote I heard recently, "Goals are dreams with deadlines." What better reason to review our performance at LACERA in 2014?

The Fund

For this fiscal year, amid continued market volatility, the total Fund returned 16.8 percent (gross of fees), and totaled \$47.7 billion Net Position Restricted for Benefits (representing the assets available for future payments to retirees). This represents an over-performance of 150 basis points above its Policy Benchmark, which returned 15.3 percent. All of this continues to be good news for LACERA and our members. For more details about our financial condition, I recommend you read the enclosed LACERA Popular Annual Financial Report (PAFR) for 2014.

Retiree Healthcare - Tier 2

One big change we experienced at LACERA was Tier 2. The County

introduced this new retiree health insurance program for new employees hired after June 30, 2014. The program, formally called the Los Angeles County Retiree Healthcare Benefits Program – Tier 2, offers benefits covering hospital, medical, and dental/vision services to County retirees. However, retiree healthcare benefits did not change for current active, deferred, and retired members and their eligible survivors (hired before June 30, 2014).

A portion of the fiscal year was spent preparing for the changes Tier 2 would bring. This included collaborating and working with the County, mailings to members, updates to lacera.com, outreach to strategic partners (the HR professionals), programming in our Systems and Retirement Health Care divisions, and creating new marketing materials, all in an effort to better explain how Tier 2 would affect new employees and to ensure current members their benefits would not change.

Tier 2 came about based on the County's expanding workforce and increasing costs of healthcare, which gave rise to concerns about the long-term cost and viability of the LACERA-administered Retiree Healthcare Benefits Program as it was structured. These concerns prompted the County to cost-reduction options.

The basic differences in Tier 2 can be summarized as follows: County retiree medical and dental/vision

Executive Desk

subsidies apply to retiree-only coverage; and Medicare eligible retirees and eligible dependents must now enroll in Medicare Parts A and B, and in a Medicare plan.

To learn more about Tier 2, visit lacera.com in the Retiree Healthcare section.

Quality Customer Service

One of the cornerstones of LACERA is our award-winning customer service, and this past year was no different. We pride ourselves in being a responsive aide to our members, as well as anticipating what they'll need in the future.

This year, LACERA graduated two classes of new hires and two new supervisors through our core training program in Member Services and Claims Processing. These are the people who will soon be answering your phone calls and questions. To continually improve the program's effectiveness, our Quality Assurance team and Human Resources training coordinator monitor this program's progress and solicit participant feedback. We also appointed three new section heads in Claims Processing, under the new organization structure. I'm happy to report, all of our staff

members in each new section adapted to their new roles and developed close working relationships with their new partners. All of this will provide efficient and accurate support for our members.

If you remember from last year, one of our focal points was implementing PEPRA. After successfully addressing the PEPRA inundation, our Claims Processing queues are now at historic lows.

"...we strive to be a premier retirement system as we service one of the largest retirement populations in America."

This was a great achievement and I'm grateful to staff for making this happen.

Lastly, our new online workshop reservation system has proven to be a hugely, popular success. The system itself is now booked out months in advance, so plan accordingly if you are looking at attending a workshop or a one-to-one counseling session in the near future.

My LACERA Expands

When we speak about LACERA in terms of our future, no other service better exemplifies this than My LACERA. This personalized portal on lacera.com offers active and retiree members the chance to review and update their personal information online, which then becomes part of their official record with LACERA.

It's now possible for active members to add, update, and make changes to their beneficiary information.

Our goal is to rollout more interactive My LACERA features for our members in the coming years.

Happy Holidays

This time of year is always a joyous and festive occasion for so

many of us, regardless of which holiday (or holidays) we choose to celebrate. To paraphrase Mr. Crosby, my wish for you this season is that you're surrounded by laughter and loved ones – and that your year ahead may be merry and bright.



LACERA Attorney Appointed to NAPPA Executive Board

LACERA congratulates its Senior Staff Counsel, Michael Herrera, on his appointment to the National Association of Public Pension Attorneys (NAPPA) Executive Board.

