

# LACERA Spotlight on Retirement

December 2005  
Vol. 16 No. 4

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • NEWS FOR RETIRED MEMBERS

## Read Your Medicare Part D Creditable Coverage Notice and Keep It In a Safe Place

Last month, LACERA mailed a Medicare Part D Creditable Coverage Notice to all retired members. The notice contains important information about your current prescription drug coverage with LACERA, and the new Medicare Part D prescription drug coverage that becomes available January 1, 2006. Please make sure you take the time to read it carefully, and then store it in a safe place. Should you decide to enroll in an individual Part D plan after May 15, you can avoid a penalty for late enrollment by showing your Creditable Coverage Notice to Medicare.

**LACERA has determined that the prescription drug coverage offered by the LACERA-sponsored medical plans are, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.**

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

If you want to keep your LACERA-  
Cont'd on pg. 9

## TABLE OF CONTENTS

- From the Executive Office: Year-End
- Legislative Updates . . . . . 3
- LACERA Election Results . . . . . 4
- STAR COLA . . . . . 5
- Long-Term Care Seminar Schedule . . . . . 5
- Automatic Medicare Part D Coverage . . . . . 6
- COBRA Eligibility . . . . . 6
- Payday Planning Calendar . . . . . 8
- LACERA Remembers . . . . . 9
- Ventura Update . . . . . 9
- Direct Deposit . . . . . 11
- Did You Know? . . . . . 11

## Your Payday Planning Calendar is Inside

## The 2005 PAFR is Here!

Please take a moment to review LACERA's 2005 Popular Annual Financial Report (PAFR), included with this issue of Spotlight. This publication summarizes our financial and service

accomplishments from fiscal year 2005. We will post the full Comprehensive Annual Financial Report (CAFR) on lacera.com in January.



## Los Angeles County Employees Retirement Association

### Members of the Board of Retirement

LES ROBBINS  
Chair  
Appointed by Board of Supervisors

WILLIAM R. PRYOR  
Vice Chair  
Elected by Safety Members

WILLIAM DE LA GARZA  
Secretary  
Elected by Retired Members

MARK J. SALADINO  
County Treasurer & Tax Collector  
Ex-Officio Member

SADONYA ANTEBI  
Appointed by Board of Supervisors

BRIAN C. BROOKS  
Elected by General Members

SI FRUMKIN  
Appointed by Board of Supervisors

ARMANDO MACIAS  
Alternate Member  
Elected by Safety Members

ED MORRIS  
Alternate Retired Member

SIMON S. RUSSIN  
Elected by General Members

RICHARD WIRTH  
Appointed by Board of Supervisors

### Members of the Board of Investments

SANDRA J. ANDERSON  
Chair  
Elected by Retired Members

ESTEVAN R. VALENZUELA  
Vice Chair  
Appointed by Board of Supervisors

BRUCE PERELMAN  
Secretary  
Elected by General Members

MARK J. SALADINO  
County Treasurer & Tax Collector  
Ex-Officio Member

WILLIAM R. PRYOR  
Elected by Safety Members

HERMAN SANTOS  
Elected by General Members

MICHAEL SCHNEIDER  
Appointed by Board of Supervisors

LARKIN TEASLEY  
Appointed by Board of Supervisors

LEONARD UNGER  
Appointed by Board of Supervisors

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

## From the Executive Office

Marsha D. Richter, Chief Executive Officer



# LACERA Year-End Review

**A**s the year draws to a close, I'd like to reflect on our business philosophy, and review how that philosophy continues to drive the creation of new and enhanced member service options. LACERA is always about service to our members.

LACERA's mission is to produce, protect, and provide the promised benefits to our members. To remain strategically positioned to respond to our changing world and keep our promise for decades to come, we maintain a proactive approach in our daily operations. We are quick to apply advances in technology to our systems, nurture innovative thinking in our procedures, and continually enhance our daily business tactics. The staff at LACERA is constantly driven to seek and implement new and better methods of customer service.

Through those efforts, we were pleased to introduce a number of member service programs and enhancements during the year:

### **Multifaceted Outreach Initiative.**

To make sure our members are kept up to date on all the services LACERA offers, we moved proactively to bring members the latest information regarding our services through a multifaceted program of ads, newsletters, brochures, and web copy.

