

LACERA

January 2001
Vol. 12 No. 1Spotlight
on
Retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

NEWS FOR RETIRED MEMBERS

SPOTLIGHT ON **Brian C. Brooks**

■ We are pleased to welcome Mr. Brian C. Brooks as the newly elected member of the Board of Investments. He was elected by the general members on August 22, 2000, and his official term is effective January 1, 2001 through December 31, 2003.

■ Mr. Brooks is strongly committed to serving both the active and retired members of LACERA. Since the election, he has been very busy learning the intricate aspects of the LACERA pension fund and the various laws and policies for investing LACERA trust funds. This will optimize his performance as a board member — representing the best interests of all LACERA members while preserving the stability of the fund.

■ Mr. Brooks has a well-seasoned background as a County employee and public servant. In February 1966, he began working for the L. A. County Flood Control District but left in August 1966 to join the U.S. Army. While stationed in various states he served as an aircraft mechanic, and in 1968 he served in Vietnam. After returning to the Flood Control District in 1969, he continued his college education and also completed training for a commercial pilot rating as well as a commercial rating in hot air balloons. He was a member of the Civil Air Patrol and held the rank of Captain and Mission Search Pilot.



■ At the Flood Control District, Mr. Brooks proceeded through the positions of Junior Engineering Aid, Engineering Aid II and III, Civil Engineering Technician, and Senior Civil Engineering Technician. In 1983 he began his career in Right of Way performing appraisals. These appraisals include various types of commercial, industrial, and residential real property. Presently he holds the title of Valuation Engineer II. He is also a State Certified General Real Property Appraiser authorized to appraise any type of Real Estate. As an expert witness in eminent domain, Mr. Brooks provides appraisal information in depositions connected with all types of litigation cases in Los Angeles County Superior Court.

■ Later he became active in the International Right of Way organization where he served as Committee Chair and held various officer positions. He now proudly holds the title of Past President of Chapter One.

■ Mr. Brooks is a member of the California Association of Professional Employees (CAPE) where he previously served on the Board of Directors. He is also a member of the County Employees for Fair Retirement Plans (CEFRP), SEIU Local 660, the Chicano Employees Association, and the Los Angeles County Filipino Americans Association. He is a new associate member of the Retired Employees of Los Angeles County (RELAC).

■ Mr. Brooks would like to thank everyone who voted for him and he is pleased to represent the interests of all LACERA members. The retired members are especially important to him because one of them is his mother, Wilma C. Brooks.

■ Mr. Brooks has three adult children. He enjoys spending time with his wife Jane and two younger children who are still at home.

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9th ANNUAL LACERA HEALTH FAIR ANOTHER SUCCESS!

The 9th Annual LACERA Health Fair was held at the Industry Hills Sheraton on September 28, 2000. This event gets better each year. Many of our health insurance vendors provided great information and speakers who addressed topics of interest and expanded our understanding of various agencies related to senior citizen activities. The Wellness Fair exhibited a full day of events promoting healthy and happy lifestyles for retirees.

Alternative medicine is becoming a more popular subject with many people in our country. Blue Cross did an interesting presentation on this phenomenon which is now sweeping our country.

Brain Boosters - Ways To Stay Alert and Maximize Your Memory was a high interest workshop this year. Most of us have an occasional "senior moment" when we cannot remember a person's name or what we want to say. Various techniques were discussed in this session to help us get through these moments.

Exercise for a Lifetime was another popular workshop. Keeping ourselves active keeps us feeling young. CIGNA provided two sessions on exercise.

Long Term Care is a big concern for the senior population of America. TRANSAMERICA provided information about this vital subject.

Information on cancer updates, diabetic diets, low-sodium diets, and other special interests was also provided at the fair.

One of the big workshops provided by the Sheriff's department was **How To Protect Yourself from Identity Theft**. Many key points were discussed to keep us up to date on this increasingly alarming white-collar crime.