In recognition of his effort and professional insight, the National Association of Public Pension Attorneys recently appointed Mr. Herrera to its nine-member Executive Board, on which he will serve a three-year term. NAPPA is a legal professional and educational



LACERA ACCOMPLISHMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

association of attorneys throughout the U.S. who represent public pension funds.

Mr. Herrera, who has been with LACERA since 1999, has diligently represented LACERA to NAPPA among its other strategic partners, including the California Association of Public Retirement Systems (CalAPRS) and the Kern County Employees Retirement Association.



RETIREMENT MATTERS: Encore Entrepreneurship

In September, we introduced a new Post Script feature entitled “Retirement Matters” that shared information about how the latest generation of retirees redefined retirement by returning to work. A 2014 study, “Working in Retirement: Myths and Motivations,” explored retirees’ career inventions, identifying four categories of working retirees. One of these emerging models of retirement: encore entrepreneurship.

What is entrepreneurship? According to master entrepreneur Richard Branson: “Entrepreneurship is about turning what excites you in life into capital, so that you can do more of it and move forward with it.” If there’s something you just adore doing – grooming horses, helping family members with their taxes, decorating cakes, taxidermy – it just might be your new business.

The “encore” aspect pertains to being retired while launching your new endeavor. As a retiree, you may have unique advantages over younger entrepreneurs. In addition to funding you set aside, you’ll have a wealth of accumulated professional experience.

Is there something you want to pursue but haven’t had the time in your working life? Perhaps an idea has been on the backburner for years. Well, now’s the time to get cooking!

Plan Ahead to Transform Your Vision into a Reality

Though it may be years away, you’re already planning for your retirement. In the same way, if you’re considering a

can accomplish on your own, can you enlist your spouse, best friend, or a colleague?

- In your current industry, could you network to identify a mentor? Where else might you find solid advice?
- Will the business be online? What about a retail location?
- Will it be full-time or part-time work? Consider what else you’ll want to make time for as a retiree.

It’s a lot to think about, but you’ll be better prepared if you consider the specifics of your venture prior to retirement.

Turn Your Interest into an Income Stream

If you’re unsure about a business idea, try identifying connections between what really engages you and what people need. If you look around, you may notice a void in the market: a popular coffee shop that went out of business, a social issue your community is unsure how to resolve, or a program at a nearby school that’s ended. If it’s occurred to you, it’s likely occurred to others, and you have a potential business to meet a pressing need.

Once you have your business concept, the next steps are to:

1. Consult your resources (see below).
2. Design the business (What will it be called?, What will it offer?, Where will it be located?, When will it be open?, How will you operate it?).
3. Create promotional materials (set up a business website, create signage and business cards).
4. Prepare to launch (announce it to your community, place ads in print and online, open a business bank account, incorporate the business, select a payment process).
5. Market and target (present to groups that include your potential clients, oversee the invoice and payment process, monitor deposits to your business bank account).

In some ways, funding a business now is easier than it used to be. You could try to track down local economic development loans or use crowdfunding websites (virtual fundraising campaigns that generally raise small sums)

“In 2011, 20 percent of new entrepreneurs were between the ages of 55 and 64.”

– *Smart Money*

second career act in entrepreneurship, this is the time to explore the possibilities:

- How much money will the endeavor require that you could afford to set aside now?
- If the scope of the venture could exceed what you

LACERA ACCOMPLISHMENTS: Congratulations To Our Returning Board Members cont'd from pg.1

frequent speaker on public pension issues. He has a Bachelor of Science degree from the University of California—Los Angeles and a Juris Doctor degree from Loyola University School of Law.

Board of Investments (BOI)

The following individuals were reelected to the BOI: Mr. Green, by active members; Ms. Sandoval, by retired members.



Mr. David Green serves as a social worker for the County Department of Children and Family Services, where he is dedicated to protecting the rights of children and families. As a Board member, Mr. Green is committed to ensuring the long-term security of LACERA retirement benefits. He has served as an officer in two local SEIU

affiliates and as the chair of the SEIU Retirement Committee. Mr. Green is the founder and executive director of the charity Noise for the Needy and holds a Masters degree in social work from the University of Southern California.



