

LACERA

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Spotlight on Retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • NEWS FOR RETIRED MEMBERS

Retiree Cost-of-Living Benefit April 2003

If you are a retired member or survivor in Plan A, B, C, or D, you will receive a cost-of-living (COLA) increase in your April 30 check. **(Some Plan E retirees will also receive a cost-of-living benefit for the first time. See the article below "Plan E COLA Benefits Explained" for detailed information on this recent change.)**

You can find your retirement date and the percentage increase

for your plan in the chart on page 9. The percentage increase is applied to your monthly allowance including your STAR COLA benefit, if applicable. Those retirees who received the 1988 COLA supplement will continue to receive the separate benefit, however the cost-of-living benefit is not applied to it. The good news is that the cost-of-living increase is cumulative and will compound with future increases.

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Plan E COLA Explained

In the past, Plan E did not include a COLA (Cost-of-Living Adjustment). Effective June 4, 2002, the L.A. County Board of Supervisors adopted a resolution to implement certain benefit enhancements, including a COLA benefit up to 2% maximum for retired Plan E members or their beneficiaries. Therefore, Plan E members who retire after June

4, 2002 will be eligible for a Plan E Automatic COLA. Plan E members, with earlier retirement dates, are not eligible.

Although Plan E members are eligible for 2% this year, the portion of the 2% members will receive is based on a ratio defined as the months of service earned after June 4, 2002 divided by the total months of service. (See page 5.) Plan E members retiring on

March 31, 2003 have earned most of their service credit prior to June 4, 2002, and only 10 months of service after the COLA effective date. Therefore, most recipients will receive a COLA increase of less than a dollar. New legislation also allows members to purchase an actuarially equivalent Elective COLA, for service earned prior to June 4, 2002.

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Los Angeles County Employees Retirement Association

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Assistant Executive Officer
GREGG RADEMACHER
Assistant Executive Officer
ROBERT HILL

From the Executive Office

Marsha D. Richter, Chief Executive Officer



Corporate Governance

Last year we alluded to the ripple effect that took place as a result of the misconduct and financial losses at Enron, WorldCom, and other companies. We promised that we would watch any new legislation and let you know what LACERA can do to help prevent the re-occurrence of such corporate malfeasance in the future. While there were many complex issues involved with the collapse of these major corporations, a key contributor was the lack of proper corporate governance.

What Is “Corporate Governance?”

Corporate governance provides the framework within which corporations exist. It focuses on the relationship among officers, directors, shareholders, and government regulators, and how these parties interact to oversee the company’s operations.

Good governance recognizes that corporate management and the Board of Directors must be able to manage the corporation’s affairs free from short-term, non-strategic influences while balancing shareholder rights. Additionally, an effective corporate governance structure recognizes that management is held accountable to the Board, and the Board is held accountable to shareholders.

Why is corporate governance so important to LACERA? It is of

major importance because LACERA is an investor, or shareholder, in corporate America. It is critical that LACERA invest in well-managed corporations that adhere to proper governance policies. This should help prevent future widespread financial tragedies like those that occurred with the fall of Enron.

In an effort to actively participate in promoting good governance within corporate America, LACERA is doing the following:

- LACERA’s Board of Investments publicly endorsed the Sarbanes bill, which was passed by Congress in 2002. Key provisions of this law focus on oversight of the auditing of public companies, accounting principals, auditor independence, enhanced corporate disclosure, and securities analysts’ conflicts of interest. Steps are now being taken by the Securities and Exchange Commission to implement the Sarbanes-Oxley Act.
- The LACERA Board of Investments publicly endorsed the 13 recommendations proposed to the New York Stock Exchange Board of Directors by the Corporate Accountability and Listing Standards Committee. Key provisions of these

Legislative Updates

January 24, 2003 was the last day to submit new bill requests to the Office of Legislative Counsel, and February 21 was the last day for Assembly Members and Senators to introduce their bills. LACERA tracks all bills that may affect our members' retirement benefits or the way we do business. We will bring new bills and updates to existing bills, to you in this column throughout the year.