The luncheon was also very enjoyable. Retirees had a chance to visit with each other, eat, and celebrate their health.

Each year this event becomes more fun. When you receive your invitation to the 2001 LACERA Health Fair, be sure to put it on your calendar.

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KAISER RATES

Kaiser has experienced the most significant increases of all the LACERA health care plans. In June 2000 we mailed Insurance Rate booklets to all plan participants. Most of you probably noticed the rate increases that became effective July 1, 2000.

The premium rates increase every year for most of the insurance carriers in the LACERA Health Care Benefits Program, but many of you still want to know why Kaiser rates have become exceptionally high.

In 1999, Kaiser created new premium rates to reflect what it must pay for retirees' (65+) coverage when Kaiser cannot get reimbursed by Medicare. Kaiser does not get Medicare reimbursement when:

- 1) retirees do not notify Kaiser of their Medicare status,
- 2) retirees do not have Medicare Part A (Excess I), OR
- 3) retirees have Medicare Parts A and B and live in the Kaiser area, but have not assigned their Medicare benefits to Kaiser.

Is Your Plan Rate higher than the Benchmark Rate?

The more years of retirement service credit you have, the more the County contributes toward the cost of your health plan coverage. However, the County's maximum contribution is no more than the benchmark plan rate (Blue Cross I and II).

Until 1999, Kaiser members with 25 or more years of service did not pay premiums because the cost of their coverage was below the benchmark rate. When premiums rise above the benchmark rate, you have to pay the difference, even if you have 25 or more years of service. Premiums for Kaiser Excess members with Parts A and B now exceed the benchmark rate and therefore require contributions, even from those with 25 or more years of service. Any of these members who live in the Kaiser area and wish to remain in Kaiser should consider assigning their benefits to Kaiser and enrolling in Kaiser Senior Advantage. Please keep in mind that premiums for any plan can increase. So before you change plans, it's a good idea to compare the premium with the LACERA benchmark rate to see if you will have to pay a portion of the cost. Please refer to your rate booklet for the current premium rates.

Blue Cross I and II Benchmark Rates
(Effective July 1, 2000)

Years of Service	Retiree Only	Retiree & Spouse	Retiree, Spouse & Children	Retiree & Children
Less than 10*	\$385.22	\$693.68	\$818.07	\$509.36

These benchmarked rates for Blue Cross I and II can be found on page 1 and 2 of your Rate Booklet. If your plan rate is more than the benchmark rates, you will have to pay the difference.

* If you are on a service-connected disability retirement with less than thirteen years of service, you pay:

If you have questions or need more information, you can call LACERA at 1(800) 786-6464.

\$192.61

\$346.84

\$409.04

\$254.68

Legislative Update

Bills amending the LACERA plans **without further action** by the LACERA Board of Retirement or the Board of Supervisors

AB 1817 (Chapter 138)

Blood-borne infectious disease presumption: Adds a rebuttable presumption for blood-borne infectious diseases, applicable to disability retirement applications of safety members, firefighters, county probation officers, and members in active law enforcement with five (5) or more years of service. The disability would be presumed to be service-connected if the member demonstrates he or she was exposed to blood or blood products as a result of performance of job duties. This bill allows the application to be filed for a period of three (3) months for each full year of service (not to exceed five (5) years) after the last date actually worked in the specified capacity. Applications may be filed after retirement provided the extended deadline for filing applications has not expired.

AB 2176 (Chapter 317)

Cancer presumption: Effective January 1, 2000, the disability retirement provisions were amended to incorporate a cancer presumption for safety members exposed to known carcinogens as a result of performance of job duties. Sections 2 and 3 of AB 2176 incorporate technical changes to the cancer presumption, as recommended by LACERA, and clarifies that an application is timely if filed within three (3) calendar months for each full year of safety member service (not to exceed five (5) years) from the last date actually worked as a safety member. Applications may be filed after retirement provided the extended deadline for filing applications has not expired.

