

P.S.

POST SCRIPT

NEWS FOR ACTIVE MEMBERS

MARCH 2015 • VOL. 26, NO. 1

800-786-6464

LACERA'S CALL CENTER: MEMBER SERVICES

Providing excellent customer service is important to LACERA. In this article, we will focus on customer service within our Call Center in Member Services. When our members call, we want their questions answered to their satisfaction, and we aim to make the experience a pleasant one. Let's explore the variety of ways our Call Center serves our members.

Member Services Call Center: How May I Help You?

Our Retirement Benefits Specialists (RBS) listen to our members and provide the answers they're looking for. Our Specialists are knowledgeable solution-finders and



take the time to make sure our members understand processes and receive information they need. The Specialists also follow up, as requested, and mail members retirement materials.

The primary function our Specialists perform over the phone is retirement counseling. Members often call to have a Retirement Benefit Estimate created, for information on the best day to retire, an explanation of the Retirement Options, or request a plan transfer. The Specialists can update a retiree's direct deposit, make an address change, and help members with their My LACERA registration. They can also change the addresses for beneficiaries, but for legal reasons, beneficiaries cannot be changed by phone.

Our Specialists access an individual's membership data on file with LACERA and provide specific, personalized answers to each member. Our Call Center is open Monday through Friday from



7 a.m. to 5:30 p.m. Give us a call at 800-786-6464.

cont'd on pg. 4

IN THIS ISSUE

- 2 From the Executive Desk
- 3 Inside My LACERA
- 4 Retirement Lifestyle
- 5 LACERA Accomplishments
- 6 Retirement Matters: Volunteer
- 7 Retiree Healthcare Subsidy
- 7 Pre-Retirement Workshop Schedule
- 8 Holiday Schedule

Los Angeles County Employees Retirement Association

Board of Retirement:

SHAWN R. KEHOE

Chair
Elected by Safety Members

ALAN J. BERNSTEIN

Vice Chair
Appointed by Board of Supervisors

WILLIAM DE LA GARZA

Secretary
Elected by Retired Members

ANTHONY BRAVO

Appointed by Board of Supervisors

YVES CHERY

Elected by General Members

VIVIAN H. GRAY

Elected by General Members

JOSEPH KELLY

County Treasurer & Tax Collector
Ex-Officio Member

DAVID L. MUIR

Alternate Retired Member
Elected by Retired Members

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 Board of Supervisors

DAVID GREEN

Vice Chair
Elected by General Members

JOSEPH KELLY

Secretary
County Treasurer & Tax Collector
Ex-Officio Member

SHAWN R. KEHOE

Elected by Safety Members

DIANE A. SANDOVAL

Elected by Retired Members

HERMAN B. SANTOS

Elected by General Members

MICHAEL S. SCHNEIDER

Appointed by Board of Supervisors

ESTEVAN R. VALENZUELA

Appointed by Board of Supervisors

VALERIE ROSE VILLARREAL

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



Mindful of Tomorrow, Ready for Today

As I write this, LACERA is in the midst of processing retirement applications for the period we call March Madness. It is the time of year when many of our members choose to retire and begin receiving the promised benefit that LACERA dedicates itself to producing, protecting, and providing. But how do we do it?

At the risk of giving away the secret sauce that has kept us successfully in business for the last 77 years, much of it comes down to planning. And while not as complex as a moon launch, our planning is done in phases.

As each new year approaches, we prepare for the board offsite meeting. The Board Offsite is an important three-day event focused on reflection, evaluation, education, sharing information, and developing the strategic plan for the next fiscal year. Held in January, the offsite provides a forum for our Board of Retirement and Board of Investments to meet with executive and management staff, outside consultants, and subject-matter experts from a variety of fields.

Each Year Brings New Directions

LACERA develops a strategic plan every year. The plan serves as a map, setting priorities for the next three years and the initiatives necessary to accomplish these priorities. Our

strategic plan is the product of discussion and debate among our boards, executive team, and management.

