

P.S.

POST SCRIPT

NEWS FOR ACTIVE MEMBERS

DECEMBER 2016 • VOL. 27, NO. 4

LACERA retirement plans are defined benefit plans that pay you a specified monthly allowance for the rest of your life. The amount of your allowance is based on the following three factors:

- Age at retirement
- Years of service
- Final compensation

For members in General Plans A, B, C, and D and Safety Plans A and B, we determine final compensation

Which of Your Earnings Are Pensionable?

using the highest monthly average of compensation earnable during any consecutive 12-month period of service. For members in Plan E, we base final compensation on the

highest monthly average of compensation earnable during any three 12-month periods of service, whether consecutive or not. Final compensation for General Plan G and Safety Plan C members is based on the highest monthly average of pensionable compensation earned during any 36-consecutive-month period of service.

Members in General Plans A–E and Safety Plans A and B are subject to the parameters

cont'd on pg. 5



YOUR SECURITY, OUR CONCERN Email Fraud Protection

We're dedicated to protecting your data and sensitive information, evidenced in a number of ways, including our state-of-the-art web security and fingerprint login to computers. Another way we protect your data is by remaining current on the latest breaches in internet security outside of LACERA. This allows us to take appropriate measures to ensure a security breach doesn't happen here. Lately we've observed elevated instances of email phishing attacks

throughout the United States and have implemented training to educate staff on how to spot them.

The damage caused by phishing ranges from denial of access to email to financial loss. Nearly everyone is a potential victim of these attacks, as most of us use email regularly, so we wanted to share the information with you so that you can protect yourself at home. Following are common types of email phishing **cont'd on pg. 5**

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Los Angeles County Employees Retirement Association

Board of Retirement:

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Chair
Elected by Safety Members

VIVIAN H. GRAY

Vice Chair
Elected by General Members

WILLIAM DE LA GARZA

Secretary
Elected by Retired Members

MARVIN ADAMS

Appointed by Board of Supervisors

ANTHONY BRAVO

Appointed by Board of Supervisors

YVES CHERY

Elected by General Members

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County Treasurer and Tax Collector
Ex-Officio Member

KEITH KNOX

Chief Deputy County Treasurer
and Tax Collector
Alternate Ex-Officio Member

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Alternate Retired Member
Elected by Retired Members

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Appointed by Board of Supervisors

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Alternate Member
Elected by Safety Members

LES ROBBINS

Appointed by Board of Supervisors

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Elected by General Members

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Vice Chair
Elected by Safety Members

JOSEPH KELLY

Secretary
County Treasurer and Tax Collector
Ex-Officio Member

KEITH KNOX

Chief Deputy County Treasurer
and Tax Collector
Alternate Ex-Officio Member

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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



Making Time for What Matters

Hello and season's greetings! Another year has flown by and is coming to a close. With the end of the year comes a plethora of holiday activities. It always seems like there's a lot to do and not enough time in which to do it. But really, it's not about having time, it's about making time for the things that matter. In the last year, we made time at LACERA to innovate and improve in ways that support our longstanding mission to produce, protect, and provide the promised benefits. Join me in taking a look back at some of what happened here in the last year.

A Year of Exemplary Cross-Divisional Teamwork

The value system we adhere to at LACERA is one of professionalism, respect, open communication, fairness, integrity, and teamwork. As I think back on 2016, teamwork is the value that first comes to mind. When people with expertise in

different areas collaborate to accomplish a task, a little magic happens.

The rollout of our newly designed My LACERA is a great example of this. As you probably know by now, My LACERA is our 24-hour online, interactive web feature that connects you to your retirement account. Using My LACERA, you can view your retirement information and engage in a number of activities, including creating a personalized calculation of your monthly retirement allowance with our popular

Retirement Benefit Estimate. This year, we revamped My LACERA to make it even more user-friendly and convenient. The latest feature is its capability to route electronic

messages from you directly to our Retirement Benefits Specialists. See page 4 for details about this exciting new development.

Another example of cross-divisional teamwork is the work performed by

cont'd on next pg.

Executive Desk

the new Benefit Protection Unit (BPU), a team of LACERA staff responsible for investigating and resolving instances in which a member's identity and/or status has come into question. This team has streamlined processes set in place to protect our members' data and their promised benefits. Since its inception, the BPU has reviewed approximately 200 cases, working in collaboration with multiple LACERA divisions to resolve them.

In general, security has been a big topic this year, and we accomplished a task that required the participation of every single LACERA employee: brand-new photo ID badges. The purpose of this large effort is to ensure workplace security and is a result of discussions with LACERA's safety officer and the Boards of Retirement and Investments.

