

LACERA

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# Spotlight on Retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • NEWS FOR RETIRED MEMBERS

## Retiree COLA Benefit

**O**n February 12, 2004, the Board of Retirement approved the COLA benefit for 2004. If you are a retired member or survivor in Plan A, B, C, or D, you will receive a cost-of-living increase in your April 30 check. Some Plan E members will also receive a cost-of-living benefit.

You can find your retirement date and the percentage increase for your plan in the chart on page 5. The percentage increase is applied to your monthly allowance *including* your STAR COLA benefit. The good news is that the cost-of-living increase is cumulative and will compound with future increases. (Those retirees who

received the 1988 COLA supplement will continue to receive that separate benefit, however the cost-of-living benefit is not applied to it.)

### 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 on pg. 5)

By law, the Board of Retirement rounds the CPI (Consumer Price  
*Cont'd on pg. 5*

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## A \$50 Million Recovery

by David L. Muir, Chief Counsel

**A**s one of the largest shareholders of Enterasys Networks, Inc., LACERA was appointed by the United States District Court in New Hampshire to lead a class action lawsuit alleging accounting fraud at the company.

On December 19, 2003, the Court approved a settlement LACERA negotiated with the defendants. Defendants did not admit liability in entering into the settlement. Writing for the National Association of Public

Pension Attorneys newsletter, LACERA's lead counsel, Glen DeValerio reported:

"The \$50 million recovery in Enterasys makes it the richest in New England securities litigation history. But drawing even more attention were boardroom provisions that will make the once wayward company a model of state-of-the-art good governance and, it is hoped, enhance its long-term shareholder value.

"The settlement, approved in

December 2003, allows investors holding more than 5 percent of the company's stock to nominate alternative candidates to the Board—the type of concession shareholder activists have spent decades trying to wheedle from regulators. Of equal significance, Enterasys must now back a plan to eliminate its staggered board and support one-year terms for all directors.

"The settlement also forces the

*Cont'd on pg. 12*

## Los Angeles County Employees Retirement Association

### Members of the Board of Retirement

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Appointed by Board of Supervisors

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Appointed by Board of Supervisors

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**MARSHA D. RICHTER**  
Assistant Executive Officer  
**GREGG RADEMACHER**  
Assistant Executive Officer  
**ROBERT HILL**

## From the Executive Office

Marsha D. Richter, Chief Executive Officer



## A Look at Retirees Today

**W**ith the first *Spotlight* issue of the year, it seems a good time to share some facts about the LACERA membership with you. As the retiree ranks grow, statistics can tell us much about who we are and how we live. For instance, many of you are taking advantage of the opportunity to begin a whole new career, travel the world, and volunteer. Others are enjoying their retirement by kicking back, relaxing, and enjoying the simple life. However you choose to enjoy your post-County years, we are here to provide you with a lifetime of benefits to support you in every endeavor.

### Interesting Retiree Statistics

- Currently, approximately 40,000 retirees and 7,000 survivors receive LACERA benefits.
- From 2002-2003, we paid retirees and survivors over \$1.3 billion, or \$108 million per month.
- The average retiree allowance is \$2,700 per month, and the average survivor allowance is \$1600 per month.
- Of current retirees, the earliest retirement date is January 1950.
- There are 29 retirees and survivors who are centenarians, and one of our retirees is 111 years old!

### A Guaranteed Benefit

As retirees, you don't need to worry about LACERA's ability to pay your future benefits. Your retirement allowance is guaranteed for life, that is our pledge to you: Produce, protect, and provide your promised benefits. We continue to recover from the market downturn a few years ago, and since the actuarial valuation in June 2003 showed we were at \$26 billion, the fund has grown steadily. And though employer (County) contributions will increase this year, contributions for active employees will not change.

### Visit Us Online

I encourage you to visit our web site often at [www.lacera.com](http://www.lacera.com) for updates on benefits and other legislation. Although the *Spotlight* newsletter is a quarterly publication, the web site is updated daily with new information for you, our members. Check out the many new interactive features on the site, and download forms and booklets. Of course we're also available to speak with you over the phone and in person, should you need more personalized service. Come see us in Pasadena, or call us toll-free at 800-786-6464. 