AB 55 County Employees' Retirement: Additional Retirement Credit (Correa)

This bill, introduced by SACRS, allows the Board of Supervisors to authorize members to purchase up to five years of Additional Retirement Credit (ARC time) by paying the full actuarial cost of the future retirement benefit and not place any additional financial burden on the retirement system. The additional service shall not be counted to meet the minimum qualifications for retirement, for cancellation of retirement contributions at 30 years of service, additional ad hoc cost-of-living benefits, or health care.

As originally written, the bill required that payment for the additional service must be made within five years. The five-year payment period would have made the monthly payment amount for the additional service prohibitively expensive for all but the highly paid members. LACERA was successful in its efforts to have the bill amended to allow up to 10 years to complete the payment. We are continuing to seek other techni-

cal language amendments for the ease of administering the new benefit.

Amended: 1/23/03

LACERA position: SUPPORT IF AMENDED

AB 80 Firefighters: Public Service Purchase (Bogh)

This bill allows all 37 Act County firefighters to purchase service credit for fire fighting service performed for another public agency. It broadens the current purchasable service to include fire fighting service with any city, state, county or governmental "public agency" within the United States. To receive the above service the member must deposit an amount equal to the contributions they would have made for that service, plus interest. The bill allows a member making monthly payments to complete payment by lump sum any time prior to retirement. However, the Internal Revenue regulations prohibit pre-tax dollar contracts from being amended or paid off early.

The Board of Supervisors may

vote to pay part of the employee contributions. However, employer's contributions are not included in the cost for the additional service, which creates an unfunded liability. This bill is not at local option, and therefore becomes effective when signed by the Governor.

LACERA position: OPPOSE UNLESS AMENDED

SB 85 Domestic Partners (Torlakson)

This bill authorizes the Board of Supervisors in any 37 Act County to provide death benefits and survivor allowances to domestic partners. It provides that the rights of the member's surviving dependent child supercedes the rights of a domestic partner until the child reaches age 19, after which the survivor benefit would revert to an eligible domestic partner. To be consistent with other survivorship sections of the law, this bill may be amended to recognize the rights of a minor child until the child attains age 18.

LACERA position: SUPPORT WITH AMENDMENTS

Corporate Governance cont'd from pg. 2

recommendations include requiring shareholder approval for all equity-compensation plans including the repricing of options, requiring independent directors comprise a majority of a company's Board, requiring the audit committee be comprised of independent directors,

and approving all non-audit related work.

- LACERA joined with CalPERS and CalSTRS in a lawsuit to recover losses associated with the purchase of WorldCom bonds.

- LACERA has been actively commenting on regulations and legislation in support of tougher corporate governance policies.
- LACERA has drafted a Governance Policy, which,

Public Service Announcement

Be a Mentor

We need you! If you are retired or are employed with some spare time, here is a chance to help save the life of a child. Become a mentor. The need is great, plus you'll have a great time and feel wonderful about what you're doing. We need Big Brothers and Big Sisters to match with boys and girls ages 7-15 in one-on-one relationships. Volunteers and children are of all backgrounds, ages, faiths, cultures, and ethnicities. You will need to commit to meeting with a child several times a month for a few hours at a time, for at least one year.

The program also helps children in the foster care system. In Los Angeles County alone there are approximately 39,000 children in the system at this time. These children, of all ages, sizes, colors, and creeds, are not juvenile delinquents. They are victims of parental neglect, and normally do not have anyone in their lives who is with them on a permanent basis. That's where you come in. As a mentor you serve as a child's role model and friend, giving quality time and helping to contribute to the child's future, so that he or she can become a productive and responsible member of society. These children need love, security, and stability, all of which you can provide without cost.

