



Spotlight on retirement

JUNE 2010 • VOL. 21, NO. 2



Update on Health Care Reform

The Patient Protection and Affordable Care Act (PPACA), also known as "health care reform," was signed into law by President Obama on March 23, 2010. LACERA recognizes many of our members have questions about how this law will affect the LACERA Retiree Health Care Benefits Program. At this point it's difficult to gauge the exact impact, since many provisions will not become effective for a few years. LACERA's staff continues to actively monitor the legislation and carefully review its potential impact on LACERA's health care benefit plans.

According to the PPACA timeline, the following changes will take effect

in the plan year that begins after September 30, 2010. **For LACERA-administered health plans, these changes will take effect on July 1, 2011 (the next plan year):**

- Eligible dependent children will be eligible for coverage until their 26th birthday, as long as they don't have access to other coverage through their employers. This applies regardless of whether they're employed, married, or a full-time student.
- The plans will remove caps on lifetime limits on most benefits,

and some changes may be made to annual dollar maximums on certain benefits.

- There will be some changes to Medicare that will require claims for covered services to be filed within twelve months from the date of the service.

Your LACERA-administered retiree health care benefits will continue and there are no changes at this point. We will update you as further regulations and policies are developed.

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-administered 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-administered medical plan:

- Divorce or legal separation of a spouse or eligible domestic partner from a retired LACERA member
- Death of a LACERA retiree,

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From the
Executive Desk

Gregg Rademacher – CEO, LACERA



Behind the Scenes at LACERA

To many folks, especially retirees, LACERA is synonymous with retirement. Many of them may think of us solely as the people who pay their retirement allowances. However, it's important to understand our work begins long before a member even considers retirement. We work on our members' behalf throughout their active careers, as well as their retirements. Our work for them continues even after they are gone... through the eventual payment of survivor benefits.

We think of ourselves as the guardians of our members' futures — *of your future.* So, to help you get a better idea of who we are and what we do, I invite you join me on a behind-the-scenes "tour" of your retirement association.

Divisions

LACERA is comprised of 15 divisions representing a broad range of business and professional disciplines:

Administrative Services, Claims Processing, Communications, Disability Retirement Services, Disability Litigation, Executive, Financial & Accounting Services, Human Resources, Internal Audit, Investments, Legal, Member Services, Quality Assurance & Metrics, Retiree Health Care, and Systems.

"We are the guardians of our members' futures — *of your future.*"

Hundreds of Dedicated Employees

The broad range of services we provide requires the expertise of each of these disciplines and the dedication of the people who staff them. While the Retirement Benefits Specialists at our public counter, our workshops, and in our Call Center are "visible" to our members, the vast majority of our staff works behind the scenes.

They include our Investment experts who, under the supervision of the Board of Investments (BOI), grow the Fund, manage the portfolio, scrutinize the work of external investment managers, and safeguard the integrity of the Fund... while the Financial & Accounting Services specialists administer LACERA's fiscal operations and prepare its financial reports. Among the many services provided by our Legal Office is the monitoring of securities fraud class actions and the active pursuit to recover LACERA losses. Through Legal's efforts, LACERA has recovered more than \$40 million for the Fund.

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Inside My LACERA

See your **Beneficiary information** on My LACERA:

- Name of beneficiary(ies)
- Relation of beneficiary to you
- Address of beneficiary

Want to change your Beneficiary?

You can download a Beneficiary Designation Form from My LACERA.

Sign in to My LACERA on lacera.com.

Connect with your personal retirement network on My LACERA.



COBRA cont'd from pg. 1

leaving a surviving spouse or eligible domestic partner and dependents that are not eligible to receive monthly retirement benefits

- Dependent children who exceed the maximum age for the plan coverage

COBRA benefits may be continued for a maximum of 36 months. Dependents eligible for COBRA 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 two percent administrative fee. Each year the COBRA rate is adjusted to reflect the actual cost of coverage.

Those eligible for COBRA benefits must notify LACERA **within 60 days from the date of any qualifying event.** For questions, call LACERA's Retiree Health Care section at 1-800-786-6464 and press 1 or call 626-564-6132.

You may also email Retiree Health Care at: healthcare@lacera.com.

From the Executive Desk cont'd from pg. 2

Our Claims Processing specialists adeptly handle the processing of the promised benefits. It falls to Internal Audit to oversee our risk management and governance processes, while our Quality Assurance specialists ensure the benefits are accurately administered. Budget preparation, along with the intake, processing, output, mailing, and storage of documents is efficiently handled by our Administrative Services personnel. (In a typical year, LACERA processes between 350,000 and 400,000 pieces of incoming and outgoing mail.)