Finally, our Internal Audit division successfully teamed up with the Legal Office, Systems division, and Executive Office to perform an extensive privacy audit of LACERA. This allowed for a comprehensive assessment of our privacy protection posture against requirements and external best practices, and it included reviewing how we're complying with our own privacy-related policies.

As you can see, teamwork is

something we value quite a bit here at LACERA; it allows us to get a lot of great work done.

A Year of Helping People

LACERA's members serve the County in vastly different ways; what they have in common is the expectation that at the end of their service, they will receive their promised retirement benefit. We're here to help people achieve their retirement goals, which is why the Member Service Center now offers 40 appointments per day to meet with members and their beneficiaries. Arranging a personal consultation is simple with our Appointment System on lacera.com. As of March 2016, we also offer a pre-retirement workshop and individual counseling appointments one Saturday each month to accommodate our members who find it hard to get away from their obligations during the week.

In the 2015–2016 fiscal year (July 1, 2015 to June 30, 2016), our experts answered more than 117,000 phone inquiries. LACERA processed 313,014 pieces of mail and scanned/indexed an impressive 864,640 member documents. Our team of Retirement Benefits Specialists provided one-on-one counseling to 17,905 members in our offices, and

LACERA's Benefits division put 2,629 new retirees and survivors on the retiree payroll. They also ensured that 62,010 retirement allowances were paid on time each month.

Meanwhile, we continue to prudently invest in accordance with the investment policy established by our Board of Investments. The Fund returned a total of 1.1 percent (gross of fees) and, at fiscal year-end, the Fund's net assets totaled \$47.8 billion. The Fund remains stable and positioned to finance the promised benefits to current as well as future recipients. If you'd like more facts and figures on our financial condition and a breakdown of accomplishments, I encourage you to read the enclosed LACERA Popular Annual Financial Report (PAFR).

Goodbye 2016, Hello 2017

I'll close by saying I wish you all the best during the holidays and in the year to come. I encourage you to make time for what matters to you. At LACERA, we'll continue to make time for what matters to us: producing, protecting, and providing your promised benefits.



LACERA's boards, management, and staff wish you health, love, and lasting happiness this holiday season.

INSIDE MY LACERA Send Us a Message

We're excited to announce our newest service option: the Secure Message Center on My LACERA. This new option allows you to interact with Retirement Benefits Specialists electronically in a secure environment. To access the Secure Message Center, sign in to your My LACERA account. Click the messages icon at the top of your screen (on smaller devices, this icon will appear at the bottom). This will take you to



a page where you can choose from a number of topics and compose your retirement questions or requests. Once the Retirement Benefits Specialist's response is posted, you'll be sent an email notifying you that a message is waiting for you in the Secure Message Center. Access My LACERA anytime by going to lacera.com and clicking on the My LACERA logo at the bottom right of the page.

3 THINGS

Retirement Across Three Generations

The Transamerica Center for Retirement Studies, a nonprofit organization dedicated to educating the public on retirement trends in the United States, recently published "Perspectives on Retirement: Baby Boomers, Generation X, and Millennials." Here are three insights from the survey:

- Baby Boomers (born 1946 to 1964) are redefining "retirement," with half planning to continue working after they retire and most taking steps to ensure they'll be able to continue working past 65 or in retirement.

- Generation X workers (born 1964 to 1978), the first generation to have access to 401(k) plans across their careers, have a median of \$69,000 saved for retirement.

- Millennial workers (born 1979 to 2000) are getting a strong start on saving for retirement, contributing 7 percent of their annual salaries (median) to 401(k)s or similar plans at a median age of 22.

Source: www.transamericacenter.org

Public Service Announcement

BECOME A COURT APPOINTED SPECIAL ADVOCATE

You can apply your skills and experience to ensure that an abused and neglected child is safe and has the opportunity to thrive. Court Appointed Special Advocates (CASA) of Los Angeles is a nonprofit organization that recruits, trains, and supports volunteers to transform the lives of abused and neglected children in the foster care system. Volunteers work one-on-one with a child to advocate for his or her best interest in both the courtroom and

the community. There are 30,000 children who are wards of the dependency court in L.A. County, and CASA currently has more than 100 children waiting to be paired with volunteer advocates. Join us at one of our information sessions, where you can learn more about this volunteer opportunity. To sign up or learn more about CASA, visit casala.org/volunteer or call 323-859-2888.

Which of Your Earnings Are Pensionable?