The children eligible for mentoring will be screened by

Savings Bond Regulation Change

Effective February 2003, the minimum holding period for U.S. Savings Bonds was increased from 6 months to 12 months for newly issued Series EE and I bonds. This means that Series EE and I savings bonds with February 2003 and later issue dates cannot be redeemed until they are at least 12 months old. This also means that these bonds cannot be exchanged for Series HH bonds until they are twelve months old.



Treasury and Federal Reserve savings bond processing sites are revising forms and other materials, including information available at www.savingsbonds.gov, to reflect the change described above.

If you would like to purchase U.S. Savings Bonds with a deduction from your retirement check, you can

download the application and change forms from www.lacera.com, or call a LACERA Retirement Benefits Specialist at 800-786-6464. 

Member Q&A

Q : If a retiree is single and has no dependents, is the monthly pension higher than that of a married member whose dependents will continue to receive payments from LACERA after death?

A: No. Only an eligible spouse or minor children receive a continuing allowance. However, members can choose a reduced allowance at retirement to provide a continuing allowance for a named beneficiary.

LACERA's defined benefit plans are designed to pay each member a lifetime benefit based on three factors:

1. The member's age at retirement
2. The member's length of service
3. The member's final compensation

There is neither a benefit nor a drawback for marital status; it does not influence a member's retirement allowance.

Q: What must I do to enroll my new spouse on my medical insurance?

A: To add your new spouse, you must fill out a "Change/Cancellation" form and send it to LACERA within 30 days from your date of

Example of Automatic COLA Computation:

Mr. A is retiring this year at age 65 on March 31, 2003. He has a total of 20 years of service in Plan E, of which 10 months were earned after June 4, 2002. He is eligible for a retirement allowance of \$1500 per month.

Step 1

Divide the months of service earned after June 4, 2002 (10 months) by the total months of service (240 months). Round this figure to the nearest one-tenth of one percent (as required by law).

Step 2

Multiply this figure by 2%

Step 3

Multiply this percentage by the amount of the monthly allowance (\$1500) to find the COLA benefit per month.

1. $10 \div 240 = .04166$, rounded to **.042**
2. $.042 \times 2\% = .084\%$
3. $.084\% \times \$1500 = \1.26 COLA benefit per month

In the future, for those members who are hired on or after June 4, 2002, the Plan E Automatic COLA will be computed the same as the Plan B, C, and D members' COLA. 

Member Q&A cont'd from pg. 4

marriage. You must also provide an original certified marriage certificate, which will be returned to you. If LACERA receives the required items by the 15th of the month, coverage begins on the first day of the month following the date of the qualifying event. If any dependent is added later than 30 days from the date that he or she becomes an eligible family member, late enrollment rules apply.

Q: Does a spouse have to be a U.S. citizen to receive beneficiary benefits? Is there a restriction for a registered alien?

A: An eligible surviving spouse is not required to be a U.S. citizen to be a beneficiary, and there are no restrictions for a registered alien, except for the need to fill out certain tax forms.

Q: When I retired in 1985 I was told that my wife would be entitled to 60% of my retirement allowance if I died before her. I recently got a communication from LACERA to the effect that there would be a \$5,000 one-time settlement for my wife if I died first. Which one of these statements is correct?

A: Both. If you die before your wife, she will receive a \$5,000 lump-sum death benefit (also known as a burial allowance) in addition to a 60% lifetime survivor's continuing allowance. The lump-sum death benefit used to be \$750, but was increased to \$5,000 for all retiree deaths that occur after June 4, 2002.

The law was also changed in 2002 increasing the allowance from 60% to 65% for survivors of Plan A, B, C, and D members who retire and die after June 4, 2002, and from 50% to 55% for Plan E members who retire and die after June 4, 2002. 

TAX TIME!!!

What Portion of My Retirement Allowance Is Taxable?

All retirement income is taxable except your pre-August 1983 contributions or lump-sum payments made with after-tax dollars before retirement. An allowance or death benefit can be either fully or partly taxable depending on whether your contributions were paid on a before-tax or after-tax basis. Form 1099R, which you received in January, shows the amount of your taxable income.

