

Spotlight on retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION ■ MARCH 2006 VOL. 17 NO 1

Deadline to Change Benefit Option under SB 973

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

SB 973, which became effective January 1, 2006, allows a survivor's allowance to be paid to the domestic partners of some members who retired before January 1, 2006. The law 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.)

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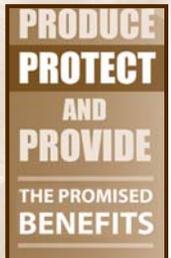
Security Is Serious Business at LACERA

LACERA's mission is to produce, PROTECT, and provide the promised benefits. An important aspect of this mission is protecting the privacy of our members and their beneficiaries, and the security of LACERA's operations.

When a caller to 1-800-786-6464 requests to access or change personal account information, the Call Center staff must validate the caller's identity before continuing the discussion. As part of this screening process, the Call Center Retirement Benefits Specialist will greet the caller by asking for the member's name, employee ID number, date of birth and last four digits of the member's social security number. This helps the staffer confirm the caller's identity before proceeding with any discussion of personal member information.

If the caller is requesting a change, the Retirement Benefits Specialist will ask additional security questions as an extra precaution before changing any vital member information.

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From the **EXECUTIVE DESK**

Marsha D. Richter—CEO, LACERA



I Think the R Stands For Relationship

As some of you know, I'm nearing the home stretch of my career. As the October finish line draws closer, I find myself reflecting on the enduring relationship LACERA builds with our members. The relationship begins the first day of the month after the individual's date of hire, is nurtured over the member's entire career, and extends throughout his or her retirement. Not even death ends the relationship; LACERA keeps the relationship alive through benefits paid to survivors and beneficiaries.

From the day each new member enters the LACERA family, we embrace him or her through the wealth of educational resources and service options we provide. Our series of educational Outreach Workshops educate and assist members in all stages of their career. LACERA New Member, Mid-Career, and Pre-Retirement Workshops provide valuable information to members regarding long-range retirement planning, and supply them with knowledge they can use to maximize their retirement, and position themselves to gain the greatest available advantage for themselves and their families.

We also nourish the relationship through ongoing communications, both print and electronic. In addition to mailing you this quarterly newsletter, producing annual reports, and an array of brochures and forms explaining our plans and services, we also maintain an extensive web site, www.lacera.com. Serving as a cyber-warehouse for all things LACERA, our web site provides you with secure 24-hour access to your personal membership information through "My LACERA," along with online calculators that provide instant estimates of your retirement allowance, as well as the costs of transferring plans, purchasing additional retirement credit, and monthly payments on a home loan. Our web site also serves as an online library for LACERA news, brochures, forms, and tons of other pertinent information.

Additionally, we cultivate the relationship by insuring our members receive the highest possible level of assistance and support. By applying the latest technology and innovative problem-solving strategies, we are able to continually expand and upgrade our member service options.

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2006 Legislative Updates

This year is a far cry from 2005 which was characterized by much more aggressive pension reform. Many of last year's bills sought to reduce benefits, stabilize employer contributions, or address other perceived issues of accountability. Most of those measures never gained momentum and have either failed completely or have been shelved for this two-year session.

An echo of last year's regulatory tone persists in 2006. One such measure (AB 1961) would require extensive auditing of CalPERS, but would not affect LACERA in its current language and thus is not detailed here. However, another proposal (ACA 23) would directly reduce benefits in the '37 Act systems. This bill is unlikely to gain traction although the author, Assemblyman Richman, currently plans to pursue it in the legislature. If ACA 23 fails in the legislature, Richman hopes to qualify a similar constitutional amendment as an initiative in 2008.

All of the other bills shown below would extend benefits in specified areas. The following is only a sample of the bills LACERA is currently tracking. These bills represent the California legislation most likely to affect the benefits of our plan members.

AB 2240 - ADDITIONAL RETIREMENT CREDIT - Currently the County Employees Retirement Law (CERL) authorizes the Los Angeles and Santa Barbara county boards of supervisors to adopt provisions that allow the counties' noncontributory plan members to purchase certain types of previous and other service. Under the current provision, the boards of supervisors cannot limit which types of eligible service the member may purchase. If the board wishes to adopt provisions covering one type of service, it must include all other previous service included in the governing provisions.