This work begins in October at the Managers' Offsite, where our executive team meets with division managers to discuss the current state of LACERA and share ideas about what has worked well in the past, what challenges lie ahead, and most importantly, what can we do today to ensure our members continue to receive the services and benefits we promised. The executive team refines the objectives and prepares a plan for presentation at the Board Offsite. This is followed by the annual budget meeting, where board members approve both the budget and strategic plan. Our executive team then finalizes the strategic plan and puts it into action across the divisions.

2015 Board Offsite Highlights

On the first day, LACERA's strategic plan for the coming year is introduced to our Boards. This provides an opportunity to highlight and measure our successes, and share the challenges of the prior year. We recognize that the strategic plan is a living document, and our priorities sometimes require immediate course correction or change. For example, in 2012, when PEPR was passed, the priorities of staff were realigned to ensure a

Executive Desk

smooth and successful implementation.

Other topics on the first day included a discussion of our quality assurance practices and a presentation on practical ways to protect our members in the digital world. There was also an educational session on carpal tunnel syndrome, which is sometimes an issue in disability determinations. The day closed with a review of last year's legislative session and a projection of what we may expect from Sacramento this year.

Day two was dedicated to topics related to LACERA's Retiree Healthcare Program. Highlights included: presentations on membership demographics and methods of targeting communications and sharing resources with our retired members; a discussion of LACERA's 1982 healthcare agreement; and a distinguished panel discussion on palliative and end-of-life care issues.

The final day was devoted to LACERA's investments and current funding status. Our Chief Investment Officer, David Kushner, offered his perspective on what the Investment Office should look like over the next five years to

accomplish our objectives. Other highlights included educational sessions on asset allocation and strategy initiatives for the Fund and for each asset class.

Strategic Initiatives

Our strategic initiatives for fiscal year 2015-2016 and the next three years involve anticipating an increase in membership and expanding our internal technology systems across our divisions.

Education Collaboration Planning

We're mindful of a growing membership base. In 2014, the Los Angeles County population experienced a 5.5 percent increase. This represents an increased need for the essential services L.A. County provides – everything from firefighting to helping to rehabilitate patients – and a potential corresponding increase in public employment to meet those needs. We're preparing to serve more members in the coming years.

We also look forward to implementing customized

NEWS FOR ACTIVE MEMBERS

computer programs, like those we use in our Member Services and Claims Processing divisions, in our Retiree Healthcare and Disability Retirement divisions. This technology, which will increase staff's accessibility to members' information, will help to expedite processes like filing a disability claim or enrolling in a medical plan.

We Look to the Future

LACERA is a forward-thinking association. Our boards, management, and staff strive to enhance the quality and expand the scope of services we offer to our members. We remain committed to fulfilling our mission to produce, protect, and provide the promised benefits.

I'll close by wishing those of you who are part of 2015's March Madness, the most popular time of the year to retire, a great start to a well-deserved retirement. As retirees, you'll hear from me next time in LACERA's June *Spotlight* newsletter. Have a great year, everyone!



Inside My LACERA: Your My LACERA Profile

We made it easy for you to adjust your basic contact information with LACERA, by using your personalized Profile page within My LACERA. Once you sign in to My LACERA, you can locate your Profile page at the top of the home page; it's right next to your name.

Phone Number

You can store up to three telephone numbers – primary, cell, and home – within your profile.

Other

You may change your email address, password, and security questions.

My LACERA is your personal connection to your retirement.





Retirement Lifestyle

Age Counts

Throughout the year, we will run an ongoing series of “Age Counts” articles. We will focus on important deadlines to be aware of in your retirement planning.

Following these benchmarks will help you make the most of your retirement benefits in the future. Ignoring some of these timeframes could trigger penalties and fees or cause you to miss out on benefits that would help in the long run.

Preparation today can really pay off

when you’re ready to retire later.

Age 50

When you reach age 50 and up...

- You can defer taxes on as much as \$24,000 in:
 - 401(k) plans
 - 403(b) plans
 - The government’s Thrift Savings Plan (Horizons Plan and/or 457 Plan)
- Or \$6,500 in IRAs

Respectively, that’s \$5,500 and \$1,000 more than people under 50 are allowed to defer taxes on, which

gives you the opportunity to invest more in your future. **Note:** These figures change on an annual basis according to new tax laws.

Reminder: Consult with an investment advisor about your retirement planning. LACERA does not offer investment advice.