The **IRS 1976 Ventura Ruling** states that members who receive a service-connected disability allowance may reduce the tax liability of their gross retirement allowance by an amount equal to 50% of their final compensation. That portion of the allowance which is greater than 50% of final compensation is subject to income taxation. This exclusion would also apply to a surviving spouse of a retired member, or a surviving spouse of an active member, whose death was service-connected.

How to Read Your 1099R

As April 15 looms ever nearer, you may be looking at your 1099R form with one eyebrow raised. What does the information mean, exactly?

1099R forms are issued at the end of January each year in compliance with the Internal Revenue Service regulations, and take the place of the W-2 that you received as a County employee. They show the total retirement income (gross distribution) you received from LACERA the previous year. If you are receiving a service-connected disability retirement, you can review the “Ventura Ruling” online at www.lacera.com, or we will mail you a copy upon request. The Ventura Ruling indicates the tax responsibilities you may have when you receive disability retirement income.

Below are brief explanations of the information in the key boxes on your 1099R, pictured on page 7:

- **Box 1:** Gross Distribution—Your total LACERA income.
- **Box 2a:** Taxable Amount—The taxable portion of your LACERA income.
- **Box 2b:** Taxable Amount Not Determined—LACERA was unable to determine the taxable portion of your income.
- **Box 5:** Employee Contributions—The non-taxable portion of the income you received for that year.
- **Box 9b:** Total Employee Contributions—The total contributions at retirement on which you have already paid taxes. An amount will show in this box only for your first retirement year. This amount is used to calculate the non-taxable portion (if any) of your retirement benefit for the year, which is shown in Box 5.

If you are a California resident, California will collect State income tax on your retirement

allowance which was earned in California.

Based on federal legislation effective January 1, 1996, states are prohibited from taxing the retirement benefits of non-residents. This means that if you reside outside of California, you are not required to pay California State income tax on your retirement allowance received from LACERA. Your LACERA retirement income, however, may be taxable in the state where you reside. You may elect to have California taxes withheld by LACERA if you have other taxable income in California and want to use this method for paying your taxes.

State tax requirements on retirement income differ from state to state. If you have questions about your taxes and applicable tax laws, you should consult with your own tax advisor, or contact the appropriate state tax authority for its rulings. You can change your tax withholdings at any time by contacting LACERA or filling out a “Tax Withholding Form.”

2003 Board Appointments

LACERA extends a warm welcome to new and returning members of the Board of Retirement and the Board of Investments, appointed by the Board of Supervisors. We look forward to exciting and fruitful terms of service!

Board of Investments



Estevan Valenzuela

Appointed by Supervisor Molina, Mr.

Valenzuela began his second term on the Board of Investments in 2003. Mr. Valenzuela was first appointed to the Board in 1999. During that term, Mr. Valenzuela served in key leadership positions, first as Vice Chairman in 2000, and then as Chairman in 2001. Mr. Valenzuela brings 25 years of successful business and public sector experience to the Board, with an emphasis on improving economic conditions for residents of urban areas.

Some of Mr. Valenzuela's notable accomplishments include serving as Executive Vice President and Chief Operating Officer for the Los Angeles Community Development Bank (LACDB), which provides debt and equity to eligible businesses within the Los Angeles federal empowerment zone. He also served as Senior Manager/Director of Public-Private Consulting practice at Ernst & Young LLP, where he was involved in the negotiations culminating in the Staples Center.

Additionally, Mr. Valenzuela was the Director of Operations for L.A. Community Redevelopment Agency, and was a founding Board member of the One-Stop Capital Shop, a partnership that provides capital to entrepreneurs in South Los Angeles.



Larkin Teasley
Congratulations to Mr. Teasley for being re-appointed to the Board of Investments by

Supervisor Burke. Mr. Teasley's distinguished educational and professional experience have contributed to LACERA's Board of Investments since 1996, and we look forward to another three years of exemplary service.