Ms. Diane Sandoval is a retired LACERA employee who first joined the Board in 2006. During her 40-year career, she served in a variety of positions, including LACERA Accounting Division Manager. Her experience and first-hand knowledge of our operations provides keen insight to the Board. Ms. Sandoval is treasurer of California Retired County Employees Association and sits on that group's Executive and Finance Committee.

All of these Board members' three-year terms expire on December 31, 2017.

LACERA's boards, management, and staff wish you a holiday season full of peace, happiness, and prosperity now and throughout the coming year.

RETIREMENT MATTERS cont'd

to raise capital. There are many sensible approaches, including pooling resources with a partner or starting out online instead of setting up shop in a brick-and-mortar store.

Resources to Get Started

There's no reason to go it alone, and it's better to seek assistance before you find that you need it.

to develop skills in business-related subjects, technology, and the industry you intend to enter.

- Outside of a class setting, hit the books. Read up on how to draft a solid business plan, finance your idea, and market your new endeavor.

experience, matched to clients with similar business interests. Many entrepreneurs credit their success to such Internet resources.

- The U.S. Small Business Administration's website (sba.gov) offers free online courses in accounting, marketing, and other subjects tailored to the encore entrepreneur.

With approximately 200,000 small businesses, L.A. County is the entrepreneurial capital of the world. That's nearly twice as many small businesses as can be found in any other region of America.

There are numerous resources, on a variety of topics, for would-be entrepreneurs:

- Consider registering for an evening class at a local college

- Operated in conjunction with the U.S. Small Business Administration, SCORE offers free advice to those just starting out. Their counselors are volunteers with business

Retirement will give you assets you likely have in short supply as an active employee, such as the time to pursue something new. With a lifetime of skills, acumen, and connections you'll have as a retiree, could there be a better time to start something new? We say, encore!

WORKSHOP SCHEDULE

December 2014

S	M	T	W	T	F	S
	1	S	3	4	5	6
7	8	G	10	11	12	13
14	15	G	17	18	19	20
21	22	G	24	H	26	27
28	29	G	31			

January 2015

S	M	T	W	T	F	S
				H	2	3
4	5	S	7	8	9	10
11	12	G	14	15	16	17
18	H	G	21	22	23	24
25	26	G	28	29	30	31

February 2015

S	M	T	W	T	F	S
1	2	S	4	5	6	7
8	9	G	11	12	13	14
15	H	G	18	19	20	21
22	23	G	25	26	27	28

G = General Members Pre-Retirement
 S = Safety Members Pre-Retirement
 H = Holiday

Call 800-786-6464 to Register

Unless otherwise indicated, workshops are held from 8:30 a.m. - 11:30 a.m. Most include presentations by Great-West and long-term care providers.

Direct Deposit Tips for Your Future Retirement

There are a lot of things to consider as your retirement approaches, and likely, getting your retirement allowance is near the top of that list. Have you considered how you will receive your retirement allowance? Direct Deposit is an excellent option.

Safe, Secure, and Convenient

With Direct Deposit, your money will be electronically deposited directly into your checking or savings account on the last business day of each month. Your funds are available for access that same day. The deposits are transferred into your account every month like clockwork, and there's never a risk of your check getting lost or stolen.

LACERA offers two simple methods for enrolling in or making changes to a Direct Deposit account — by phone or by mail.

1. By phone, simply call LACERA at 800-786-6464. Be ready to provide your account number and bank routing number.
2. If you prefer by mail, go to lacera.com in the "Brochures & Forms" section, then print and complete the Direct Deposit authorization form.

Verifying Enrollment

After LACERA receives your authorization form (or your call, if you enrolled by phone), you will receive a confirmation notice from us asking you to verify your account information. To report any errors, call LACERA immediately.

It's really that easy. Once you're enrolled, you won't have to fill out a deposit slip or stand in line at the bank again. We encourage you to take full advantage of this service by enrolling prior to your retirement date.

And when you retire, you can enroll in, make changes to, or cancel an existing Direct Deposit account on My LACERA at any time. My LACERA can be found on lacera.com. Once you're a registered user of My LACERA, sign in to your account and select Direct Deposit from the menu.



"To shorten winter, borrow some money due in spring."