This bill would add a separate section to the CERL that would authorize Los Angeles and Santa Barbara county boards of supervisors to adopt provisions covering the purchase of Additional Retirement Credit (ARC) only. To receive ARC, the member must pay the full actuarial value of the additional retirement benefit received through the ARC purchase.

Author: Committee on Public Employees, Retirement and Social Security

Introduced: February 22, 2006

Sponsor: SACRS

Status: In Committee on Public Employees and Retirement

LACERA Position: Support (Insurance, Benefits, and Legislative Committee)

AB 2309 - DROP - The County Employees Retirement Law (CERL) authorizes a county board of supervisors to adopt an ordinance or resolution implementing a Deferred Retirement Option Program (DROP) for specified safety members within the retirement system.

The "specified" safety classifications covered by the DROP provisions are the probation, law enforcement and fire fighting series as defined by the CERL. This bill would authorize the Los Angeles County Board of Supervisors to limit a DROP program to a subset of those classifications. (Note: In Los Angeles County, only law enforcement and firefighting classifications are covered by DROP.)

Author: Negrete-McLeod

Introduced: February 22, 2006

Sponsor: SACRS

Status: In Committee on Public Employees and Retirement

LACERA Position: Oppose (Insurance, Benefits, and Legislative Committee)

AB 2366 - LIMITED EMPLOYMENT OF RETIREES - Under existing law, a retired member may not work more than 90 working days or 720 hours in a fiscal year or any other designated 12-month period. Existing law authorizes a board of supervisors to extend that reemployment period to permit a retired member to work up to 120 working days or 960 hours, whichever is greater, in a fiscal year or any other designated 12-month period. (Los Angeles County has adopted the extension to 120 days.)

This bill would authorize a retired member to work up to 12 months or 2,080 hours, whichever is greater, in a fiscal year or other designated 12-month period. This bill would additionally authorize a board of supervisors to extend by resolution that reemployment period for consecutive 12-month periods. As in current law, the member would continue to receive his or her full retirement allowance while employed.

Author: Runner

Introduced: February 23, 2006

Sponsor: Los Angeles County Sheriff's

cont'd on pg. 5

We believe in providing service to our members that is courteous, professional, and 100% accurate.

-LACERA staff and management

The R Stands For Relationship

cont'd from pg. 2

Regardless of technology, though, the relationship LACERA builds with you is personal. That's why our Retirement Benefits Specialists continue to provide members with personalized one-on-one service both by phone in the Call Center, and in person at the Public Counter. Members can always call or come in and speak with a helpful, patient and well-trained LACERA specialist. The personal connection remains alive and well at LACERA.

So, as I reflect upon what we do here, and why we do it... I really think the R in LACERA stands for relationships.

Security Is Serious Business at LACERA

cont'd from pg. 1

To protect our members' security, the Call Center will only provide member account information to the member or the survivor of the member, or to a representative of the member, provided the member is present and able to complete the identification process. Information cannot be provided to a member's spouse, relative, personnel representative, or other individual (with the exception of survivors) without the member's permission.

So, the next time you call the Call Center and a LACERA Retirement Benefits Specialist asks you several questions before assisting you... remember it's for your own protection.

Filing Out-Of-Network CIGNA Vision Claims

To be reimbursed for services from providers outside the CIGNA Vision Care network, enrollees (and/or their dependents) in a retiree vision plan must submit a reimbursement claim to CIGNA. No claim form is necessary for (in-network) services.

Out-of-network reimbursement claim forms may be obtained by calling CIGNA

Vision Care at 1-866-565-1540. To receive payment, mail the completed claim form, along with your receipt, to:

For services incurred before July 1, 2005:

CIGNA HealthCare Service Center
P.O. Box 188004
Chattanooga, TN 37422

For services incurred after July 1, 2005:

CIGNA VisionCare
P.O. Box 8056
Twinsburg, OH 44087-9967

A claim form with an Eye Med logo (CIGNA has partnered with Eye Med) is acceptable, provided it shows either of the addresses listed here.

Quote:

"If I knew I was going to live this long, I'd have taken better care of myself."