Mr. Teasley is currently the Director of a Federal Bank. Additionally, he is Chairman, President and Chief Executive Officer for a life insurance company, where he also serves as Chairman of the Investment Committee, and as a member of the Board of Directors. He is also Past Director of the Golden State Minority Foundation and Past Director of the California Chamber of Commerce.

Mr. Teasley received a B.A. Degree (magna cum laude) from Fisk University in Nashville, Tennessee, studied Actuarial Science at Occidental College in Los Angeles, CA, and participated in UCLA's Graduate School of Business Administration Executive Program.

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1099R

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0049		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
LACERA GATEWAY PLAZA 300 NORTH LAKE AVE, 5TH FLOOR PASADENA, CA. 91101-4199 (800) 786-6464		\$	15,302.07	Form 1099-R	2002	
PAYER'S Federal Identification number 99-9999999		2a Taxable amount		Total distribution		
RECIPIENT'S name (first, middle, last) street address, city, state, and ZIP code		\$ 15,302.07		Total distribution		This information is being furnished to the Internal Revenue Service.
Mr. Omar Impson 1161 Fake St. #276 Los Angeles, CA 90025		2b Taxable amount not determined		Total distribution		
RECIPIENT'S identification number		3 Capital gain included in box 2a		4 Federal income tax withheld		Retirement Date 01/02/01
-		\$		\$ 1,946.75		
5 Employee contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		7 Distribution code		Department of the Treasury-Internal Revenue Service
\$		\$		7 Other		
8a Four percentage of total distribution		8b Total employee contributions		10 State tax withheld		12 Local tax withheld
%		%		\$ 240.27		
11 State/Payer's state number		13 Name of locality		11 State/Payer's state number		13 Name of locality
CA 005 2463 4		CA 005 2463 4		CA 005 2463 4		
Account number (optional)		12 Local tax withheld		13 Name of locality		13 Name of locality
		\$		CA 005 2463 4		

1099R

Do you have questions regarding your retirement benefits?

Visit our website at:
www.lacera.com, or
email **welcome@lacera.com**

Just call the numbers below and ask to speak to a Retirement Benefits Specialist.
Telephone LACERA at

626-564-6132

800-786-6464

FAX: 626-564-6155

Your Social Security number is the key to finding your records.

We thank you for your patience and understanding when you call.

Editor's Note

Spotlight on Retirement is published by the staff of LACERA. Signed articles represent the opinion of the writers and not necessarily the opinion of the LACERA Management, Board of Retirement, or Board of Investments.

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Alternative formats are available upon request.

2003 Boards cont'd from pg. 7

Board of Retirement



Warren L. Bennett

The Board of Retirement welcomes back Warren L. Bennett, appointed by Supervisor Knabe. Mr. Bennett is a LACERA retiree whose successful career has spanned over 36 years of experience within a variety of County departments. Mr. Bennett has contributed greatly to LACERA's Board of Retirement since 1995, and we are happy to welcome him back for another term.

Mr. Bennett worked in the Chief Administrative Office managing special projects and inter-governmental relations for over 20 years. He also spent seven years in the District Attorney office as Administrator of the Bureau of Family Support, two years in the Registrar-Recorder office as Assistant Chief Deputy in Los Angeles, and three years in the Sheriff's Department. Additionally, Mr. Bennett is a former member on the Retired Employees of Los Angeles County (RELAC) Board of Directors, and Past President of California Retired County Employees Association (CRCEA).

Mr. Bennett is also active with USC alumni affairs (his alma

mater), serving on the Board of Directors for the South Bay Alumni and the Trojan Club.

Simon Frumkin

LACERA extends a warm welcome to Simon "Si" Frumkin, appointed by Supervisor Yaroslavsky, to his first term on the Board of Retirement.

Mr. Frumkin was born in Lithuania in 1930. He spent the war in a number of concentration camps and was liberated from Dachau by the U.S. Army in 1945. After studying in Switzerland and England and emigrating to Venezuela, he came to the U.S. where he graduated from New York University in 1953, and later earned a Master's Degree in history from U.C. Northridge.