Source: U.S. News & World Report

Customer Service: Call Center cont'd from pg.1

Call Center Training

Before our Call Center staff ever answers a call, they undergo an extensive year-long training course known as the CORE Benefits Training Program, under the direction of our Quality Assurance team. Trainees are taught LACERA procedures and retirement calculations, and they learn the

finer points of the Los Angeles County Employees Retirement Law of 1937 (CERL) and the California Public Employees’ Pension Reform Act of 2013 (PEPRA).

During their training, the trainees put their new knowledge to the test and participate in special projects. They also team up with experienced Call Center staff members for

comprehensive hands-on training, during which they take members’ calls. On top of the CORE knowledge-based training, trainees also participate in customer service-related training. Upon graduation, they become RBS and are able to respond to members’ inquiries, offering the world-class LACERA customer service our members deserve.

3 THINGS: FLOWERS

Spring is upon us, and flowers of all species are coming back into bloom. To welcome the season, we arranged a petite bouquet of flower facts:

- We get vanilla beans from the pod of an orchid, *Vanilla planifolia*.
- Almost 75 percent of flowers grown in the U.S. are in California. (We also produce 90 percent of the country's broccoli. And yes, broccoli is a flower!)
- Foxglove is an Old English nickname for digitalis plants and may derive from folklore that foxes slipped their feet into the tubular flowers to sneak up on prey.



LACERA ACCOMPLISHMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

LACERA Welcomes Newly Appointed Board Members

We welcome those newly appointed by the Los Angeles County Board of Supervisors to seats on LACERA's Board of Retirement and Board of Investments.



Anthony Bravo comes to the Board of Retirement with more than 32 years of service to L.A. County as a Department of Children and Family Services Social

Worker and former treasurer of SEIU 721, among other union and community service activities. Recently retired, Mr. Bravo continues to volunteer in the ELA community, providing mentorship to at-risk youth who are currently in continuation schools. An alumnus of California State University at Los Angeles, he has a Bachelor of Applied Science in Social Welfare.

Valerie Rose Villarreal joins the Board of Investments with private sector experience as a management consultant and business leader.



Among her previous professional roles, she was a member of the Obama-Biden Presidential Transition Team, an Engagement Manager at McKinsey & Company, and a Special Assistant at the U.S. Small Business Administration. Ms. Villarreal has served clients in high-tech, media, and consumer industries on strategic and financial issues. She holds a Master of Business Administration and a Bachelor of Arts in Political Science from Stanford University.

AAIM Presents LACERA Chief Investment Officer with Champion Award



The Association for Asian American Investment Managers (AAAIM), a national nonprofit organization

founded in 2006, is dedicated to the advancement of Asian Americans in asset management. In recognition of **David Kushner's** efforts in supporting diversity in the investment industry, AAAIM presented him with its Champion Award at the 2014 national conference, held this year in Palo Alto. The award, given last year

to CalSTRS, highlights excellence in support of greater diversity and inclusion in investment management.

Mr. Kushner, who previously served as deputy director of investments at the City & County of San Francisco Employees' Retirement System, joined LACERA in 2011 as LACERA's Chief Investment Officer.

LACERA Trustee and Principal Investment Officer Present at State-wide City and County Event



LACERA Board of Retirement member **William Pryor** and Principal Investment Officer **Vache Mahseredjian**

(responsible for Fixed Income and Commodities) delivered presentations at the California



Association of Public Retirement Systems (CALAPRS) Advanced Course in Retirement Plan Administration. The course, which several LACERA staff attended, is a three-day workshop for State and County public pension employees across California.

Mr. Pryor discussed a trustee's function in a pension system, including fiduciary duties, when

it's worthwhile to compromise, and his observations from 15 years on LACERA's Boards. In his presentation, Mr. Mahseredjian explained the mechanics of strategic asset allocation – how it works and what happens when it doesn't.

CALAPRS, a nonprofit corporation, was founded in 1985 as an educational and information exchange association for the public pension systems in California.

RETIREMENT MATTERS: Volunteering and Retirement

In the December *PostScript*, we explored encore entrepreneurship as one of four emerging models of working in retirement. If becoming an entrepreneur isn't for you, maybe you're more inclined to volunteer for a cause worth serving.