# Legislative Updates

by Jan Barcus

Below is the current status of some of the bills LACERA is following. For a more comprehensive look at the bills, visit [www.leginfo.ca.gov](http://www.leginfo.ca.gov).

**AB 979 County Employees Retirement: Alternate Retired Member/Survivor Benefits/\$5,000 Death Benefit**

This bill:

- 1) Provides that the alternate retired member shall be entitled to the same compensation, rights, and responsibilities as the Board member elected by the retirees.
- 2) Allows a retired member to elect a reduced allowance to provide a survivor's continuance when marriage occurs after retirement. Allows member to elect a reduced allowance to "purchase" a "pop-up" provision should the named beneficiary die before the member.
- 3) Authorizes the Board of Retirement to elect to provide the \$5,000 death benefit through a group life insurance policy if the cost is the same or less than other methods of providing the benefit.

*Introduced:* February 20, 2003  
*Amended:* January 16, 2004  
*Sponsor:* State Association of County Retirement Associations (SACRS)  
*Status:* Passed to the Senate on January 29, 2004  
*LACERA position:* Support with amendments regarding the Alternate Retired member.

**AB 1281 County Employees Retirement: Purchase of Prior Service by Law Enforcement and Firefighters**

This bill would authorize law enforcement and firefighter members to receive retirement credit for law enforcement and firefighting service with any prior public agency. To purchase the prior service, the member pays his or her contributions plus accrued interest. This bill is very similar to AB 80, vetoed by Governor Davis last session. The Governor's veto message cited the unfunded liability that would be created and that the measure may inadvertently allow a retiree to "double dip" by collecting a pension with the out-of-state service while also collecting a pension in California.

*Introduced:* February 21 2003  
*Amended:* January 29, 2004  
*Sponsor:* California Professional Firefighters  
*Status:* Passed to the Senate on January 29, 2004  
*LACERA position:* Watch

**AB 2982 County Employees Retirement: Alternative Work for Disabled Employees**

This bill would amend the retirement law regarding the service-connected disability salary supplement. Under this proposal, after the Board of Retirement finds that a member is disabled for his or her job, the Board would request that the member's department conduct an analysis, under the federal accommodation standards, to determine if alternative work is available. Existing law provides that, if a member, after concurring with a rehabilitation plan, refuses an offer of

alternative work, without reasonable cause, within one year after being determined to be eligible for a disability retirement, the agency employing the member may have the member's disability allowance discontinued. This bill would extend that period to two years after the member is determined to be eligible for a disability retirement. This bill is an urgency statute and would take effect immediately.

*Introduced:* February 20, 2003  
*Status:* Assembly  
*LACERA position:* Watch (Insurance, Legislative & Benefits Committee)

**SB 1260 County Employees Retirement: Option to Provide an Increased Survivor Allowance**

The unmodified benefit settlement provides a continuing allowance to an eligible spouse (65% for Plans A, B, C, and D; 55% for Plan E). This bill would allow a member to increase the allowance paid to an eligible spouse by taking a reduction in his or her allowance equal to the actuarial difference between the continuing allowance provided under the unmodified benefit settlement and an increased survivor allowance. This bill is at the option of the Board of Supervisors in each county.

*Introduced:* February 12, 2004  
*Sponsor:* Los Angeles County  
*Status:* Senate  
*LACERA position:* Support (Insurance, Legislative & Benefits Committee)

# LACERA Boards: Welcome and Thanks for the Memories!

LACERA is pleased to welcome new and returning members to the Board of Retirement and the Board of Investments. We also say thank you and farewell to two outgoing Board members: Mr. Cody Ferguson is being replaced by Mr. Leonard Unger on the Board of Investments, and Mr. Edgar Twine is being replaced by Mr. Richard Wirth on the Board of Retirement. Thank you, gentlemen for your time and dedication to LACERA. Goodbye and best wishes, Mr. Twine and Mr. Ferguson!