- Mickey Mantle

2006 Legislative Updates

cont'd from pg. 3

Status: In Assembly
LACERA Position: : Oppose
 (Insurance,
 Benefits, and
 Legislative
 Committee)

AB 2765 - SAFETY MEMBERSHIP/PROBATION OFFICERS - This bill would classify probation officers in Los Angeles County as safety members effective January 1, 2007. The requirement of a board of supervisor's resolution to classify probation officers as safety members would be deleted. This bill would require the county to include all probation officers as safety members, but would authorize those members to elect not to become safety members. This bill would provide that prior service as a probation officer shall be deemed safety service, at the employer's cost, as specified. The bill would provide that probation officers who are safety members shall be subject to retirement benefits applicable to existing safety members in Los Angeles County.

Author: Negrete-McLeod
Introduced: February 24, 2006
Status: In Assembly. Read first time.

LACERA Position: Watch (Insurance, Benefits, and Legislative Committee)

AB 2795 - RECIPROCITY - Current California retirement law extends reciprocal benefits to a member who terminates employment with a covered retirement system and within six months begins employment with a second covered retirement system.

This bill would amend the Public Employees Retirement Law (PERL) and the County Employees Retirement Law (CERL) to extend reciprocal benefits regardless of the length of time between employment with covered systems.

This bill is identical to AB 285 introduced in the 2003/2004 legislative session. AB 285 was also authored by Assembly Member Negrete-McLeod and sponsored by SEIU. It was held in the Appropriations Committee and did not pass the house.

Author: Negrete-McLeod
Introduced: February 24, 2006
Sponsor: San Bernardino Sheriff's
Status: In Assembly. Read first time.

LACERA Position: Oppose (Insurance, Benefits, and Legislative Committee)

AB 2863 - RETIREMENT EFFECTIVE DATE - Under existing law, a member of a county retirement system may retire after filing a written application with the board of retirement. Existing law requires the member to select an effective date of his or her retirement and this date may not be more than 60 days after the date the application is filed with the board. This bill would additionally provide that the effective date of a member's retirement may not be earlier than the date the application is filed with the board.

Author: Karnette
Introduced: February 24, 2006
Sponsor: SACRS
Status: In Assembly. Read first time.

LACERA Position: Watch (Insurance, Benefits, and Legislative Committee)

ACA 23 - REVISED BENEFIT FORMULA - This constitutional amendment would establish the California Public Employee Retirement Plan. The plan would consist of two components, a mandatory defined benefit plan and a voluntary defined contribution plan. Any person hired by a public agency as a new employee on and after July 1, 2007 shall become a member of the new plan.

The **defined benefit plan** would set normal retirement age at 55 for safety and 65, or the social security age, for all others. An employee may retire before the normal retirement age at an actuarially reduced rate. The normal retirement formula would be limited to 1 percent of final compensation for each year of service for general members covered by Social Security, 1.75 percent for general members not covered, and 2 percent for safety members. The highest final compensation would be calculated over a consecutive three-year period and would be determined by base salary only. Death and disability benefits are included in the plan and normal contributions would be paid equally by the employer and the employee.

In addition to the above defined benefit plan, the member may elect to participate in a **defined contribution plan**. The employer will match the employee's contributions up to 4 percent of the employee's salary. The distribution from the defined contribution plan would be based upon the total amount of contributions made by the employer and the employee, plus any earnings on the investments.

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LACERA Board Members and Management

Acclimated, Educated, and Stimulated at the Annual Offsite Meeting

Did you know that LACERA has procedures in place to assure you will continue to receive your monthly retirement allowance check, even in the face of a disaster? This so-called Doomsday Scenario, which sets out the designated contacts and the procedural steps to create the retiree payroll, was presented to our Board members and management in January, 2006 as part of a three-day offsite conference.

We believe the better informed our Boards and management, the better our members are served. Therefore, continuously educating our Board members and management remains a priority at LACERA. Having knowledgeable, judicious personnel at our helm promotes the long-term integrity of our fund, and insures we remain strategically positioned to produce, protect, and provide the promised benefits to our members now, and in the years ahead.

The annual conference included presentations by prominent experts on California legislation, medicine, investments, ethics, market trends in real estate investment trusts, and the global economy.