### **Customer Service Enhancements.**

By employing advances in technology and creative strategies, we generated new services, and delivered added convenience and efficacy to the full menu of member service options we offer. The "My LACERA" web feature, which allows members simple and secure 24-hour online access to their personal membership information, is just one notable example of the service enhancements we implemented this year.

### **Technology-Driven Upgrades. In**

2005, we upgraded our internal operating system with the latest information management software. The integration of this software into our existing system was a massive undertaking, and improved the security, flexibility, and speed of our entire operation. This conversion positions us to provide our members with an expanded tier of service options as we move forward.

The service options and upgrades we introduced during the year are testaments to our vision for the future, and to our dedication to keeping the covenant we hold with our members. Our members deserve the best. Therefore, we choose to be the best.

On behalf of everyone at LACERA, I wish you happy holidays, and a healthy and peaceful New Year. 🙏

# 2005 Legislative Updates

by Jan Barcus

Three bills amending the County Employees Retirement Law were passed by the State Legislature and signed by Governor Schwarzenegger during the recently concluded legislative session. This article provides a summary of those bills. Assembly Constitutional Amendment 23, introduced on September 8, 2005 by Assemblyman Keith Richman, is also discussed here.

## SB 973 (Chapter 418) Domestic Partner Survivorship Rights

**Background:** Effective January 2000, the California Legislature enacted a measure to allow domestic partners to register their partnership with the Secretary of State. Initially the registration carried no legal rights or responsibilities.

Effective August 26, 2003, the Board of Supervisors adopted provisions of the County Employees Retirement Law extending survivor benefits to a LACERA member's domestic partner. The retirement provisions were limited to contributory plan members who had registered their domestic relationship with the Secretary of State at least one year before retirement (or prior to retirement if the member retired on a service-connected disability).

The California Legislature later enacted legislation (AB 205), that provided couples that are registered with the Secretary of State specific rights and responsibilities. AB 205 was effective January 1, 2005 and covered both LACERA contributory and noncontributory plan members.

Unfortunately, the above measures excluded LACERA members who had retired before the August 26, 2003 effective date for contributory plan members or the later AB 205 January 1, 2005 effective date for all members.

**What SB 973 does:** Effective January 1, 2006, SB 973 provides that upon the member's death a survivor's allowance may be paid to the domestic partners of some members who retired before the August 2003 and January 2005 effective dates mentioned above. It also allows some retired members to change the benefit option they selected at retirement. In order for a member's domestic partner to be covered by SB 973, certain requirements must be met:

- The member must have retired on or before January 1, 2006. (The January 1, 2006 date was selected because the domestic partner of a member retiring after that date is covered under the provisions of AB 205.)
- At the time the member elects to change his or her retirement option, the retired member and his or her domestic partner must be registered with the Secretary of State and provide the original Certificate of Registered Domestic Partnership to LACERA.
- The member and his or her domestic partner must sign an affidavit under penalty of perjury stating that at least one year prior to the member's retirement (or at retirement for a service-connected disability) the member and partner would have qualified to be registered with the Secretary of State as domestic partners.

- If at retirement the member elected one of the optional benefit settlements, his or her domestic partner must have been named as beneficiary.

If a member decides to change his or her retirement election, any adjustment in the retirement allowance will be made prospectively only. No adjustment is made in the member's allowance for the period from his or her retirement date to the date the member elects to change the retirement option.

A member who wishes to change his or her retirement election under SB 973 must do so before January 1, 2007.

SB 973 amends the Retirement Law without further action by the Board of Supervisors or the Board of Retirement.

## AB 538 (Chapter 63) Actuarial Valuation/Contribution Rate Adjustments

Current law requires that periodic actuarial valuations be conducted under the supervision of an actuary. Upon the basis of the valuation, the Board of Investments recommends to the Board of Supervisors any necessary changes in the contribution rates for the members and the employer. This bill authorizes the Board of Supervisors to adopt provisions that would require the Board of Investments to also recommend to the governing

Cont'd on pg. 5

## Spotlight on Retirement

**Do you have questions  
regarding your  
retirement benefits?**

Call the numbers below  
and speak with a  
Retirement Benefits Specialist.