## Leonard Unger

The Board of Investments welcomes Mr. Leonard Unger in his inaugural term. Mr. Unger joins the Board with a wealth of experience in the field of law, focusing on estates, trusts, and litigation. He has been retained by real estate, talent agency, and manufacturing clients to negotiate structure, strategize and implement business initiatives, as well as to resolve business disputes. Mr. Unger serves on the Board of the Southern California Chapter of the Arthritis Foundation where he is a past Chair and current investment committee member, as well as on the Boards of three other non-profit foundations. He currently serves on the Executive Committee of the American Jewish Committee, Los Angeles Chapter, the Board of Directors of Reprise! Broadway's Best, and is a Fellow of the American Bar Foundation.

Mr. Unger serves as Trustee of living and testamentary trusts, and has



served on the UC Berkeley Foundation Board of Trustees and on its investment committee. He has worked closely with investment advisors, and made and reviewed investment decisions. In 1998 Mr. Unger received the Thurgood Marshall Award from the Bar Association of the City of New York for his pro bono death penalty work.

Mr. Unger lives in Los Angeles with his wife, Catherine Lavine Unger, a consultant and community and political activist. They have two children, both married, and one grandson, all of whom live in Los Angeles. Welcome aboard, Mr. Unger!

## Richard Wirth

LACERA welcomes back Mr. Wirth for his second term on the Board of Retirement. He is the President of Wirth & Associates, a governmental relations firm founded in 1985, with expertise in the process of government. He began his career as an Assistant City Manager, and in 1973 became Director of Governmental Affairs for the Building Industry Association of Southern California.

Mr. Wirth served as Executive Director of the Governmental Affairs Council from 1980 to 1994. Throughout his career, Mr. Wirth has served on numerous Boards and Commissions at all levels of government and in community-based organizations. He presently serves on the Board of Directors of Moss Beach Homes, a major provider of private foster care throughout California.



## BOARD OF RETIREMENT COMMITTEES

The Board of Retirement and the Board of Investments have selected their committee members for 2004:

### Disability Procedures and Services

William Pryor, *Chair*  
William de la Garza, *Vice Chair*  
Sadonya Antebi  
Simon S. Russin  
Les Robbins (Alternate)  
*Staff:* Sylvia Miller

### Insurance, Benefits & Legislative

Les Robbins, *Chair*  
William de la Garza, *Vice Chair*  
Simon S. Russin  
Warren L. Bennett  
Alternate: William Pryor  
*Staff:* Marsha D. Richter, Kathy Migita

### Operations Oversight

Brian Brooks, *Chair*  
Simon S. Russin, *Vice Chair*  
Sadonya Antebi  
William de la Garza  
Alternate: Warren L. Bennett  
*Staff:* Rob Hill, Gregg Rademacher

## JOINT COMMITTEES

### Audit

Brian Brooks, *Chair*  
Warren Bennett, *Vice Chair*  
Simon Russin, *Secretary*  
Sandra J. Anderson  
Les Robbins  
Steve Valenzuela

### CEO Evaluation Committee

Warren Bennett, Board of Retirement, *Chair*  
Simon S. Russin, Board of Retirement, *Vice Chair*

Retiree COLA cont'd from pg. 1

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. This year's CPI change of 1.8% was rounded to 2%. If the change is more than the maximum allowable, the overage is added to the COLA Accumulation; the accumulation can be used in the future to supplement a COLA or STAR COLA benefit. There is no overage this year above the allowable percentage, therefore there will be no increase to the COLA Percentage Accumulation.

**For Members in Plan A**

The actual CPI percentage change (1.8%) was less than the maximum cost-of-living increase allowable (3.0%). All Plan A members got at least a 2% COLA increase. The COLA Accumulation, available for certain Plan A retirement years, was used to award those members with up to the maximum 3.0% (see chart below).

**For Members in Plans B, C, and D**

The actual CPI percentage change (1.8%) was less than the maximum cost-of-living increase allowable (2.0%) for Plan B, C, and D members.

Therefore, these retirees were awarded a 2% cost-of-living increase.

**For Members in Plan E**

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 are eligible for a Plan E Automatic COLA. Plan E members with earlier retirement dates are not eligible.

Although certain 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. For example, Plan E members retiring on March 31, 2004 have earned most of their service credit prior to June 4, 2002, and only 22 months of service after the COLA effective date. Therefore, most recipients will receive a very small COLA increase. For those

members who are hired on or after June 4, 2002, the Plan E Automatic COLA percentage will be computed on the members' whole monthly allowance, the same as Plan B, C, and D members' COLA.