— W.J. Vogel



Inside My LACERA

– Beneficiary Information

Check Out the BIG Beneficiary Changes

It's never been easier to make changes, add beneficiaries, or update your information. Take a look at the new interactive features in the beneficiary section of My LACERA.

It's important for active members to keep their Beneficiary Designation information with LACERA updated. Without the most current information, the choice of benefits available to your survivors and beneficiaries may be limited. Having up-to-date information on file will simplify this process.

Thankfully, My LACERA makes it convenient to change your data online. Now you can add, change, or remove a beneficiary easily. Or, if you need to, you can make simple changes like updating an address.

Consider the Following

A few things to be aware of:

- Choose your beneficiaries before you retire, if you haven't already
 - After you retire, only Retirement Option 1 provides full flexibility to change your beneficiary

- If your spouse or registered domestic partner is your primary beneficiary, you cannot name another primary beneficiary
 - Your spouse or registered domestic partner also takes precedence as your beneficiary by law, even if someone else is named
- If your spouse or domestic partner is not your primary beneficiary, you may name multiple beneficiaries

The Process

There are helpful guides throughout the beneficiary process on My LACERA. For instance, the Understanding Pre-Retirement Benefits pop-up window is loaded with good information (including the spouse rule above) that will help you with your beneficiary selection. My LACERA guides you through the four steps of updating your beneficiary information, which are: personal information, address, percentages, and review and sign.

The first two steps are self-explanatory. However, when you begin step three, it's important to remember, that if you have multiple beneficiaries, you cannot split 100 into fractions.

For instance, Tom, Dick, and Harry would have to receive 34, 33, and 33 percent, respectively.

The last step is where you review all of the information you entered and sign to confirm. My LACERA is secure and is careful when verifying your personal signatory information, including multiple checkboxes, and an eSignature to ensure the information you enter is valid.

At this point, you may notice that there is a category for a **one-time \$5,000 Lump-Sum Death/Burial Benefit**. This benefit is available only to retirees, but it shows up in an active member's My LACERA account in order to file the proper information in advance so that it can be a matter of record. Active members can add this information for safekeeping now, and it will remain changeable later.



Sign in to your My LACERA account today to see how easy it is to

access your beneficiary information, make changes, or verify that your information is up to date.

Learn More About Laceria

Want to learn more about LACERA's financial condition and our fiscal-year accomplishments?

Take a moment to look over the enclosed 2014 Popular Annual Financial Report (PAFR). Our full Comprehensive Annual Financial Report will be available on lacera.com in January 2015.





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THINGS:

The Long Winter's Nap

After the flurry of holiday activity, this time of year finds most of us ready for some rest, whether or not we put on a kerchief or cap for the occasion. Here are three fast nap facts:

- ◆ Besides bears, some birds, mice, and even a species of butterfly hibernate.
- ◆ If you're catnapping, you're sleeping... unless you're kidnapping a cat. "Catnap" is a homonym, a word that sounds the same but has a different meaning.
- ◆ Think you're a pretty proficient napper? Madrid hosts an annual National Siesta Championship. Judging criteria includes unusual sleeping positions, snoring, and snazzy pajamas.

Upcoming Saturday Pre-Retirement Workshops

Throughout the year, LACERA hosts Pre-Retirement Workshops – to help you get all of the retirement information you need to retire with confidence. These workshops are hosted at LACERA, and on some Saturdays in different locations within the county.

WHEN:

Saturday, March 28, 2015

9:00 a.m. – 12:00 p.m.

(Doors open at 8:30 a.m.; please arrive by 8:45 a.m.)

WHERE:

South Coast Botanical Gardens

26300 Crenshaw Blvd.

Palos Verdes Peninsula, CA 90274

Check lacera.com for upcoming workshops here at LACERA and the occasional Saturday event. You can also watch the Pre-Retirement Workshop video online at your convenience.



Upcoming Holidays

LACERA will be closed:

- **Thursday, December 25**, for Christmas Day
- **Thursday, January 1**, for New Year's Day
- **Monday, January 19**, for the Birthday of Martin Luther King, Jr.
- **Monday, February 16**, for Presidents' Day



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Editor's Note:

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