**626-564-6132**  
**1-800-786-6464**

Visit our web site at:  
**www.lacera.com**

Email us: **welcome@lacera.com**

Fax: **626-564-6155**

**NOTE:** When contacting LACERA  
your Social Security  
number is the key to  
finding your records.

## 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 LACERA  
Management, Board of Retirement, or  
Board of Investments.

### Contributing Writers:

Barbara Gordon  
Cheryl Cahill  
Jan Barcus

### Copy Editors:

Jeannine Smart

### Design:

Courtney Cook

### Questions? Comments? Suggestions?

Email us at [welcome@lacera.com](mailto:welcome@lacera.com)  
or write to:

*Spotlight on Retirement*  
LACERA Communications  
PO Box 7060  
Pasadena, CA 91109-7060

*Alternate formats are available  
upon request.*

## Spotlight on Retirement

# LACERA Election Results Declared Official by the Board of Supervisors

**T**he results of the LACERA  
election (reported in the  
September issue) have been  
declared official by the Board of  
Supervisors, and congratulations are  
in order. The terms of the following  
new and re-elected Board members  
begin on January 1, 2006.  
Management and staff would like to  
welcome our newly elected board  
members and wish them a successful  
term.

### Board of Retirement

**Yves Chery** has been a LA County  
Deputy Probation Officer for over 16  
years. He is new to our LACERA  
board, and we look forward to  
working with him. We will post his  
bio online in January.

**William "Bill" de la Garza** retired  
from the Department of Parks and  
Recreation in 1991, concluding a  
notable 35-year career. His  
professional journey began as a part-  
time recreation leader and pool  
lifeguard for the LA City Schools and  
the Recreation Departments of the  
City and County of Los Angeles, and  
ultimately ended as Deputy Director  
of Parks and Recreation. Mr. de la  
Garza is also a past president of the  
Retired Employees of Los Angeles  
County (RELAC).

He was first elected to the Board of  
Retirement in 2003.

**Edward "Ed" C. Morris** brings  
substantial retirement knowledge and  
experience to the Board. His 38-year  
County career includes positions in  
the Offices of the County Auditor and  
County Treasurer. He was also a  
Division Manager at LACERA. Mr.  
Morris will serve as Alternate Retired  
Member on the board.

### Board of Investments

**Simon S. Russin** is a Chief  
Environmental Health Specialist for  
Los Angeles County. He has served  
LACERA on the Board of Retirement  
since 1983 and on the Board of  
Investments from 1985 through 2003,  
including elected positions such as  
Chair, Vice Chair, and Committee  
Chair (Board of Retirement), and  
Secretary (Board of Retirement and  
Board of Investments).

**Diane A. Sandoval** served as  
Manager of LACERA's Accounting  
Division and as President of the  
Retired Employees of Los Angeles  
County (RELAC). She has a thorough  
understanding of LACERA's finances  
and is new to our board.

You can read Board member bios  
online at [lacera.com](http://lacera.com). ▲

# STAR COLA Approved for 2006

On November 7, 2005, the Board of Retirement voted to approve funding for 2006 STAR COLA benefits for eligible retirees. The Supplemental Targeted Adjustment for Retirees (STAR) Program is designed to ease the effects of inflation for a retiree whose retirement allowance has lost more than 20% of its purchasing power since retirement. Therefore, only a small number of retirees are eligible to receive the 2006 STAR COLA. The chart below shows eligible retirees based on plan and retirement date.

Plan	Retirement Date	Percentage Increase
A	On or before 3/31/1981	0.1%
B, C, D	On or before 3/31/1986	2.4%
B, C, D	4/1/1986 through 3/31/1987	0.7%
B, C, D	4/1/1987 through 3/31/1988	0.6%

NOTE: Plan E members are not eligible for the STAR Program.

Eligible retirees will see the increase reflected on their January 31, 2006 checks. The 2006 STAR COLA is a permanent increase, which means that this increase will become part of the retiree's allowance for life. As such, this increase is included in the base allowance used to calculate future April 1st cost-of-living adjustments (COLA).