In addition, several members of LACERA management enlightened the Board members, as well as their fellow managers, with presentations on focal LACERA issues. Highlights of the program included:

LACERA Objectives and Goals:

Gregg Rademacher, Rob Hill

Our Assistant CEOs outlined key elements of the association's direction, which include fiduciary responsibility, growth, responsive and consistent quality service, the development and promotion of qualified staff, prudent investment and actuarial policies and practices, and the promotion and enhancement of LACERA benefits.

Doomsday Scenario:

Mike Tenney The "What if?" question was asked and answered, as Mike reviewed procedures from the Board Doomsday Manual. His presentation included contact information for the Board members to use to enable them to create the retiree payroll, and continue with other LACERA business in the event a disaster wipes out LACERA staff.

Investment Goals: Lisa Mazzocco

Our CIO reviewed staff goals for fiscal year 2006-2007, and updated the Boards and management on current progress. Investment staff responsibilities and objectives were outlined, and major investment accomplishments of the prior fiscal year were noted. The discussion also included a key policy review for all asset classes.

For information on additional seminars that was presented at the conference, and for photos and bios of the members of the Board of Retirement, and Board of Investments, and photos of the LACERA management who participated in this conference, visit www.lacera.com.



Acclimated
Educated
Stimulated

lacera.com

A Site to Behold!

Our new look is a site to behold!

Crisp, clean and even more user-friendly than before, our new home page incorporates visual and functional enhancements that make it easy to find and access the information you need. The new look begins with an eye-catching photo of LACERA headquarters standing tall against a backdrop of the San Gabriel Mountains... from there it's features and functions galore:

- Scrolling information ticker displays LACERA's hours and contact information
- Quick Links directory of links to popular sections within the site:



- Graphic icons link to different, commonly visited areas of interest:

Pre-Retirement Workshops
My LACERA
RFP & Career Opportunities
News & Articles
Web Tips

- The "News & Articles" section links to the latest information posted on the web site – documents and web pages
- Search – by keyword or by topic
- Link to ADA text version of web site



Visit www.lacera.com often. It's a 24-hour resource for all things LACERA, and a great way to keep abreast of retirement-related issues, along with other LACERA news.

We welcome your feedback on the web site. Email your thoughts to jsmart@lacera.com.

MEDICARE PART D COVERAGE:

What To Expect From Your Retiree Medical Plan

Retiree medical plans will continue to offer prescription drug coverage to Medicare-eligible members. Here's a breakdown of the Part D coverage in each retiree medical plan:

Blue Cross

Prescription drug coverage for members of Blue Cross I, II, III or the Prudent Buyer Plan remains unchanged. Most co-insurance, co-payments, and the prescription drug formulary will remain the same through (at least) June 30, 2006, the end of the plan year.

Medicare Advantage HMO

Kaiser Senior Advantage, Secure Horizons, and CIGNA Healthcare for

Seniors in Phoenix, Arizona have all enrolled their group plans into a Medicare HMO with Part D. This means that each of these HMOs will continue to provide Medicare Part D benefits to their members.

Prescription drug co-payments will remain unchanged at least through June 30, 2006, the end of this plan year. Some Medicare Advantage HMOs may change some of the drugs they cover to more closely match the Medicare Part D formulary.

In compliance with federal requirements, LACERA has determined that prescription drug coverage under each of these plans is on average, as good as, if

not better than an individual Medicare Part D plan.

To Continue Receiving Retiree Medical Coverage

To continue your prescription drug coverage through your retiree medical plan, do not enroll in an individual Medicare Part D plan.

Consequences of Enrolling in a Medicare Part D Plan

Enrolling in an individual Medicare Part D Plan, may jeopardize your retiree medical plan. In addition, if you decide to switch back, you may experience a delay in reinstating your retiree medical plan.

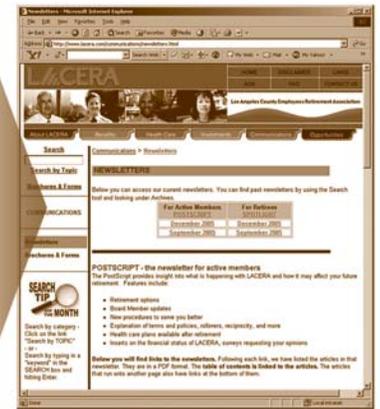
Spotlight is YOUR newsletter!