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established by the County Employees Retirement Law of 1937 (CERL). Based on CERL parameters, the LACERA Board of Retirement determines which pay items are included in compensation earnable. The board's determinations affect the highest final compensation number used to calculate a retiree's monthly retirement allowance. The pay items included in compensation earnable can be viewed at lacera.com/benefits/Active_Member/cerl_pay_codes.html.

Members in General Plan G and Safety Plan C are subject to the parameters established by the

Code ▲	Description ▲	Compensation Earnable (CERL) ▲
500	RELOCATE NON TX	N
502	RELOCATION ALLOWANCE	N
521	IRS PNLTY REIMB	N
524	ON CALL FOR COURT APPEARANCE	N
527	RELIEF DAM OPERATOR, ON CALL	N
543	CALL BACK EXTRA COMPENSATION	N
559	MISCELLANEOUS LUMP SUM INCLUDED IN REG OT	N

Public Employees' Pension Reform Act of 2013 (PEPRA). The pay items included in pensionable compensation can be viewed at

lacera.com/benefits/Active_Member/pepra_pay_codes.html.

If you have a question about whether a pay item will be included in your final compensation, take a look at the charts. For clarification and/or additional information, call 800-786-6464 or use the Appointment System at lacera.com to schedule an in-person consultation with one of our Retirement Benefits Specialists.

YOUR SECURITY, OUR CONCERN Email Fraud Protection

cont'd from pg. 1

attacks and examples of each:

- **Basic Phishing:** An email seeking to obtain sensitive information such as usernames, passwords, and credit card details by masquerading as a trustworthy entity. The email can contain real company graphics and can look like a real company email.

Example: *"Your system password has expired, click on link to reset your password."*

- **Spear Phishing:** Same as phishing, but includes specific information about you, leading you to believe the email is legitimate. Cyber threat actors leverage information about you taken from a third party.



Example: *"Dear [your real name], this is the Helpdesk, your account has been locked, click here to reset access."*

- **Clone Phishing:** Using a previously sent, legitimate email, cyber actors alter small and imperceptible elements of the email and resend it to the victim, prompting the victim to click on links and respond with private information.

Example: *"Your last password request failed, please try again by clicking here."*

If you suspect that you have received a phishing email, don't click on the link, open the attachment, or respond to the email. Instead, go to the official website to conduct business. Remaining vigilant is the best defense against email phishing and will go a long way in protecting you.

LACERA has two boards, a Board of Retirement and a Board of Investments. The Board of Retirement is responsible for the administration of the retirement system, the retiree healthcare program, and the review and processing of disability retirement applications. The Board of Investments is

LACERA's Boards

responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment management of the Fund.

Read more about our boards on lacera.com; each board member has a profile page.

Pre-Retirement Workshop Schedule

December 2016

S	M	T	W	T	F	S
				1	2	G*
4	5	S	7	8	9	G**
11	12	G	14	15	16	17
18	19	G	21	22	23	24
25	H	G	28	29	30	31

January 2017

S	M	T	W	T	F	S
1	H	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
29	30	G				

February 2017

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	H	G	22	23	24	25
26	27	G				

G = General Members
S = Safety Members
H = Holiday

Call 800-786-6464 to Register

Unless otherwise indicated, workshops are held from 8:30 a.m. to noon. Most include presentations by Empower Retirement and long-term care providers.

* LACERA's Saturday in-house workshop is from 8:00 a.m. to noon. Empower Retirement will offer a 45-minute overview of Horizons (457) and Savings (401k) plans; LACERA will give a 2.5-hour presentation. Reservations are required; access the Appointment System on lacara.com or call 800-786-6464 to reserve a seat.

**This Saturday workshop at the William S. Hart Regional Park in Newhall will be held from 9:00 a.m. to noon. Reservations are required; access the Appointment System on lacara.com or call 800-786-6464 to reserve a seat.



LACERA ACCOMPLISHMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

LACERA Congratulates Reelected Board Members

The results are in from the election held on Tuesday, August 9 to fill three safety member seats on the boards:

• **Shawn Kehoe**, Lieutenant, was elected Seventh Member of the Board of Retirement and Fourth Member of the Board of Investments.



• **William Pryor**, Battalion Chief, was elected Alternate Member of the Board of Retirement.

LACERA's active safety members voted in the election for these positions, which carry three-year terms that begin on January 1, 2017. Please join us in congratulating Shawn Kehoe and William Pryor.

Team LACERA Makes Strides Against Breast Cancer

The Los Angeles County Board of Supervisors proclaimed October to be Breast Cancer Awareness Month throughout the County of Los Angeles, and LACERA staff and management stepped up to show support.