Our vast computer network, web sites, hardware, software, and electronic business operations are skillfully maintained and supported by our Systems Division. Our Systems programmers, analysts, and technicians continuously monitor the technology market and recommend and install new products to enhance our operations. They are the people who keep us up and running, and

protect the security of our network.

Applications for disability retirement are processed and thoroughly investigated by our Disability Retirement Services Division. When necessary, the cases are litigated by our Disability Litigation Division.

Our Human Resources analysts manage staff recruitment and arrange training classes for LACERA personnel.

The specialists in our Retiree Health Care Division administer a Health Care Benefits Program that provides medical and dental/vision benefits for more than 40,000 retirees, survivors, and their eligible dependents. The Program is provided under an agreement with the County of Los Angeles.

This newsletter is brought to you by the professionals in our Communications Division. Communications is also responsible for our web development and content,

and creation and production of all our printed materials.

Our Boards

LACERA is governed by two Boards: the Board of Retirement (BOR) is responsible for the overall management of the retirement system; the BOI is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment management of the Fund.

The BOR delegates the day-to-day management and operation of LACERA to its CEO. LACERA also has two Assistant Executive Officers.

So next time you think of LACERA, think of the more than three-hundred LACERA employees and the cadre of board members who work behind the scenes each day to protect your future.

STAYING HEALTHY TOGETHER

Vol. 4, Issue #2 • June 2010

Blue Zones: Where People Really Stay Healthy Together

The best examples of staying healthy together and aging gracefully are provided by the inhabitants of the world's Blue Zones. Blue Zones are regions of the world identified by scientists as areas where people live past age 100 at rates ten times greater than in the United States.

Blue Zones have been identified in Italy, Greece, Costa Rica, Japan, and yes... there's one in the United States. (Residents of the sole American Blue Zone live four years longer than people in neighboring areas.)

After examining cultural and lifestyle factors associated with each Blue Zone, explorer Dan Buettner identified several characteristics held in common by Blue Zone inhabitants. He distilled his findings into a list of nine healthy behaviors and coined the list "The Power 9." *How many of those behaviors do you possess?*

Last year, using information gained from his Blue Zone research, Buettner, in partnership with AARP and the United Health Foundation, set out to create America's healthiest hometown. The project, named Project Vitality, created a blueprint for adding 10,000 years of healthy life to the residents of a town in America. Albert Lea, Minnesota was selected as the Project Vitality pilot site.

Over a span of five months in 2009, the city of Albert Lea completely revitalized itself. Residents improved their health, energized their bodies and spirits, and renewed their zest for life. Theirs is a story of motivation, inspiration, community... and celebration.

To find out how Albert Lea did it and to read about the residents' individual success stories, read the article titled The Vitality Project in the **Health Care, Staying**

Healthy Together section of [lacera.com](#). For more on the world's Blue Zones, read the Blue Zones article in the same section of [lacera.com](#).



The **POWER9**

Healthy behaviors of people living in Blue Zones:

- 1 Keep Moving**
Find ways to move naturally, such as walking, gardening, and using fewer labor-saving devices.
- 2 Find Purpose**
And pursue it with passion.
- 3 Slow Down**
Work less, rest, take vacations.
- 4 Reduce Calories**
Stop eating when you're 80 percent full.
- 5 Dine on Plants**
Eat more veggies, less meat and processed foods.
- 6 Drink Red Wine**
Do it consistently, but in moderation.
- 7 Join a Group**
Create a healthy social network.
- 8 Feed Your Soul**
Engage in spiritual activities.
- 9 Love Your Tribe**
Make family a high priority.

Staying Healthy Together Workshops

Focus on Aging Gracefully

In April, LACERA's *Staying Healthy Together: Focus on Wellness* program completed its seventh and best-attended, set of workshops in Diamond Bar and Burbank.

Our spring Aging Gracefully workshops featured interactive booths and demonstrations presented by LACERA's health care carriers on a range of topics:

- Blood pressure screenings
- Physical fitness
- Memory exercises and games
- Dental and vision care tips
- Stress reduction techniques
- Prescription drug and supplement information

Each workshop featured presentations focused on different aspects of Aging Gracefully, this year's Staying Healthy Together theme.

The Diamond Bar workshop featured presentations on:

- Conditions that cause loss of vision, hearing, and memory, along with helpful tips on dealing with these conditions.

- The importance of intimacy and relationship health in our lives.

Presentations at the Burbank workshop discussed:

- The endocrine system and what we can do to help keep it healthy.
- Tips and strategies for improving and maintaining the health of our memory.