What additional topics would you like us to cover?

Did you know our past newsletters are online?



Spotlight is mailed quarterly.



Newsletters new and old are posted online, under Communications.

Please send your suggestions or other comments to:

LACERA Communications, P.O. Box 7060, Pasadena, CA 91109-7060, or email us at welcome@lacera.com

2006 Retiree Cost-of-Living Benefit Approved

On February 9th, the Board of Retirement approved a 2006 cost-of-living (COLA) adjustment for retirees and survivors, effective April 1, 2006. Members and eligible beneficiaries of Plans A, B, C, D, and E* will see an increase in their monthly allowances beginning with their April 30th check.

Plan A qualified members and eligible survivors will receive a 3 percent COLA increase. Qualified members and eligible survivors in Plans B, C, D and E will receive a 2 percent increase.*

California Government Code mandates

that each year, prior to April 1, the Board of Retirement will determine whether there has been an increase or decrease in the cost-of-living, as reflected in the Bureau of Labor Statistics Consumer Price Index (CPI).

The law also sets an annual maximum COLA increase for each plan. The maximum allowable increase for Plan A is 3 percent, the maximum allowed in Plans B, C, D and E is 2 percent.

The Bureau of Labor Statistics indicates the percentage change between the 2004 and 2005 CPI Indexes for All Urban Consumers for the Los Angeles-Anaheim-Riverside area is +4.5 percent. Since this change exceeds

each plan's maximum COLA, qualified members and eligible survivors in Plans A, B, C, D and E will receive the maximum COLA increase allowed in their respective plans.

COLA Accumulation

According to the law, the Board must accumulate the difference between the CPI Index percentage change and the maximum percentage allowable in each plan, and use it to supplement a future COLA benefit. The accumulated percentage carryover is known as the COLA accumulation.

Example of COLA Accumulation:

2006 CPI percentage change	4.5%
Plans B, C, D, E	maximum COLA 2.0%
To be added to 2006 COLA accumulation	difference 2.5%

Example of COLA Accumulation:

Retirement Dates	Plans	Maximum COLA	CPI Change	April, 2006 Addition to COLA Accumulation	COLA Accumulation As Of April, 2006
Prior to 4/1/81	A	3.0%	4.5%	1.5%	21.5%
4/1/81 – 3/31/82	A	3.0%	4.5%	1.5%	12.2%
4/1/82 – 3/31/83	A	3.0%	4.5%	1.5%	8.1%
4/1/83 – 3/31/84	A	3.0%	4.5%	1.5%	8.0%
4/1/84 – 3/31/85	A	3.0%	4.5%	1.5%	6.7%
4/1/85 – 3/31/86	A	3.0%	4.5%	1.5%	5.2%
4/1/86 – 3/31/87	A	3.0%	4.5%	1.5%	4.4%
4/1/87 – 3/31/88	A	3.0%	4.5%	1.5%	4.3%
4/1/88 – 3/31/05	A	3.0%	4.5%	1.5%	2.9%
4/1/05 – 3/31/06	A	3.0%	4.5%	1.5%	1.5%
4/1/77 – 3/31/88	B, C, D	2.0%	4.5%	2.5%	22.5%
4/1/88 – 3/31/89	B, C, D	2.0%	4.5%	2.5%	19.9%
4/1/89 – 3/31/90	B, C, D	2.0%	4.5%	2.5%	17.1%
4/1/90 – 3/31/91	B, C, D	2.0%	4.5%	2.5%	13.9%
4/1/91 – 3/31/92	B, C, D	2.0%	4.5%	2.5%	9.3%
4/1/92 – 3/31/00	B, C, D	2.0%	4.5%	2.5%	8.7%
4/1/00 – 3/31/01	B, C, D	2.0%	4.5%	2.5%	8.4%
4/1/01 – 3/31/02	B, C, D	2.0%	4.5%	2.5%	6.7%
4/1/02 – 3/31/03	B, C, D	2.0%	4.5%	2.5%	6.6%
4/1/03 – 3/31/05	B, C, D	2.0%	4.5%	2.5%	4.9%
4/1/05 – 3/31/06	B, C, D	2.0%	4.5%	2.5%	2.5%
6/4/02 – 3/31/03	E	2.0%	4.5%	2.5%	6.6%
4/1/03 – 3/31/05	E	2.0%	4.5%	2.5%	4.9%
4/1/05 – 3/31/06	E	2.0%	4.5%	2.5%	2.5%