AB 2331 (Chapter 966)

Reciprocity: Section 1 of AB 2331 incorporates several technical changes to provisions dealing with reciprocity. These changes conform the law to current LACERA practice and therefore have no impact in Los Angeles County. **FLSA premium pay:** Section 2 of AB 2331 provides that premium pay required by the Fair Labor Standards Act (FLSA) shall be pensionable. This also is in accord with LACERA's current practice and therefore will require no changes in Los Angeles County.

AB 2841 (Chapter 203)

Compensation earnable: This bill amends Govt. Code Section 31582 to require contributions on "compensation earnable, as defined in Section 31461," instead of on "the total amount of compensation." This also is in accord with current LACERA practice and therefore will require no change in Los Angeles County.

SB 2008 (Chapter 497)

Payment of retirement allowance for month of member's death: Under current law, the retirement allowance for the month during which the member died is payable to the member's heirs and may be subject to probate. Section 1 of SB 2008 simplifies administration by allowing LACERA to pay the final allowance to the person designated as the beneficiary under the member's account. **Survivor allowance for service-connected death prior to retirement:** Section 2 of SB 2008 conforms the law to current practice in determining the amount of the survivor's allowance when a member dies prior to retirement and the death is service-connected. The survivor benefit is equal to the amount the member would have received if the member had retired on a service-connected disability retirement.

Bills enacting provisions that **do not take effect** in Los Angeles County **unless adopted** by majority vote of the LACERA Board of Retirement

AB 2176 (Chapter 317)

STAR COLA Program: The previous LACERA STAR COLA program provided a supplemental cost-of-living increase to maintain a retiree's purchasing power at 75%. The STAR COLA benefit is not vested, can only be provided if excess earnings are available, and the supplemental increase does not become part of the allowance to be increased in future years. Section 4 of AB 2176 allows the Board of Retirement to increase STAR COLA benefits to maintain a retiree's purchasing power at 80%. (On December 6, 2000, the LACERA Board of Retirement approved this increase for the year 2001 only. This benefit must be approved every year.) **Permanent STAR COLA adjustments:** Section 5 of SB 2176 allows the Board of Retirement to vest STAR COLA adjustments if the adjustments can be prefunded using excess earnings. The supplemental adjustments become part of the allowances to be increased in future years. (The vested benefit has not been approved.)

AB 448 (Chapter 882)

2% at age 55 formula for general members: Section 3 of AB 448 allows the Board of Supervisors to implement 2% at age 55 benefit formula.

Bills enacting provisions that **do not take effect** in Los Angeles County **unless adopted** by majority vote of the Board of Supervisors

AB 1937 (Chapter 237)

3% at age 50 and 3% at age 55 formulas for safety members, and increased retirement and survivor allowances for any member: Allows the Board of Supervisors to enhance service retirement allowances for safety members based on a 3% at age 50 formula or a 3% at age 55 formula, and to increase allowances for retired members and survivors by up to 6%, as specified.

AB 2176 (Chapter 317)

Discontinuance of member contributions: Currently in Los Angeles County, member contributions are discontinued after 30 years of continuous service credit if the member was a member on March 7, 1973. This bill allows the Board of Supervisors to authorize the discontinuance of contributions after 30 years of service, which need not be continuous and may include reciprocal service, regardless of the date of membership.

SB 1696 (Chapter 495)

Retroactive application of enhanced benefit formula: Current law provides that a benefit formula shall apply only to service rendered while the formula was in effect. SB 1696 allows the Board of Supervisors to apply an enhanced benefit formula retroactively to service already rendered, and, if approved in a memorandum of understanding, to require the member to pay part or all of the member contributions that would have been required during the period of retroactivity.

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INDUCTION CEREMONY FOR NEW BOARD MEMBERS

Newly elected board members, Brian C. Brooks and Simon S. Russin were officially inducted in a special ceremony held on November 3, 2000 in LACERA's Robert J. Hermann Boardroom.