**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 1.8% from December 2002 to December 2003.

**What Is the Difference between the April COLA and the STAR COLA?**

The annual April COLA is a cost-of-living adjustment that is applied to the retirement allowances of all retirees (see above for Plan E eligibility). The COLA is cumulative and compounds with future increases. The STAR COLA is for those retirees who have lost more than 20% of their purchasing power held at the time of retirement. The vested STAR COLA, like the COLA, becomes part of your base pay; any future COLA and STAR COLA benefits will be based on this augmented base pay amount. 

## Retiree COLA Benefit

Retirement Dates	Plan	Max.	Actual CPI Cost-of-Living	April COLA	COLA Accumulation	
					Used	Balance
4/1/03-3/31/04	A	3.0%	1.8%	2.0%	0.0%	0.0%
4/1/88-3/31/03	A	3.0%	1.8%	2.7%	0.7%	0.0%
Prior to 4/1/88	A	3.0%	1.8%	3.0%	1.0%	varies
All dates on or before 3/31/04	B, C, D	2.0%	1.8%	2.0%	0.0%	varies
6/04/02-3/31/04	E	2.0%	1.8%	varies	0.0%	0.0%

# The Ventura Decision Today

by David L. Muir, Chief Counsel

**O**n October 15, 2003, the California Supreme Court refused to hear the Ventura case. This means the trial court judgment requiring LACERA to implement the Ventura Decision retroactively is final and binding on the Board of Retirement. As of March 29, 2004, LACERA staff is continuing to work on an implementation plan that will be submitted to the Board of Retirement and the court for approval.

## Background Information

Retirement allowances are calculated as a percentage of final compensation. A member's final compensation is equal to the average pensionable earnings during either the highest 12-consecutive-month- or 36-month-period, depending on the member's retirement plan.

Historically, LACERA excluded from final compensation many items of pay on the basis that the pay items were not received by everyone in the same job classification. We will refer to these as "special pay" items. Examples include bonuses for utilizing a foreign language on the job, additional pay for working an evening shift, and bonuses for achieving certain certifications that evidence advanced skills applied on the job. This practice of excluding special pay items was followed by 19 other California counties that, like LACERA, operate retirement systems under the County Employees Retirement Law.

The practice of excluding special pay items was challenged in court by the Ventura County Deputy Sheriff's Association. That case was litigated all the way to the California Supreme Court, which held that the practice of

excluding special pay items was invalid. The Supreme Court's decision, which became final in October 1997, came to be known as the "Ventura Decision."

LACERA implemented the Ventura Decision starting in October 1997 when the decision became final. From that date forward, LACERA has included the additional pay items in a member's final compensation. LACERA's refusal to apply the decision retroactively to members who retired prior to October 1997 resulted in the current litigation against LACERA. The court has now ordered LACERA to recalculate the final compensation for all members who retired prior to October 1997 and who received compensation under one of the special pay items. LACERA was further ordered to adjust each affected retiree's retirement allowance, going back to May 1995. Adjustments for earlier periods are barred by the statute of limitations.

## LACERA's Implementation Plans

The task of implementing the Court's judgment presents several challenges. The County has pay records going back only for about 10 years. LACERA cannot ascertain whether a member who retired earlier than that received compensation under one of the special pay items. Even if pay records were available, it would take years and literally thousands of hours to research the records of over 40,000 retirees to determine whether each member was entitled to an adjustment.

Another challenge is determining whether and to what extent retirees and active members should be required to pay arrears contributions on the special pay items for the period

prior to 1997. (LACERA has collected contributions on all special pay items since 1997.) Suppose, for example, a member started working in 1930 and retired in 1950 and that during the member's entire 20-year career the member received special pay for speaking a foreign language on the job. The statute of limitations will prevent LACERA from increasing the member's retirement allowance for the period from 1950, when the member retired, to May 1995. The Board of Retirement must consider whether it is fair to require the member to pay contributions on the special pay all the way back to 1930, for the member's entire 20-year career.

Faced with these difficult challenges, LACERA staff is working with the system's actuary to develop a process for implementing the judgment in a way that will avoid having to calculate adjusted allowances for each of the over 40,000 retirees potentially covered by the judgment. We are also seeking the actuary's advice in determining whether and to what extent arrears contributions should be required.