Whether retirement is years off or circled on next month's calendar, it's never too early to offer your time to an organization or individual who would benefit from the resources you can offer. Ralph Waldo Emerson once said, "You cannot do a kindness too soon." And the sooner you start, the smoother you might find your transition into retirement. Instead of an abrupt stop, you will initiate a new phase of life that offers a social network and helps keep you active.

More than making the adjustment into retirement easier, volunteering brings identifiable health benefits. According to the results of a 2013 health and volunteering study published by UnitedHealth Group, "Doing Good is Good for You," 78 percent of individuals who volunteered in the last 12 months reported that doing so lowered their stress levels. About 25 percent of those surveyed said that volunteering helped them to manage a chronic illness, both through keeping active and taking their minds off of their own troubles.

Perhaps there's an animal shelter that could use more hands-on help. Maybe you'd like to give financial advice to a nonprofit organization. If you have plans to travel overseas, you might consider assisting a disaster-relief organization while there. Whether your interests keep you at home to volunteer online, close to home, or on missions all over the world, opportunities abound.

Once you identify a cause or organization of interest, consider the following:

- Determine the commitment you're ready to make. Is this something you'll devote ten hours a week to and for just a few weeks?
- Identify your motivations for volunteering. Do you want to make new friends? Do you want to segue into new full-time employment? Are you looking for the opportunity to travel? Assessing your objectives will make it easier to prioritize one opportunity over another.



- Ask around. Is the organization credible? Request that the organization puts you in touch with veteran volunteers. What do they say about their experiences there? A little bit of research may spare you months of fulfilling a commitment that turns out to be uncomfortable.

Be sure the hours required, the duration of the work, the intensity, and the opportunity generally suits what you want and are able to offer.

Resources to Get Started

There are numerous resources for would-be volunteers. Many of them are online, but keep in mind that getting your volunteer gig may be as easy as asking a friend and joining in a volunteer activity.

If your search takes you to the Internet, try these sites:

- **VolunteerMatch** (volunteermatch.org) is a national nonprofit organization that can put you in touch with a nonprofit that needs you, and you can read previous volunteers' reviews of each organization.
- **Global Volunteers**, a well-established Non-Governmental Organization in Special Consultative Status with the United Nations, has a number of exciting projects abroad. If a one- to three-week volunteer vacation appeals to you, visit globalvolunteers.org.
- Too much going on to leave the house? **iCouldBe** hosts an online community of volunteer mentors for at-risk middle and high school students. Read more at icouldbe.org.
- AARP hosts **Create The Good**, where you can register and create a profile to receive local volunteer opportunities that match your interests and skills. Check it out at createthegood.org.
- The Corporation for National & Community Service hosts several volunteer programs, including **Citizen Corps**, whose volunteers prepare communities to respond to public health issues, disasters, and other threats. Read more at ready.gov/citizen-corps.

If you decide to volunteer, whether you start today or wait till retirement, you're likely to get more than what you give. There are a lot of opportunities through volunteering to have fun, find new friends, and share in something you care about.

Disclaimer: This material is given for general informational purposes only. LACERA is not affiliated with, and does not endorse the above-referenced organizations and resources.

Ten Years of Service Credit = 40 Percent. Retiree Healthcare Subsidy Information.

Retiree healthcare can be a financial concern. As an active LACERA member, fortunately, the County subsidizes retiree medical/dental insurance premiums based on your years of service credit. **If you have 10 years of service credit, you are eligible for a retiree healthcare premium subsidy.¹**

Here's how the premium subsidy works: if you have 10 years of service credit (not including ARC and reciprocal service credit), the County contributes 40 percent toward the monthly premium of your selected plan, or 40 percent of the benchmark plan premium, whichever is less.² **For each additional year of service credit, the County contributes 4 percent – up to a maximum of 100 percent for a member with 25 years of service credit.** Members (including those with 25 years of service) are required to pay the difference each month on premiums exceeding the benchmark amount.

Benchmark Plans

(Medical and Dental/Vision)

Subsidy percentages apply to the monthly premiums on the retiree's selected medical and/or dental/vision plans or the benchmark plan(s) premium, whichever is less, up to a maximum of 100 percent for a member with 25 years of service credit.