Dr. Arthur Henry led the invocation for this special event. The board members were sworn in by Wayne Petersen, manager of LACERA's Internal Audit Unit. The board members took their formal pledge to support and defend the Constitution of the United States and California and to faithfully discharge the duties of the board. This historic occasion may become a new tradition to commemorate the election of new LACERA board members.



Simon Russin, Wayne Petersen, Brian Brooks



Simon Russin, Dr. Henry, Wayne Petersen, Brian Brooks

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PUBLIC SERVICE ANNOUNCEMENTS

LACMA

Los Angeles County Museum of Art Seeks Volunteers

The Los Angeles County Museum of Art (LACMA) is seeking docent volunteers to lead tours of special exhibitions. Bilingual candidates are especially needed. Prospective docents should have an interest

in studying art, public speaking, and working with children. An admissions committee interviews applicants, and those accepted are required to complete a one-year training course in art history and touring techniques. Currently, 300 docents tour and speak to more than 80,000 museum visitors annually.

Application information for the next docent training class can be obtained by writing to LACMA, Docent Council Admissions, 5905 Wilshire Blvd., Los Angeles, CA 90036. All applications are due no later than March 7, 2001.

For further information call (323) 857-6119.

Heart Disease Prevention Study

Volunteers Needed.....

The USC Atherosclerosis Research Unit is performing a vital research study on atherosclerosis (or hardening of the arteries). This condition results in coronary heart disease and stroke – the leading cause of death and disability in men and women over 40 years of age. Using B-vitamin supplementation provides a promising approach for preventing heart disease. However, it is yet unproven. This study will help determine whether B-vitamin supplementation prevents or slows the progression of hardening of the arteries (atherosclerosis) and hence, coronary heart disease in individuals who have not yet developed this problem. The study is funded by the National Institute on Aging.

If you are at least 40 years old, do not have heart disease, are interested in good health, and are willing to take B-vitamins for 2.5 years, you may qualify for this major health disease study. We are especially interested in individuals older than 50 years of age. Participation is free and easy and will take place in a modern clinical facility on the USC health campus.

If you qualify, you will receive free cholesterol and blood pressure measurements, EKGs, ultrasound scans of the neck arteries, and other health monitoring. Ultrasound is used to assess the progress of atherosclerosis in the arteries. It is a non-invasive painless procedure involving no risk.

For more information, call toll free (866) 240-1489, Monday through Friday, 8:00 a.m. to 3:00 pm. or visit the USC web site at www.usc.edu/medicine/aru

Superior Court Needs Volunteers For New Project

The

Los Angeles County Superior Court is proud to announce the First Impressions Project, a program that will teach students about the justice system. Thousands of Los Angeles elementary school students will come to local courthouses to meet judges and court staff, and learn firsthand about courts. The programs can only be successful with volunteers like YOU to introduce the courts to our students.

For participation and/or further information, please call Marlow Gory at (213) 974-6358 or contact the Los Angeles Superior Court, Community Relations, 111 North Hill Street, Los Angeles, California 90012

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Benefit Notes

by Alice Natale



IMPORTANT REMINDERS FOR RETIREES

As we begin the year 2001, there are certain retirement matters you may need to consider. Following are important reminders for all retirees.

Tax Forms

1099R forms are mailed to retirees once a year by January 31 for tax reporting purposes. The 1099R form indicates the retirement monies you received for the year. The 1099R form replaces the W-2 forms you received each year as an active employee.

Tax Withholding Forms

You may elect to have federal and/or state taxes withheld from your retirement income at whatever rate you choose. If you do not make this election, federal and state income taxes will automatically be withheld from your retirement allowance as if you were a married person claiming three withholding exemptions. You may change your withholding elections any time of the year, as often as you wish. Please remember, it is your responsibility to meet your tax obligations. You may be subject to penalties from the IRS or State Franchise Tax Board if your withholdings and estimated tax payments are not sufficient.