Now retired, Mr. Frumkin was the President of Universal Drapery Fabrics, Inc. from 1965 to 1987, and currently serves as Chairman of the Southern California Council for Soviet Jews. He is very active in many local and worldwide programs that teach Holocaust history, and devotes his time to public service, lecturing, and writing.

Mr. Frumkin brings passion, honesty, and awareness to his post on the Board of Retirement, and we look forward to a positive and productive term. Welcome aboard!



Retiree COLA cont'd from pg. 1

Retirement Dates	Plan	Your April 1 Increase	Max. Cost-of-Living	Actual CPI	COLA Used	Accumulation Balance
All dates before 3/31/03	A	3.0%	3.0%	3.7%	0.0%	0.7% increase
All dates before 3/31/03	B, C, D	2.0%	2.0%	3.7%	0.0%	1.7% increase
After 6/04/02	E	varies	2.0%	3.7%	0.0%	1.7% increase

The Maximum Cost-of-Living Benefit

Retirees and beneficiaries receiving an allowance are eligible for up to the maximum cost-of-living increases allowed under the Government Code, as adopted by the Board of Supervisors. The maximums are 3% for Plan A members and 2% for Plan B, C, D, and E members (see chart above).

By law, the Board of Retirement rounds the CPI (Consumer Price Index) percentage change to the nearest one-half of one percent, provided the CPI percentage change is less than the maximum cost-of-living benefit allowable. If the change is more than the maximum allowable amount, as is the case this year, the CPI percentage change is rounded to the allowable amount, and the overage is added to the COLA Accumulation. The accumulation can be used in the future to supplement a COLA or STAR COLA benefit.

For Members in Plan A

The actual CPI percentage change (3.7%) was more than the maxi-

mum cost-of-living increase allowable (3.0%). Therefore, these retirees were awarded 3.0%. The 0.7% difference between the CPI and the maximum increase allowable was added to their COLA Percentage Accumulation. The accumulation can be used in the future to supplement a COLA or STAR COLA benefit.

For Members in Plans B, C, and D

The actual CPI change (3.7%) was more than the maximum cost-of-living increase allowable (2.0%) for Plan B, C, and D members. Therefore, all retirees were awarded the 2% cost-of-living increase. The 1.7% difference between the CPI and the maximum increase allowable was added to their COLA Percentage Accumulation.

For Members in Plan E

Effective June 4, 2002, the LA County Board of Supervisors adopted a resolution to implement a COLA benefit for retired Plan E members or their beneficiaries. The new provision adds a maximum 2% COLA benefit, as well as a COLA Accumulation for Plan E members

who retire on or after June 4, 2002. Note that this 2% is only applied to the service earned after June 4, 2002, not on any prior service. The eligible Plan E members were awarded a percentage of the 2% cost-of-living increase, which varies per member.

(See article, "Plan E COLA Benefits Explained" on page 1 for an explanation of the ratio.)

The actual CPI change (3.7%) was more than the maximum cost-of-living increase allowable (2.0%) for Plan E members who retired on or after June 4, 2002. The difference between the CPI and the COLA increase was added to their COLA Percentage Accumulation.

How Is the Annual Cost-of-Living Amount Determined?

Each year, the Board of Retirement reviews the Bureau of Labor Statistics Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles-Anaheim-Riverside Area. This year, the CPI change was 3.7% from December 2001 to December 2002.



Web Savvy

Are You LOL? IM Lingo for the Uninitiated

Welcome to *Web Savvy*, *Spotlight's* new technology column. This new feature is dedicated to all matters regarding the Internet, our LACERA web site, and any other interesting web-related information we think you might find helpful or otherwise engaging.