Each year, the Board of Retirement determines whether a STAR benefit is due to any LACERA retirees based on inflation experienced over their retirement years. Inflation is measured by increases in the Los Angeles-Riverside-Orange County, CA Consumer Price Index (CPI). The Board also determines whether the benefit should be an ad-hoc benefit (paid for one year only) or a permanent benefit (added to the base retirement allowance for the member's life). The total projected cost of the permanent 2006 STAR Program is approximately \$2.5 million. 

## 2006 Seminar Schedule

LACERA-SPONSORED  
LONG-TERM CARE PLAN  
UNDERWRITTEN BY  
METLIFE

January 11, 2006	July 12, 2006
February 8, 2006	August 9, 2006
March 8, 2006	September 13, 2006
April 12, 2006	October 11, 2006
May 10, 2006	November 8, 2006
June 14, 2006	December 13, 2006

### Location:

LACERA Building – Gateway Plaza  
300 N. Lake Avenue, Pasadena, CA  
First Floor, Workshop Room

### Seminar Reservations:

To make a reservation, please call  
1-800-207-9883

For information on the LACERA-Sponsored Long-Term Care Plan underwritten by MetLife, call  
1-800-207-9883. 

### Legislative Updates, cont'd from pg. 3

body of a district within the county that is not governed by the Board of Supervisors the changes in contribution rates.

This bill was sponsored by the Orange County Board of Supervisors. Some counties that operate under the County Employees Retirement Act administer the retirement benefits for large groups of members employed by local "outside districts." These districts are not governed by the Board of

Supervisors. AB 538 does not become effective until adopted by the Board of Supervisors.

### AB 1769 (Chapter 134) Mandatory Retirement Exemption

This bill authorized the Board of Supervisors to exempt the Fire Chief from mandatory retirement at age 60. AB 1769 was urgency legislation and became effective upon the Governor's

signature. The Board of Supervisors implemented the exemption on August 9, 2005.

### Pension Reform Legislation

In the last issue we reported that while pension reform efforts were not successful this year, we did not think the issue had died. No sooner had we gone to print than Assembly Constitutional Amendment 23 was

Cont'd on pg. 10

# Your LACERA-sponsored Medicare HMO Includes Automatic Part D Coverage

If you are enrolled in any of the following LACERA-sponsored Medicare HMO plans, you will be automatically enrolled in Medicare Part D effective, January 1, 2006; no action is required on your part. Your benefits should remain unchanged; we will advise you should there be any changes.

Kaiser Senior Advantage  
Secure Horizons  
CIGNA Health Care for Seniors,  
Arizona

The above three plans filed as Medicare HMO plans with Part D (MA-PD) coverage through the Centers for Medicare and Medicaid Services in compliance with the Medicare Modernization Act of 2003.

**Please beware of the tactics of vendors offering individual Medicare Part D plans.** If you are enrolled in any of the HMOs mentioned above and you choose not to be automatically enrolled in their automatic Part D (MA-PD) coverage,

you may jeopardize your LACERA-sponsored medical plan. Plus, this may cause a delay in reinstating your LACERA-sponsored medical plan, should you decide to switch back.

If you are enrolled in the SCAN Health plan, you should also ignore the Medicare Part D solicitations. You will continue to receive prescription drug coverage under the current plan. 

## COBRA Eligibility Reminder

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), dependents of LACERA retired members who no longer meet the eligibility requirements for LACERA's health care coverage may be eligible for continued benefits.

To be eligible, dependents must have experienced one of the following qualifying events while covered under a LACERA-sponsored medical plan:

- Divorce or legal separation of a spouse or eligible

domestic partner from a LACERA member

- Death of a LACERA member leaving a spouse or eligible domestic partner and dependents who are not eligible to receive monthly retirement benefits
- Dependent children who exceed the maximum age for the plan coverage

COBRA benefits can be continued for a maximum of 36 months. Eligible COBRA participants cannot be denied coverage based on their health status.

COBRA participants are responsible for paying their own premiums at the current COBRA rate, which includes a 2 percent administrative fee. Each year the COBRA rate is adjusted to reflect the actual cost of coverage. Participants electing to continue coverage must pay the full cost of that coverage.