Any proposed implementation plan submitted to the Board of Retirement will first be reviewed with legal counsel representing the members in the litigation, and the plan ultimately approved by the Board of Retirement will have to be submitted to the Court for the Court's approval. We know our retirees are anxious to receive any adjusted allowances they may be entitled to. LACERA is working diligently to complete this project at the earliest possible date. 

# Super Slow

Excerpted from *The Wellness Letter*



To stay healthy you need about half an hour of moderately intense exercise daily, or nearly every day—and the experts recently raised that recommendation to an hour, especially if you want to lose weight. Ah yes, you might say, but busy lives put the squeeze on exercise time. Thus many have jumped at a new kind of exercise known as “Super Slow,” which promises fitness super fast.

The idea is that you hoist a set of weights very slowly, up for 10 to 14 seconds, then down for 5 to 10 seconds. Hence, each repetition lasts about 20 seconds, instead of the usual 2 to 6 seconds, and you only do 5 repetitions instead of the customary 15. And—this is the good part—you need to do this only for half an hour once a week. You are told you can forget about the walking, the cycling, running, and other aerobic exercise. You are promised you’ll lose weight. The harried working parent might think this sounds like a pretty good deal, even if it sounds too good to be

true. At least two popular books currently promote Super Slow as a fitness revolution, and there’s a SuperSlow Guild, which has trademarked the method.

## What’s the Skinny?

There isn’t a lot of research yet on Super Slow. A recent study from the George Washington University Medical Center found that traditional strength-training sessions improve muscle strength more effectively than Super Slow. Researchers at the University of Alabama at Birmingham found that traditional strength training burned more calories than Super Slow and thus would be more helpful in controlling weight. Still another study found Super Slow superior to traditional strength training for building muscles, but the dropout rate among participants in Super Slow was high.

## The Up and Down of It

Super Slow is a short workout, and it can provide variety when added to another type of training. Exercise is

essential to health—and many people bypass it entirely—so nearly anything that gets you into a training program is good news. But Super Slow could pose a risk for those with high blood pressure or cardiovascular problems, since people tend to strain and hold their breath during any weight training, and that raises blood pressure (this should not be harmful to healthy people). And there’s no proof, and no way, this form of weight training (or even traditional weight training) can take the place of aerobic exercise.

If you want to do some Super Slow, take it easy. Don’t do grueling sessions. Start with weights that don’t strain your abilities too much. Try eight-second repetitions, four up and four down. Try to be smooth and slow, not jerky. Give yourself at least 48 hours between sessions. And don’t give up other exercise, such as walking, cycling, running, jogging, swimming, and playing sports. And as with any new training regimen, consult your physician if you have questions about whether it’s right for you. 🏃

# The Spice of Life

Excerpted from *Food & Fitness Advisor*

If you have diabetes, you may be able to help protect yourself from complications of the disease by adding a dash of cinnamon to your daily diet. A December 2003 study in the journal *Diabetes Care* found that diabetics who took in one gram—less than a quarter teaspoonful—of cinnamon a day for 40 days decreased levels of blood sugar, cholesterol, and other blood fats. In type 2 diabetes, the body loses sensitivity to insulin, a hormone that transports sugar (glucose) from food into cells to be used

as fuel. As a result, glucose accumulates in the blood, damaging blood vessels and increasing the risk of coronary heart disease, stroke, kidney failure, and blindness.

In the small study, researchers at the Beltsville Human Nutritional Research Center in Maryland assigned 60 people with type 2 diabetes to 1, 3, or 6 grams of cinnamon in capsule form each day for 40 days, or placebo capsules. Those taking cinnamon had up to a 30 percent drop in glucose, blood fats, and

cholesterol; those in the placebo group had no change. The researchers say cinnamon contains compounds that seem to improve insulin’s ability to bring glucose into cells, and increases glucose metabolism. Cinnamon contains less than 3 calories per gram and adds zest to your diet. Stir a dash of cinnamon into your coffee, tea, or cereal; a cinnamon stick can also be used as a stirrer for tea or coffee. Or you can brew up some cinnamon tea by adding boiling water to stick cinnamon. 🌿

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.*

# LACERA's Call Center: Retirement Benefits Specialists Are a Phone Call Away

by Jeff Shevlowitz

**W**hen LACERA members call 800-786-6464, customer service is on call. The individuals who answer the phones at LACERA are trained Retirement Benefits Specialists, able to assist with over 95% of your benefits questions.