(* see page 15)

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TAX TALK

Since April 15th is just around the corner, this is a good time to review a couple of items related to taxes. Please consult your own tax advisor for questions about your taxes and applicable tax laws; LACERA is unable to provide tax or legal advice.

Why You Receive A 1099R

The simple answer is, "because it's the law." 1099R forms are issued each year by January 31 in compliance with Internal Revenue Service regulations to report distributions from retirement

plans, pensions, annuities, etc. LACERA is required to send a 1099R to each recipient of a LACERA retirement allowance. These forms take the place of the W-2 you received as a County employee.

State Tax

If you are a California resident, your LACERA retirement allowance is subject to California state income tax.

Federal law prohibits states from taxing the retirement benefits of non-residents. Therefore, if you reside outside of California, LACERA does not

withhold tax from your retirement allowance. However, if you have other taxable income in California, you may elect to have LACERA withhold California taxes from your allowance.

You can change your tax withholdings at any time. Federal and California tax withholding forms are available in the Brochures & Forms section of www.lacera.com, or by calling LACERA at 1-800-786-6464.

Tax requirements vary from state to state. Your LACERA retirement income may be taxable in the state where you live.

Deadline to change benefit cont'd from pg. 1

- 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.

SB 973 provides a January 1, 2007 deadline for eligible members to change their retirement elections.

**If You Have A
Domestic Partner**

**And You Retired
Before 1/1/06**

**You May Be Eligible
To Change Your
Retirement Election**

**IF You Do It By
1/1/07**

Expanding Our Customer Service

For your convenience, our friendly and knowledgeable staff in the LACERA Call Center will assist you over the phone with some of your changes.



1-800-786-6464



- Beneficiary change
- Address change
- Name change
- Direct Deposit registration

Easy, Efficient, and Helpful!!! Call 1-800-786-6464

Please note: For your protection, you will be asked a few screening questions to verify your identity prior to discussing your personal information.

We're here to help you. Customer Service is #1.

Did You Know?

Defined Benefit (DB) Plans:

LACERA's COLA (cost-of-living) programs provide inflation protection.

- Whenever the increase in the Consumer Price Index for the prior year exceeds the maximum level allowable by their LACERA retirement plan, retirees and beneficiaries receive an annual COLA benefit.

Defined Contribution (DC) Plans:

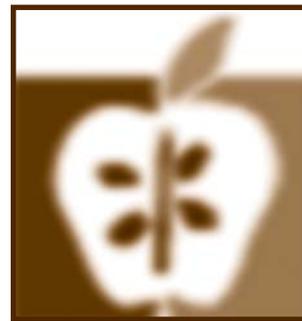
No cost-of-living program included.

- No protection against inflation.

SCAN Offers Standard Medical Benefits, Plus Extended Home Care Services

Senior Care Action Network (SCAN), a social health maintenance organization (SHMO), is available to eligible LACERA retirees and their dependents who are age 65 or older, and enrolled in Medicare Parts A and B. To be eligible for the plan, enrollees must live in one of the following counties:

- Los Angeles County
- Orange County
- Kern County
- Riverside County
- San Bernardino County



care services, medical transportation, eyeglasses, hearing aids, and dental benefits.

What type of coverage does SCAN provide?

SCAN offers a comprehensive senior health plan that includes routine physicals, hearing exams, and prescription drug coverage, plus the "safety net" of Extended Home Care Services including personal services such as bathing and feeding, housekeeper services, home delivered meals, emergency response, and adult day care.

SCAN also assigns a Personal

Care Planner® to work with members whose informal support systems are insufficient for them to remain independent.* Members can receive up to \$700 of these services each month, and their out-of-pocket costs will not exceed \$153 per month.

For more information call LACERA at 1-800-786-6464 or SCAN at 1-877-212-7654.