Those eligible for COBRA benefits are responsible for notifying LACERA within 60 days from the date of any qualifying event listed above. For further information, please call LACERA's Insurance Services Section at 1-800-786-6464 and press 1. 

*“The secret of staying young is to live honestly, eat slowly, and lie about your age.” —Lucille Ball*

# “My LACERA,” It’s All About YOU!

Think of “My LACERA” as your personal online file cabinet for all things LACERA. Always locked, it’s a private place on [www.lacera.com](http://www.lacera.com) where all your personal information is neatly stored, and always accessible... to you, and you only. Your password serves as the key that unlocks your LACERA personal and financial information, including:

- **Membership Information**
- **Retirement Plan Information**
- **Annual Benefit Statement**
- **Recap of Your Recent LACERA Interactions**

“My LACERA” also allows you to enter a change of password and update your email address.

To register, log on to [www.lacera.com](http://www.lacera.com) and click on the “register here” bar at the bottom of the “My LACERA” icon. When registering, it will be helpful to have your most recent paycheck stub handy. Once you’re registered, you will only need to enter your email address and password to enter “My LACERA.”

*Your personal information... your secret password...  
your private access. “My LACERA” is all about you!*

## MY LACERA

YOUR OWN PERSONALIZED  
SPACE ON THE LACERA INTERNET  
Los Angeles County Employees Retirement Association

WELCOME TO My LACERA

Please sign in to your “My LACERA” web page

### REGISTERED USERS

If you are a registered member, please enter your Email Address and Password below, then press the Sign In Now button.

You have three attempts to sign-in to My LACERA account, after that you must call LACERA, and one of our Retirement Specialists will assist you with the process 1-800-786-6464.

Email Address:

Password:

**SIGN IN NOW**

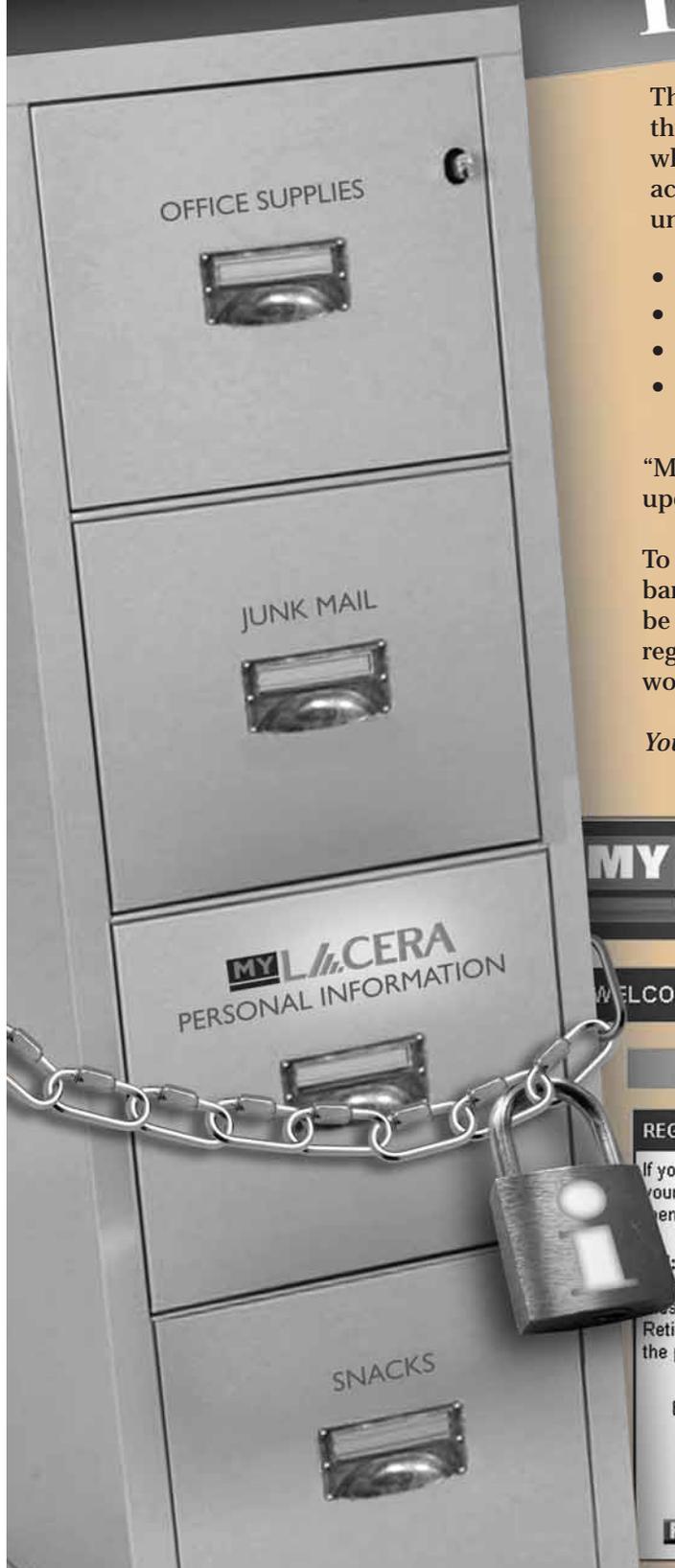
**FORGOT YOUR PASSWORD?**

### NEW USERS

**Welcome!** Register now to access your very own “My LACERA” page.

**FYI:** You will have two attempts to register, after that you must call LACERA, and one of our Retirement Specialists will assist you with the process 1-800-786-6464.

**REGISTER NOW**



# 2006 LACERA 2006

## Payday Planning Calendar

January						
S	M	T	W	T	F	S
1	H	3	4	5	6	7
8	9	10	11	12	13	14
15	H	17	18	19	20	21
22	23	24	25	26	27	28
29	M	D				

February						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	H	21	22	23	24	25
26	M	D				

March						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	M	D	

April						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	M	D	29
30						

May						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	H	M	D			

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	M	D	

July						
S	M	T	W	T	F	S
						1
2	3	H	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	M	29
30	D					

August						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	M	D		

September						
S	M	T	W	T	F	S
					1	2
3	H	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	M	D	30

October						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	H	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	M	D				

November						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	H	11
12	13	14	15	16	17	18
19	20	21	22	H	H	25
26	27	28	M	D		

December						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	H	26	27	M	D	30
31						

NOTES: **M** = CHECK MAILING DATE      **D** = DIRECT DEPOSIT DATE      **H** = HOLIDAY

---



---



---



---

Part D Creditable Coverage cont'd  
from pg. 1

## LACERA Remembers Jack Thomas and Edgar Twine

**R**ecently, two of our former Board members passed away. We are grateful for the opportunity that we had to interact with them and for their contribution to our association. They will be missed, but their legacies live on at LACERA.

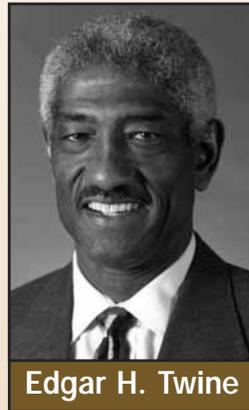


Jack M. Thomas

**Mr. Jack M. Thomas** served on the Board of Retirement for many years between 1989 and 1996. He was elected by members and appointed by

the Board of Supervisors. He also served as Vice Chair of the Board.

**Mr. Edgar H. Twine** was appointed by the Board of Supervisors to LACERA's Board of Retirement and served for many years between 1995 and 2004. He was elected Vice Chair of the Board in 1999 and 2003. 🏔️



Edgar H. Twine

sponsored coverage, **do not enroll in an individual Part D plan.** Doing so may jeopardize your LACERA-sponsored medical plan and, if you decide to switch back, may cause a delay in reinstating your LACERA-sponsored medical plan.

You have no doubt been swamped by offers from vendors offering individual Part D plans. Many of these solicitations are confusing and often misleading; therefore, we urge you to call LACERA before you respond to any mailing, telephone call, or solicitation regarding Part D plans. The Health Care Benefits Specialists at LACERA's Insurance Services Section at 1-800-786-6464 (press 1) are on hand to help you sort out all the Plan D information.