For retired members with questions or concerns regarding their health insurance, the Retiree Health Care Section has its own Call Center designed specifically to assist retired members with health insurance issues. By following the prompt to "Press 1" when calling LACERA's toll-free number, members are directly connected to the Retiree Health Care Section. Retirees also



have the option of staying on the line to be connected to the general Call Center for assistance. When a Benefits Specialist answers the call, he or she can transfer the member to the Retiree Health Care

Section so the member doesn't have to call back.

The Call Center is at the service of more than 140,000 LACERA members, ready to answer your unique questions.

When you call 800-786-6464, you will hear,

"Thank you for calling LACERA's Member Services. How may I help you today?" You can be confident that the person answering the phone is a qualified Retirement Benefits Specialist who will be able to assist you. //

Boards cont'd from pg. 4

Les Robbins, Board of Retirement,  
*Secretary*

Sandra J. Anderson, Board of Investments, *Chair*

Estevan R. Valenzuela, Board of Investments, *Vice Chair*

Bruce Perelman, Board of Investments, *Secretary*

### Travel Policy

Warren Bennett, Board of Retirement,  
*Chair*

Sandra Anderson, Board of Investments, *Chair*

Staff: David L. Muir

## BOARD OF INVESTMENTS COMMITTEES

### Ad-hoc Committees on Annual Performance Reviews

Mark Saladino

### Ad-hoc Committees on Emerging Managers

Larkin Teasley

Sandra J. Anderson //

# Board of Retirement Seeks Nominations for Alternate Retired Member Position

**T**he Board of Retirement is now actively seeking candidates to appoint an Alternate Retired Member. *The candidate must be a member of, and nominated by, a qualified retiree organization.*

The Board of Retirement is responsible for delivering your pension benefits accurately and timely. The board consists of:

- 1) Members appointed by the Board of Supervisors; *and*
- 2) The Los Angeles County Treasurer-Tax Collector; *and*
- 3) Members who are elected by the general, safety and retired employee groups.

When any elected Board member is absent, including the retiree member, the elected alternate member fills in during his or her absence. However, the Board of Retirement has decided to add an Alternate Retired Member to serve as a backup to the elected retiree member, should the elected retiree member be unable to attend a Board of Retirement meeting. The Alternate Retired Member will be expected to prepare for and be available to attend each meeting, but will only join in the Board discussions and voting when the regular elected retiree board member is absent. Although the retirees in the future will elect the Alternate Retired Member, the initial selection will be by appointment by the Board of Retirement.

The California State law that governs our pension plan requires that the Board of Retirement appoint the Alternate Retired Member from a list of candidates submitted by “qualified

retiree organizations.” An organization is a qualified retiree organization if a majority of its members are LACERA retirees.

**All candidate submissions** are to include a statement that certifies the nominating organization is in fact a qualified organization with a majority of members being LACERA retirees. Additionally, a candidate submission may include a statement of qualifications. A candidate statement cannot exceed 200 words and cannot, in any way, make reference to other candidates or their qualifications. The organization certification and candidate statements are public documents and open to public inspection.

The Alternate Retired Member will also be required to file the annual Statement of Economic Interest as required by California’s Fair Political Practices Commission. This mandated filing requires the disclosure of business interests, sources of income, real estate holdings, investment holdings, gifts, and loans. If you would like more information on filing requirements, please visit [www.fppc.ca.gov](http://www.fppc.ca.gov).

The Board of Retirement will be reviewing the list of candidates received from qualified retiree organizations at its June 2004 meeting. At this time the Board may choose to appoint the Alternate Retired Member, seek additional information, ask one or more candidates for an interview, or choose to discontinue the appointment process.