What is an SHMO?

An SHMO, as defined by the Centers for Medicare & Medicaid Services, is a special type of health plan that provides the full range of Medicare benefits offered by standard Medicare HMOs, plus other services, including: prescription drug and chronic care benefits, respite care, short-term nursing home care, homemaker and personal



An Ounce of Dark Chocolate a Day Just Might Keep the Doctor Away!

Prevention Magazine reports that people who ate a diet rich in cocoa powder and dark chocolate had lower oxidation levels of bad LDL cholesterol, higher blood antioxidant levels, and 4 percent higher levels of

good HDL cholesterol. A diet containing an ounce of dark chocolate a day could increase good cholesterol and prevent bad cholesterol from oxidizing, a process that may lead to heart disease. It may also help reduce blood pressure.

Source: Study by Penny Kris-Etherton, PhD, RD, professor of nutrition at Penn State University, as reported in *Prevention Magazine*.



Personal Care Planner® Organizes the appropriate care for each individual plan member	\$0 co-pay
Personal Care Assistance with bathing, dressing, eating, getting in and out of bed, moving about/walking, and grooming	\$8.50 per visit
Homemaker Services Light house cleaning, grocery shopping, laundry and meal preparation	\$8.50 per visit
Emergency Response System A personal device that alerts emergency medical personnel to provide immediate help	\$10 per month
Transportation Services Passenger vehicle, taxi or wheelchair van rides when needed to routine medical or vision appointments (unlimited rides per year)	No co-pay
Transportation Escort Accompanies a member to medical, vision or other necessary appointments to contracted providers	\$8.50 per visit
Home-Delivered Meals Nutritious meals delivered to member's home	\$2.00 per meal
Inpatient Custodial Care** Covers up to 14 days in a facility for custodial services such as assistance in walking, eating, bathing, and taking medicine. Medicare and other health plans will not pay for a stay in a facility if the services received are primarily for these purposes.	No co-pay
Caregiver Relief When regular caregiver is unavailable, member may receive: <ul style="list-style-type: none"> • An alternate caregiver visit to member's home • Adult Day Care relief to continue addressing the member's needs for physical, social or intellectual exercises and stimulation • Up to seven days in a facility*** 	\$8.50 per visit \$8.50 per visit No co-pay
Social Durable Medical Equipment (DME) Items not covered by Medicare, such as bath benches and grab bars to increase bathroom safety, and incontinence supplies (e.g., briefs and pads)	No co-pay

*Independent Living Power® services are provided to qualified members who meet California State Nursing Home Certifiable criteria following enrollment in SCAN.

**Inpatient Custodial Care is provided when your needs exceed the type and amount of care that can be reasonably provided at home. Initial coverage is limited to 14 days of consecutive or nonconsecutive inpatient custodial care. After the initial 14-day benefit is exhausted, you will not become eligible again until at least 60 consecutive days have elapsed since you last received inpatient custodial care.

***There is a lifetime limit of \$15,000 for all inpatient custodial care, including caregiver relief provided at an institution.

Exercise Has Healing Effects

AARP's February, 2006 Online Bulletin reports that exercise helps speed the healing of skin wounds on older adults. In a study of 28 men and women ages 55 to 77 who received small puncture

wounds on their arms, researchers found those who exercised regularly healed, on average, 10 days earlier than those who did not exercise. Findings suggest that a brisk 30-to-40-minute walk three times a week may help speed

healing, and enhance immune response.

Source: Study at Ohio State University, as reported in the November 2005 *Journal of Gerontology: Medical Science*



About Those Abbreviations on Your LACERA Check Stub

Ever wondered just what all those abbreviations listed under “Allowances” on your monthly retirement check mean?

The abbreviations are codes that represent income and allowances reflected in your retirement check. Some of the most common abbreviations include:

1 AR-NTXBL = Annuity Non-taxable

This portion of your allowance is **not taxable**. It represents after-tax contributions; in other words, you have already paid taxes on this amount. After-tax contributions may be contributions you made before August 1, 1983 or after-tax payments you made to purchase service credit.