As our lives become more and more reliant on technology, it can be easy to forget that our computers are more than machines to keep track of our taxes and letters. Today's computers are wondrous vehicles that we can ride on the information highway to find lost friends, new love, cheap tickets, antique vases, out-of-print books, LACERA Plan brochures—just about everything can be bought, sold, researched, and found on the Internet. But my favorite web technology is Instant Messaging, also known as IM. Faster than email, cheaper than a long-distance phone call, instant messaging is just that—a way to instantly chat, send files, and communicate with your friends online, in real time. And best of all, the technology for this service is *free*.

If you are already online, it's easy to sign up for an Instant Messaging service, and it doesn't have to be through your Internet Service Provider (ISP). For instance, if you subscribe to Earthlink or AOL, you can still use an Instant Messaging program through Yahoo (Yahoo Messenger) or MSN (MSN Messenger), without having to be a subscriber.

Here are the simple steps:

1. Go online and download the free software from the Instant Messaging service you want. For example, if you want to download Yahoo Messenger, go to <http://www.yahoo.com>, click on the "Messenger" icon, and follow the steps to download their free software.
2. Sign up through their program to get a "screen name" and password.
3. If you have friends or family who subscribe to the same service, add their screen names to your "buddy list" so you can chat with them when they are online.

The easiest way to IM with friends is for everyone to use the same system. So before you download and sign up for IM, find out what your friends and family use and get the same program.

Once you're signed up and have a screen name, you can start chatting with your friends and family online. But before you send your first IM, you'll want familiarize yourself with the unique dialect of instant messaging. Unlike writing a regular letter ("snail mail"), instant messaging is all about the speed of communication. In that vein, many of the rules in English may not apply when chatting with a buddy. For example, upper-case letters are optional when firing messages back and forth—the formality of a proper sentence loses some of its rigidity when the chat is flowing.

Secondly, if you really want to be *au courant*, get to know the lingo. I know, I know, it's hard to learn a new language. But once you get the hang of IM shorthand, the pace of your online conversations will pick up and you'll be IMing like a pro...or, at least, like your grandchildren. Following is a short list of IM acronyms and phrases that every online communicator should know (note the lower-case letters):

• afk	Away from keyboard
• b	I'm back
• bbfn	Bye bye for now
• bbl	Be back later
• bg	Big grin
• brb	Be right back
• cu	See you
• cul8r	See you later
• eg	Evil grin
• g	grin
• g2g	I've got to go
• imho	In my humble opinion
• jk	Just kidding
• l8r	Later
• lol	Laughing out loud
• LOL	That's the funniest thing I ever heard!
• omg	Oh my gosh
• rofl	Rolling on the floor laughing

So now that you've loosened your grip on capitalization and added some updated acronyms to your IM vocabulary, you are ready for a rapid-fire chat with a friend or family member in another neighborhood, county, state, or country. *cul8r!*



LACERA's Privacy Program

Here at LACERA, protecting your privacy is among our top priorities. That's why we've instigated a privacy program to safeguard all of your pension, disability, and health information. Below is an introduction to LACERA's new Privacy Program. We suggest you review it, for your own information. Should you have any questions, you may contact LACERA's Privacy Officer at 800-786-6464.

LACERA's mission is to produce, protect, and provide promised benefits. An important aspect of this mission is the protection of our members' privacy. Accordingly, LACERA does not sell or trade members' personal information; nor does LACERA disclose it to anyone other than those who need it to provide member services or those who are legally entitled to it.

LACERA provides a number of services on behalf of its members related to pension benefits, disability benefits, and retirement healthcare insurance. In all these functions, LACERA is bound by federal and state law to maintain the strict privacy of its members' individually identifiable information. California's "1937 Act," which governs LACERA, specifically mandates the confidentiality of members' personal information contained in its member-sworn statements and member records.

Another important law regarding privacy that may concern LACERA is the Health Insurance Portability and

Accountability Act of 1996 (HIPAA). HIPAA is a Federal law which, among other things, seeks to protect individually identifiable health information.