Additional information on Medicare prescription drug plans is available online at [www.medicare.gov](http://www.medicare.gov), or by calling the Centers for Medicare and Medicaid Services (CMS) at 1-800-633-4227. 🏔️

## *In fond Remembrance*

## Ventura Update

**L**ACERA is pleased to announce that LACERA's actuary is currently calculating benefit adjustments for eligible retirees, survivors, and beneficiaries. It is our highest priority to implement those adjustments as soon as possible.

Watch for your personalized letter regarding the recent Ventura settlement agreement. If you are eligible for an increase due to the settlement, your letter will include details about the adjustment to your monthly allowance and the payment of any retroactive benefit. 🏔️

## Have Health Questions? Call PacifiCare's 24-hour Nurse Line

PacifiCare and Secure Horizons plan members can get answers to health questions 24 hours a day. A licensed registered nurse can be reached anytime by calling PacifiCare's toll-free Nurse Line at **1-866-747-4325.** 🏔️

introduced by Assemblyman Keith Richman.

As you may recall, the pension reform measures introduced during the 2005 session would provide that all government employees hired after a specific date would be covered by a defined contribution plan. These measures were widely criticized because they did not include disability benefits for members injured on the job or death benefits for the families of fire fighters or law enforcement officers killed in the line of duty. Another concern expressed is that most government employees are not covered by Social Security. In many cases the defined benefit plan through their governmental employer is their only source of retirement income. Limiting new governmental employees to a defined contribution plan places their retirement security on the uncertainties of the investment markets. ACA 23, which proposes that employees be allowed to choose between a defined contribution plan and a hybrid retirement plan, addresses some of those concerns.

### ACA 23 California Public Employee Defined Contribution and Hybrid Plans

This measure would provide that on and after July 1, 2007, any person hired by a public agency is prohibited from enrolling in a Defined Benefit plan. New employees will be allowed to enroll in a Hybrid Plan or in a Defined Contribution plan. The bill provides that the employer would match the employee's contributions to the Defined Contribution Plan dollar for dollar up to 4% of the employee's base salary.

The Hybrid Plan consists of a defined benefit component that provides a benefit determined by a formula using age, service credit, and salary; and a defined contribution component. Contributions for the defined benefit component shall be shared equally by the employer and the employee. However, the employee contribution rate cannot be increased by more than two percent of salary in any year. The measure is not clear, but it appears that the same contribution limits as outlined for the Defined Contribution Plan would apply to the defined contribution component of the Hybrid Plan. Other characteristics of the Hybrid Plan are:

**Benefit formula:** The defined benefit component of the Hybrid Plan shall be based on the employee's highest three consecutive years' average salary and shall include the following benefit formulas:

- Employees eligible for Social Security (except public safety employees): One percent of highest average salary for each year of service.
- Employees not eligible for Social Security (except public safety employees): One and three-quarters percent of highest average salary for each year of service.
- Public safety employees: Two percent of highest average salary for each year of service. Public safety employees are defined as "a sworn officer or firefighter."

**Retirement Age:** An employee may not retire under the hybrid plan, except for disability, until he or she

has reached "normal retirement age" which is defined as:

- 55 years of age for public safety employees
- 65 years of age or the applicable retirement age under Social Security for all other employees

**Salary Defined:** Salary is defined as "an employee's base salary excluding overtime pay, shift differential, vacation pay, and all other additional payments or allowances.

Both the Defined Contribution Plan and the Hybrid Plan would provide death and disability benefits. The cost of these benefits would be paid by the employer. The level of benefits may be determined by a formula that may include age, service credit, or salary.

During a limited time period the measure would permit current participants of a public defined benefit plan to transfer a sum equal to the member's interest in the defined benefit plan to a defined contribution plan or hybrid plan. The bill does not specify how the "member's interest" is to be determined.

**Retiree Health Benefits:** The bill provides that employees hired on or after July 1, 2007, shall not be eligible for employer-paid retiree health benefits until he or she reaches normal retirement age and is retired. An exception is made for those who retire for disability.