On October 15, 2016, LACERA joined the American Cancer Society's Making Strides Against Breast Cancer walk, the largest network of breast cancer awareness events in the United States. Twenty-five LACERA

employees and their friends and family banded together on a Saturday morning to form Team LACERA, representing our association in the early-morning, three-mile walk.

Donations from LACERA employees and other individuals were generous, bolstering Team LACERA's ranking to 26th out of 402 participating teams, based on the amount fundraised. Moreover, as a company affiliate to the County of Los Angeles, Team LACERA contributed to the County's total fundraising amount of \$45,182.

LACERA Board Members, Management, and Staff Attend Women's Leadership Conference

On November 17, 2016, the Los Angeles County Women's Leadership Conference hosted approximately 900 County participants at its annual leadership conference. The corporate-sponsored event was attended by 65 LACERA employees (including four men) and three members of our boards: Yves Chery, Vivian Gray, and Keith Knox.

The message of this year's conference, "Dare to Be," was delivered in keynote speeches and breakout sessions throughout the day. County of Los Angeles Chief Executive Officer Sachi Hamai welcomed

attendees; Long Beach's Managing Director of Communications and Government Relations, Noelia Rodriguez, delivered a talk entitled, "Dare to Be Brave, Dare to Be Bold, Dare to Be Brilliant"; and *48 Hours* Senior Executive Producer Susan Zirinsky spoke about embracing fear in professional development. For those who attended, it was an excellent day, full of information and motivation to progress in professional and personal areas.

The Los Angeles County Women's Leadership Conference, a product of the Public Works Women's Leadership Council formed in 2004 to provide mentorship and support to women, held its first conference in 2010.



FAQs: FINAL COMPENSATION

1. Q: What is final compensation?

A: Final compensation is one factor used to determine your monthly retirement allowance. It's an average of your highest monthly pensionable income during any one-year or three-year period, depending on your plan.

2. Q: Are overtime pay and excess vacation pay included in final compensation?

A: No, overtime is not considered pensionable income; therefore, it is not included in your final average compensation. The amount you receive upon termination for unused vacation and sick leave is also not considered pensionable income. However, active members may be eligible to receive compensation for excess vacation, holiday, or sick leave (also called "buy-back"), up to certain maximums.*

3. Q: Which pay items are pensionable?

A: Members in General Plans A–E and Safety Plans A

and B can find out which of their pay items are pensionable by visiting lacera.com, Benefits, Active Member, Retirement Allowance, CERL. Members in General Plan G and Safety Plan C can discover their pensionable items by following the same path and, at the end, clicking "PEPRA" instead of "CERL."

4. Q: I have established reciprocity with another system. Which system's salary will be used in determining my monthly retirement allowance?

A: Most reciprocal systems, including LACERA, use the highest average final compensation earned while the retiree was a member of either system to determine the monthly retirement allowance.* However, the pay items considered pensionable may vary from system to system. Each system will calculate a retirement benefit allowance based on that system's benefit formulas and will pay members separately.

**Exceptions apply.*

READ THE ENCLOSED PAFR, LEARN ABOUT OUR FINANCIAL CONDITION

What's a PAFR, you ask? It's short for "Popular Annual Financial Report." This year's PAFR, which reports on our financial condition and accomplishments for fiscal year 2015–2016, is enclosed for your review. We encourage you to take a few minutes to look it over. Our full Comprehensive Annual Financial Report (CAFR) will be available on lacera.com in January 2017.



Retirement Plan Roll Call

Active Members as of October 1, 2016

General Plan A	233
General Plan B	87
General Plan C	86
General Plan D	46,581
General Plan E	20,652
General Plan G	15,657
Total General	83,296
Safety Plan A	11
Safety Plan B	11,250
Safety Plan C	1,355
Total Safety	12,616

Total Active Members
95,912

A LITTLE NONSENSE
NOW AND THEN IS
RELISHED
BY THE
WISEST MEN

—Willy Wonka



Upcoming Holidays

LACERA will be closed:

- Monday, December 26,**
in observance of Christmas Day
- Monday, January 2,**
in observance of New Year's Day
- Monday, January 16,**
for Martin Luther King, Jr.'s
birthday
- Monday, February 20,**
for Washington's birthday



Editor's Note:

Editor's Note: PostScript is published by the staff of LACERA and is for general informational purposes only. Consult with professional advisors regarding legal, tax, and/or medical matters; LACERA does not offer legal, tax, or medical advice.

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