To further ensure the privacy of your information, LACERA is implementing a formal Privacy Program, which includes the designation of a privacy officer to coordinate and monitor LACERA's compliance with privacy rules, the development of a privacy policy and procedures, and privacy training for LACERA's staff and Board members. LACERA also continuously monitors related legislation and the privacy practices of other organizations to help us improve our efforts to protect your privacy.

To obtain further information about LACERA's privacy program, please visit us online at www.lacera.com, contact LACERA's Privacy Officer at 800-786-6464, or mail your request to:

LACERA
Attn.: Privacy Officer
300 North Lake Avenue
Pasadena, CA 91101-4199 

lish Board independence to help promote shareholder interests over company management.

Integrity and trust are the cornerstones of America's capital markets and essential for economic stability. Building a corporate culture based on integrity is of paramount importance at all times. Consequently, the Board of Directors must establish a "tone at the top" for an organization. Establishing an ethics committee and encouraging prompt investigation of non-compliant events ensures that a "foundation based on integrity" is promoted throughout the corporation.

Transparency is a basic shareholder right and critical for an institutional investor's understanding of an organization's financial activities. Transparency covers two distinct areas: First, a complete and clear disclosure of an organization's business and financial activity. Second, disclosure of executive compensation, including fringe benefits. All investors have a basic right to thorough disclosure of a firm's financial activities and how senior managers are being compensated for their services.

Finally, LACERA's Board of Investments believes strong corporate governance policies should help maximize shareholder value. Therefore, we believe that active support of good governance policies helps LACERA fulfill its mission: "To produce, protect, and provide the promised benefits" to the active and retired employees of Los Angeles County. 

Corporate Governance cont'd from pg. 3

upon the approval of the Board of Investments, will guide LACERA's future efforts to promote good corporate governance. This draft policy statement addresses issues such as Board Independence, Board Management and Evaluation, and Shareholder Rights. It is also intended to communicate the importance of **fiduciary duty**,

integrity, and **transparency** in Corporate America.

Corporate **fiduciary duty** is an obligation to act in the best interests of the company and its shareholders. Lack of independence by corporate directors may periodically impede their ability to act in the shareholders' best interest. Therefore, it is important to estab-

Public Service Announcement

Become a Docent at the Natural History Museum

Here is an investment with positive returns! Give a little time as a museum docent and you will inspire wonder in children, discover new knowledge for yourself, and share experiences with like-minded people.

The Natural History Museum of Los Angeles County is seeking volunteer docents. During the school year, docents enhance the museum experience of school children by introducing them to the museum's wonderful exhibits in one

or more of 15 science and history halls. Our collection includes dinosaurs, Native American cultures, mammals, California history, gems and minerals, marine biology, and more. Extensive training (26 weeks) is provided. Commitment is four hours one day per week the first year, two hours per week the second year. Added perks for docents include lectures, luncheons, meetings, periodic visits to other museums and points of interest, and special museum events. We are now accepting applications for our fall training class. Please call 213-763-3531 for additional information. 



Be a Mentor cont'd from pg. 4

their social worker who is with the Department of Children and Family Services. Further screening will be conducted by the judges of the Dependency Court and by Catholic Big Brothers Big Sisters.

Volunteers will receive sufficient training and ongoing support and assistance by professional case managers. The program is non-sectarian and open to all.

To volunteer or for further information, call Kimya Walker 213-251-9800 or send us an email at recruit@catholicbigbrothers.org. You can also visit us online at www.catholicbigbrothers.org. 

LACERA Financial Report

P A F R

LACERA is continually planning for your future. The Popular Annual Financial Report (PAFR), enclosed with this issue of Postscript, gives you a summary of LACERA's financial strength as of June 30, 2002. Read all about the progressive accomplishments of your \$26 billion fund. The PAFR reviews revenues and expenses, investment perform-

ance, asset allocations, funding status, and membership growth. Despite recent fluctuations in the stock market, LACERA continues to manage a very healthy fund.

LACERA is always searching for ways to improve customer service and build a better retirement fund for your future retirement. We are pleased to

present the 2002 Popular Annual Financial Report for your review. 