The law currently provides that the Alternate Retired Member can be compensated only if he or she attends and acts for the retiree member during

the entire meeting. Efforts are being made to amend the law to allow the Alternate Member to be compensated for attending a meeting even when the retiree member is present and to specify the powers and duties of the Alternate Retired Member. The final outcome of these legislative efforts may affect the Board of Retirement’s decision on whether to appoint an Alternate Retired Member.

**If you would like to serve** as the Alternate Retired Member and are involved with a qualified retiree organization, please contact that organization to submit your name to their list of qualified candidates. If you or your retiree organization have any questions regarding the powers and duties of Retirement Board Members, or the nomination process for the Alternate Retiree Member seat, please contact the Board of Retirement’s secretary, Liz Duran at (626) 564-6000, ext. 4402.

All candidate submissions, organization certifications, and candidate statements are to be sent by the retiree organization to the LACERA Board of Retirement secretary by May 31, 2004 at the following address:

Elizabeth Duran, Board Secretary  
LACERA  
300 North Lake Avenue  
Pasadena, CA 91101-4199 

# How'd We Do? Your Survey Results!

In the last *Spotlight* we included a survey asking you, our readers, how we measure up in your estimation. We were overwhelmed by your enthusiastic participation, and now we want to share our results with you. In all, we received 1,686 responses, with only 8 negative comments. To see how your responses broke down, take a look at the chart below. Rather than list all of your answers (we'd have to write a book!), we have highlighted a few positive comments and criticism:

- “Spotlight is an excellent vehicle for keeping retirees current.”
- “The Spotlight is the most informative news source on my

retirement status. It is the *Wall Street Journal* for retirees.”

- “Spotlight keeps me up-to-date without having to call or visit LACERA.”
- “I keep each edition for a year for reference.”
- “I was not aware of the online format. I will be a constant viewer from now on.”
- “Need clarification between COLA increase and STAR COLA.”
- “Would like to receive it more frequently.”
- “Legal updates are often too truncated. I know you have

space limitations, but these are very important.”

- “Rarely find much information relevant to me.”

We want to thank everyone who took the time and effort to tell us how you feel about *Spotlight*. This is your newsletter; your opinions are extremely valuable to us as we gather and write articles for upcoming issues. Our goal is to give you the information you need to make informed decisions about your benefits, your health, and your life. We will continue to strive to meet this goal, and always welcome your opinions and feedback. If there are issues you want us to write about, please let us know. 📄

## Spotlight Readership / Online Survey

**Total Surveys mailed** ..... **46,261**  
**Total Responses** ..... **1,686**

The issues & info featured are:	Excellent	Good	Fair	Poor	TOTAL
A) Relevant to your life as a retiree	1,089	503	23	3	1,618
B) Easy to understand & clearly stated	1,069	523	33	0	1,625
C) Communicated in a timely manner	973	576	40	1	1,590

How many times have you visited the LACERA web site in the past year?	20+ times	6-20 times	1-5 times	0 times
	14	60	181	1,208

What is your favorite part of the newsletter?	
Legislative information	1,218
Message from CEO	819
Human Interest	878
Legal updates	1,196
Medical plan information	1,370
Retiree benefit information	1,608

How much of the Spotlight do you read?	100%	75%	50%	25%	None
	1,124	450	89	21	0

# When Is It Time to Relocate?

**“H**ome is where the heart is” is a strong sentiment among older adults.

Making the decision to move from an independent life in a familiar home filled with memories is extremely difficult. Yet, when physical and/or cognitive limitations become apparent, it is time to consider alternative living options. Forgetting to take medications as needed, giving up driving, and having difficulty bathing or preparing meals are some issues that may necessitate relocating.

When family members recognize the possible need for physical care, they should to talk to the older adult about the idea of relocating. Alternative living options meet the challenges of older adults in declining health, leaving more time and energy to pursue activities that enhance their lives. Moving is not an easy decision, however it can be less stressful if family members research the options and assist their elderly relative in choosing a living arrangement that is more suitable to their needs. The following “levels of care” represent alternative living options.

## Senior Apartments

Fully equipped apartments with safety features and a receptionist who keeps tabs on the seniors’ whereabouts. Most have no provision for meals, housekeeping or transportation, although these can be arranged independently.

## Retirement Hotels

A large hotel-like facility that can house

60 to 300 older adults. Includes separate living units with a kitchenette and bathroom safety features. Meals, housekeeping, and scheduled transportation are provided for a monthly fee. Activities are numerous and varied.