The benchmark plans include:

- Tier 1: Anthem Blue Cross I & II for medical.
- Tier 2: Anthem Blue Cross I & II and Medicare-eligible – Anthem Blue Cross III for medical.
- Tier 1 and 2: Cigna Indemnity Dental/Vision for dental/vision.

¹In order to retire, you must meet the eligibility requirements for your plan.

²Service credit from the City of Los Angeles (LACERS) may count toward the County retiree healthcare subsidy; certain eligibility rules apply.

³County's subsidy is up to the benchmark plan rates only. If the selected group plan's premium exceeds the benchmark rates, the member is responsible in paying the difference, regardless if the member earned 25 years of service credit.

⁴Other rules apply. Check lacera.com, RHC, Tier 2 for additional information.

Premium Subsidy

The chart below displays the premium subsidy percentages in an easy-to-follow manner. You qualify for a retiree healthcare premium subsidy after 10 years of service credit, which equals a 40 percent premium subsidy. If you work an additional year (11 years) your premium subsidy is 44 percent, and so on.

County Retiree Healthcare Premium Subsidy			
Years of Service Credit	County Subsidy	Years of Service Credit	County Subsidy
10	= 40%	18	= 72%
11	= 44%	19	= 76%
12	= 48%	20	= 80%
13	= 52%	21	= 84%
14	= 56%	22	= 88%
15	= 60%	23	= 92%
16	= 64%	24	= 96%
17	= 68%	25	= 100% ³

Although retirees with less than 10 years of service credit are not eligible for the County subsidy, they are eligible to participate in LACERA-administered Retiree Healthcare (RHC) group plans. In such cases, these retirees are responsible for the full amount of the insurance premiums.

Which RHC Tier Are You In?

Tier 1

County employees hired before June 30, 2014 are enrolled in the LACERA-administered Retiree Healthcare Benefits Program – Tier 1 (Tier 1). This Tier 1 County Retiree Healthcare Premium subsidy includes the LACERA member, **plus** a spouse or registered domestic partner and eligible dependents (family premium).

Tier 2

County employees hired after June 30, 2014 are enrolled in the Los Angeles County Retiree Healthcare Benefits Program – Tier 2 (Tier 2). This Tier 2 County Retiree Healthcare Premium subsidy includes the retiree only.⁴

cont'd on pg. 8

Pre-Retirement Workshop Schedule

March 2015

S	M	T	W	T	F	S
1	2	S	4	5	6	7
8	9	G	11	12	13	14
15	16	G	18	19	20	21
22	23	G	25	26	27	G
29	30	31				

April 2015

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

May 2015

S	M	T	W	T	F	S
					1	2
3	4	S	6	7	8	G
10	11	G	13	14	15	16
17	18	G	20	21	22	23
24	H	G	27	28	29	30
31						

G = General Members
S = Safety Members
H = Holiday

Call 800-786-6464 to Register

Workshops are held from 8:30 a.m. - 11:30 a.m. Most include presentations by Great-West and long-term care providers.

Saturday workshops are held from 9:00 a.m. – noon at offsite locations and provide general information. They do not include presentations by Great-West or other long-term care providers. No personalized estimates or one-on-one consultations are included.

Retiree Healthcare Subsidy cont'd from pg.7

For additional retiree healthcare subsidy information, call 800-786-6464 and press 1 to speak with a LACERA retiree healthcare representative, or email healthcare@lacera.com.

Find RHC info on lacera.com.

**You don't need
25 years of
service credit to
qualify for RHC.**



Upcoming Holidays

LACERA will be closed:

- **Monday, May 25,**
in observance
of Memorial Day

Quote

"Spring is nature's way of saying, 'Let's party!'"

—Robin Williams

Editor's Note:

PostScript is published by the staff of LACERA. Consult with professional advisors regarding legal, tax, and/or medical matters; LACERA does not offer legal, tax, or medical advice.

LACERA Communications, PO Box 7060, Pasadena, CA 91109-7060 800-786-6464 email: welcome@lacera.com

Writers: Grant Guimont, Jennifer Carter Designers: Courtney Cook, Steve Salinas Editor: Jeannine Smart