2 AR-TXBL = Annuity Taxable

This portion of your allowance is **taxable**. It represents before-tax contributions; in other words, you have not paid taxes on this amount yet. Before-tax contributions may include contributions you made since August 1, 1983 or before-tax payments you made for a plan transfer or to purchase service credit.

3 PEN RES = Pension Reserve

This portion of your allowance is taxable. It is derived from contributions made by the County or district.

4 COLA = Cost-of-Living Adjustment

Represents the accumulated cost-of-living increase granted by the Board of Retirement each April 1. Once granted, the dollar amount is permanent and cumulative.

Contributory plan members (Plans A, B, C, or D) and Plan E members who earned service credit on and after June 4, 2002 are eligible to receive the April 1 COLA.

5 STAR COLA = Supplemental Targeted Adjustment for Retirees

Represents the cost-of-living benefit granted by the Board of Retirement on January 1 for those members who have lost more than 20 percent of the value of their retirement allowance to inflation. STAR COLA program benefits currently received by retirees and beneficiaries are vested. However, additional STAR program benefits that may result from future inflation are not vested, and may or may not be granted by the Board of Retirement.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION					
Statement of Earnings and Deductions					
YOUR NAME					
Retain For Your Records					
Reference No.	Payment Type	Issue Date	Social Security Number		
	DISAB RET	02/28/06			
Total Gross YTD	Total Taxable YTD	Total Non-Taxable YTD			
6,590.96		6,590.96			
Federal Withholding			California State Withholding		
Tax Withholding Status	Exemptions	Additional Withheld	Tax Withholding Status	Exemptions	Additional Withheld
EXEMPT			EXEMPT		

	Allowances	Current	Deductions		
			Taxes / Deductions	Current	Year-to-Date
1	AR - NTXBL	75.77	502 DEN/VS	9.86	19.
2	AR - TXBL	433.79	802 L-1014	151.87	303.
3	COLA	934.91	1014 DUES	1.00	2.
4	PEN RES	1,851.01			
5	STAR COLA	33.79			
Total Allowances		3,295.48	Total Deductions	162.73	Net Pay
					3,132.75

If Your Dependent Is No Longer Eligible For Retiree Health Care Coverage

It is your responsibility to promptly notify LACERA if your dependent is no longer eligible for retiree health care coverage.

To ensure that the County and/or you do not pay premiums for ineligible dependent(s), you must notify LACERA in writing within 30 days of any of the following changes in family status:

- Death of a dependent
- Divorce, a legal separation, or dissolution of a Domestic Partnership

- Dependent children exceeding the maximum age, or becoming married

Some dependents who are no longer eligible for retiree medical plans may qualify for continuation coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

For details, visit www.lacera.com or contact LACERA's Insurance Services Section at 1-800-786-6464, press 1.

2006 Legislative Update

cont'd from pg. 5

Author: Richman
Introduced: September 8, 2005
Last Amended: January 30, 2006
Status: In Committee on Public Employees and Retirement

LACERA Position: Actively Oppose

SB 1263 - TAX LAW/LONG TERM-CARE -

This bill would provide that in the tax year beginning on January 1, 2007, taxpayers will be allowed to take a state tax deduction for long-term care insurance premiums. The allowable deduction for 2007 is 25 percent and increases 15 percent each year until the allowable deduction is 100 percent of the premium for the tax year beginning 2012.

Author: Alquist
Introduced: February 9, 2006
Status: In Committee on Revenue and Taxation

Your Call Center Staff— The Faces Behind the Voices

When you call LACERA, these are the friendly and knowledgeable people who assist you over the phone. They can provide answers to your retirement-related questions. To speak with one of these Retirement Benefits Specialists, call 1-800-786-6464.



2006 Retiree Cost-of-Living cont'd from pg. 9

*Plan E COLA increases apply only to service credit earned after June 4, 2002. Plan E members who retired after June 4, 2002 will receive up to a 2% COLA increase. The portion of the 2% COLA is based upon a ratio defined as the months of service earned after June 4, 2002, divided by the total months of service.

LACERA
 Los Angeles County
 Employees Retirement
 Association

March 2006 Spotlight Highlights

- Cost-of-Living
- SB 973
- Board/Manager Offsite
- Call Center Services
- Health Care Info



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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.

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Note:

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