## Assisted Living Facility (ALF)

Much like a retirement hotel with additional care and supervision provided. Dispensing of medication and assistance with bathing and personal care is available for an additional monthly fee.

## Continuum of Care Retirement Community (CCRC)

A large planned community offering different levels of care: Independent living, assisted living, and skilled nursing. A sizable entry fee guarantees your access to all levels of care when needed. An additional monthly fee includes meals, housekeeping, transportation, and activities. Security and lifetime care are the big advantage here.

## Residential Care Facility (RCF) or Board and Care Homes

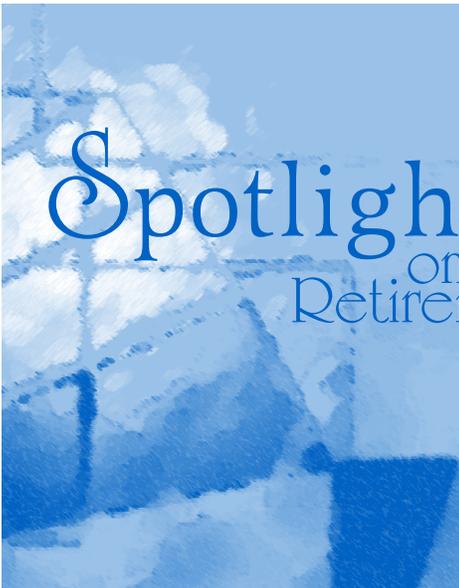
An alternative living arrangement, usually in a residential neighborhood, accommodating 4 to 6 older adults. Ideal for those requiring a protective environment with additional personal attention on a daily basis. Assistance is provided with personal needs and hygiene, supervision of medication, dietary requirements, transportation, and activities.

## Nursing Home

Also referred to as Skilled Nursing Facility (SNF) or Convalescent Hospital. This type of facility is for those requiring medical attention and skilled nursing due to physical impairments, injuries, or chronic illness. Medicare pays for rehabilitation, not custodial care. Activities are many and varied.

Change is difficult for many older persons and they often offer a lot of opposition when faced with having to move. What is the best option? What type of living arrangement is appropriate for your aging relative? If you are a member of PacifiCare, you have access to an optional benefit program, “A Solution for Caregivers,” which offers guidance and assistance in finding the best resources for older adults. Members who belong to other health plans should inquire about eldercare programs available to them. 





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[\\$50 Million cont'd from pg. 1](#)

computer-networking company to expand its annual proxy statements to include information far exceeding regulatory requirements. For example, Enterasys must detail its chief executive's compensation, comparing it to the salaries of heads of similar companies and putting the pay package in the context of Enterasys' own returns.

"In short, the agreement opens Enterasys to greater outside scrutiny, makes the Board of Directors more independent, and gives shareholders greater say in running the company."

In approving the settlement, Judge Steven J. McAuliffe complimented LACERA: "I do applaud the inclusion

of the changes in corporate Governance... It's good for the market, certainly good for the market."

This is just one of several cases LACERA has brought to recover damages suffered in the recent rash of accounting fraud at major U.S. corporations, including WorldCom and AOL-Time Warner. 

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## Medical Plan Changes in Retirement

**O**ver the past several years, the medical insurance industry has experienced constant changes. Listening to the daily news reports, there are frequent discussions about medical insurance and how companies are addressing changes in Medicare regulations, and how to optimize patient care while controlling costs. As a retired member, you may find it interesting to follow the constant health care dialogue in the news because it keeps

you abreast of changes. However, the changes you hear advertised may not directly affect your LACERA health care plan today.

We urge you to carefully read all materials LACERA mails to you. Please pay special attention to documents highlighting any changes LACERA is required to implement. The LACERA health care benefits are negotiated to provide special services for our 40,000 retirees that may not be included in health plans that are

advertised.

Always call the LACERA Health Care Call Center toll-free at 800-786-6464 and press #1 to speak with a Health Care Specialist who can review the options available to you so you can make the best selection for yourself and your family.

Please visit our web site at [www.lacera.com](http://www.lacera.com) to remain informed of ongoing changes. 