If you need to change your tax withholdings, please contact LACERA at 1-800-786-6464 to request a Federal W-4P / State DE-4P form. LACERA must receive your signed tax withholding forms by the 10th of the month to ensure that the changes are processed in that same month.

Note: Retirees living out-of-state do not pay California taxes on their LACERA retirement allowance.

Medicare Enrollment Deadlines

LACERA strongly encourages you to apply for Medicare benefits if you are eligible. You become eligible for Medicare coverage at age 65. If you don't enroll when you first become eligible (three months before your 65th birthday to three months after), you may apply only during the Medicare General Enrollment period which is January 1 to March 31 each year. If you enroll during the general enrollment period in the year 2001, coverage will become effective July 1, 2001.

Why is it important to enroll by March 31?

If you are over 65 and miss the March 31st deadline, you must wait until next year to enroll, and coverage would not be effective until July 1, 2002. Also, Medicare assesses a penalty of 10% of the cost of Part B coverage for each year that you are over age 65!

If you are eligible for Medicare now – which means you are age 65 or within 3 months of reaching age 65, you should also enroll now. If you apply within three months prior to your birthday, your coverage will begin on the first day of the month you turn 65. You may enroll, without penalty, as late as three months after your 65th birthday, however, your Part B coverage effective date will be delayed for up to three months after you apply.

This is especially important for those of you who would like to enroll in a LACERA-sponsored Medicare plan like Kaiser Senior Advantage, Secure Horizons, SCAN Health Plan, or Blue Cross III.

To apply for Medicare Part A and/or Part B, please contact your local Social Security office. Once you become enrolled in Medicare, your Medicare coverage is always primary and your LACERA medical plan coverage is secondary for payment of both hospital and medical services.

Why do changes occur in the medical plans?

Over the past several years, the medical insurance industry has experienced constant changes. While listening to the daily news reports there are always discussions about medical insurance and how each company is addressing changes in Medicare regulations, Social Security requirements, HMO requirements, and how to optimize patient care while controlling costs.

As a retired member of LACERA, it is important that you carefully read all materials we mail to you. Pay special attention to documents highlighting any changes we are required to implement. Always review the options available to you and make the best selection possible for yourself and your family. This is especially important with the constant changes and reorganizations within the insurance industry which may affect your medical plans.

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ROBERT A. STOTELMEYER, long-time Board of Retirement member, passed away on December 14, 2000, after a lengthy illness. As a member of the Board since January 1, 1978, Mr. Stotelmeyer made many valuable contributions to LACERA. He was elected by the retirees and was a passionate advocate and protector of retiree rights.

Mr. Stotelmeyer was recently honored for his help in establishing the **1982 Retiree Health Benefits Contract**, the **STAR COLA Program**, and the **1994 Retirement System Funding Agreement**. He was a forceful proponent for increasing the 2001 STAR COLA benefit to an 80% funding level. This was accomplished on December 6, 2000, when the Board of Retirement adopted a resolution honoring Mr. Stotelmeyer for this benefit increase. His dedication to the Retirement Board was unflinching, and he will be greatly missed by his fellow Board members and staff.



Mr. Stotelmeyer's name has been permanently inscribed on the LACERA Honor Roll that resides in the boardroom.

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SECURE HORIZONS LIMITS NEW ENROLLMENTS

Many Northern California counties will stop new enrollment for Secure Horizons for the year 2001. These counties include San Francisco, Alameda, Sacramento, Marin, Napa, San Mateo, Kern, Sonoma and others. Two Southern California counties are affected by this-- Riverside and San Bernardino. Los Angeles, San Diego and Orange counties are not affected.

For more information please [contact PacifiCare](#) (the parent company of Secure Horizons) at 1-800-228-2144. If you have questions about switching your medical plan, please contact the LACERA Insurance Services Section at 1-800-786-6464.

[Click here for insurance contact information](#)

[Click here for LACERA contact information](#)