**We understand that Assemblyman Richman is prepared to take his plan to the voters as an initiative if ACA 23 is not passed by the Legislature. //**

# Safe, Secure, and Even Easier Than Before Direct Deposit Is the Way to Go

**N**ow you can enroll in LACERA Direct Deposit by phone!

## Direct Deposits Are Automatic, Reliable, and Safe

With Direct Deposit, your money will be electronically deposited directly into your checking or savings account on the last business day of each month. Funds are available for access that same day. No hassle, no waiting, no guesswork... no problem!

The deposits (electronic fund transfers) are made regularly each month, like clockwork, without you ever having to fill out a deposit slip or stand in line at the bank. Your money is there and available, whether you're sitting in your living room or traveling the world. And there's never a risk of your check getting lost or stolen.

## Call to Enroll

Now you can enroll in Direct Deposit, or make changes to your

service, just by calling LACERA. For security purposes, our Retirement Benefits Specialists will ask you a series of questions to confirm your identity. Once your identity has been verified, you will be asked to provide your account number and bank routing number.

That's all you have to do; our Retirement Benefits Specialists will do the rest. It couldn't be easier, or more convenient.

Beginning with your first direct deposit, and each month thereafter, you will be mailed an Automatic Deposit Receipt (ADR), indicating the amount of your deposit, along with any deductions. The ADR will confirm the details of each deposit and serve as your "check stub."

## Enroll Today

Call LACERA at 1-800-786-6464 to enroll in Direct Deposit today.

If you prefer, you can still enroll in Direct Deposit by mail. Direct Deposit brochures and authorization forms can be printed from the Brochures & Forms page at [www.lacera.com](http://www.lacera.com).



## Did you know?

## DB/DC Plan Comparison

### Defined Benefit (DB) Plans

LACERA invests the funds and the *employer* bears the risk of adverse investment performance.

- Your retirement benefit is determined by your average pay, years of service credit, and age at retirement. You are NOT affected by the investment performance.

### Defined Contribution (DC) Plans

The *employee* makes the investment decisions and bears the risk of adverse investment performance.

- The employee's benefit amount is determined by the investment performance and amount of money contributed.

# Make a Difference in an Abused Child's Life Become a CASA Volunteer



**Y**ou can make a difference in an abused child's life, and you don't have to be a doctor, lawyer, or a social worker to do it. All you have to do is share your time and your heart.

CASA of Los Angeles is currently recruiting volunteers to become a Court Appointed Special Advocate (CASA) for children in the Los Angeles Dependency Court system.

The Dependency Court system is filled with children who have been removed from their homes and placed

in protective custody due to abuse or neglect. These foster kids desperately need volunteers to champion their best interests in court and in the community. The kids need volunteers like you!

## What does a CASA volunteer do?

Each CASA volunteer offers a child someone to trust and feel safe with during complex, and sometimes frightening, legal proceedings. The CASA explains complicated court hearings to the child, and supports him/her in court. The volunteer also listens to the child's desires and makes them known to the court.

## How to become a CASA:

The CASA of Los Angeles Office recruits, trains, supervises, and supports community volunteers to become CASAs. Volunteers must be able to make a one-year commitment to the program, undergo a thorough background check, successfully complete 36 hours of CASA training, and have approximately 5-6 hours available each week. Bilingual (Spanish/English) advocates are especially needed.

For more information, please call 323-526-6666 or visit [www.casala.org](http://www.casala.org). 

## Natural History Museum Seeks Volunteer Docents

**I**f you enjoy earth's creatures and cultures and love working with children, don't miss this opportunity. The Natural History Museum of Los Angeles County is seeking volunteers for its docent program. During the school year,

docents interact with school children in the Museum's science and history halls. Subjects to explore and share with children include dinosaurs, mammals, California history, gems and minerals, live Insect Zoo, and more. If you have one day per week

and want to experience the enthusiasm children bring to the museum, this program is for you. Our training class starts in January. For more information, call 213-763-3242. 

## December 2005 Spotlight Highlights

- ✓ 2006 Payday Calendar
- ✓ "My LACERA" on [www.lacera.com](http://www.lacera.com)
- ✓ Health Care Info & Tips
- ✓ Board Information