A special thank you to the LACERA members who made our spring Staying Healthy Together workshops successful. Our fall workshops will continue to focus on Aging Gracefully through presentations and demonstrations geared toward Navigating Our Changing World. Watch your mailbox this summer for details on our fall workshops.

Visit the Staying Healthy Together section of lacera.com for additional information, previous Staying Healthy Together topics, and links to great (exercise, nutrition, recreation, volunteerism, etc.) health and civic resources.

Let's all Stay Healthy Together!

Attendees' Thoughts on the Workshops...

"It was nice to participate in the demonstrations! It really helped me learn the information faster."

"The presentations covered interesting topics and information. There was something for everyone."

Word Search

Here's a fun puzzle to keep your mind sharp. Find the hidden words; answers appear horizontally, vertically, diagonally, and read in any direction. Most of the words are related to Aging Gracefully, but you'll find a few retirement-related words (mentioned in various articles within this issue) mixed in, too.

A	G	R	K	R	O	A	O	F	C	A	C
L	I	T	O	P	E	Y	B	L	W	R	O
E	I	R	R	E	N	R	N	A	A	B	P
L	A	L	L	O	W	A	N	C	E	O	U
T	N	E	M	E	R	I	T	E	R	C	R
C	M	E	D	N	K	C	O	R	L	L	P
A	I	N	R	O	F	I	L	A	C	B	O
I	I	A	G	G	U	F	A	Z	I	B	S
M	Y	L	L	U	F	E	C	A	R	G	E
A	D	U	M	I	N	N	E	S	O	T	A
A	O	O	B	L	U	E	Z	O	N	E	W
S	B	F	E	B	N	B	E	L	E	R	L

BODY
BLUEZONE
ALLOWANCE
COBRA
GRACEFULLY
PURPOSE
BENEFICIARY
MIND
MINNESOTA
LACERA
RETIREMENT
SOUL
OKINAWA
CALIFORNIA



ANSWERS ONLINE
 Visit lacera.com,
 Newsletters

Keeping Your Beneficiary Information Current

Every active employee who transitions to retirement completes a LACERA Beneficiary Designation Form in conjunction with the election of a Retirement Option. The form designates who will receive your survivor benefits after you're gone. It's part of the retirement process.

So if it's been a while since you retired, it's a good idea to **make sure LACERA has the most current contact information on your designated beneficiary(ies)**. This will be helpful to LACERA — and your beneficiary — when the time comes for LACERA to pay survivor benefits on your behalf.

If you have any minor children (including adoptions), it's also important to submit their original certified birth certificates to LACERA to keep on file. (LACERA will image the document and return it to you.) This will ensure LACERA is aware of any minor children who could become eligible for benefits.*

Where to Find Your Beneficiary Information

You can view your beneficiary information online on My LACERA. The information also appears on the Annual Benefit Statement (ABS) LACERA mails you each year in the

month following your birthday. You can make changes to the beneficiary information on your ABS and mail the corrected page to LACERA in the provided return envelope.

Want to Change Your Beneficiary Info?

- Call LACERA at 1-800-786-6464 to change by phone
- Get the form on the Brochures & Forms page of lacera.com

Changing Beneficiaries Only Option 1 (not available in Plan E) offers full flexibility to change your beneficiary at any time. This is because Option 1 provides any named beneficiary with a lump-sum benefit (equal to the remaining balance of the member's accumulated contributions), rather than a monthly survivor allowance. The beneficiary is only paid in the event the total retirement allowance received by the member during his or her retirement did not equal or exceed the member's accumulated retirement contributions. Since

this Option does not provide a continuing allowance, the age of the parties is not a factor.

Most Retirement Options offered by LACERA retirement plans do not permit you to change your beneficiary after retirement. This is because most of the Options (Unmodified+Plus and Options 2, 3, and 4) provide a reduced Unmodified allowance during the member's lifetime and a percentage of that allowance to the eligible beneficiary upon the member's death. At retirement, LACERA's actuaries use both the age of the member and the designated beneficiary in calculating the amount of the reduction to the member's allowance.

Exceptions

Under the **Unmodified Option**, a retired member may name a new beneficiary if his or her eligible spouse or domestic partner predeceases him or her. In such case, the new beneficiary will receive any remaining portion of the member's accumulated contributions. The new beneficiary will not be eligible for a continuing allowance.

*Surviving minor child(ren) are eligible for survivor allowances only when there is no surviving spouse or domestic partner. Survivor allowances to an eligible minor child continue until the child is no longer eligible.

Member Stats

- There are 53,069 LACERA retirees*
- Unmodified was their most often selected Retirement Option
- Option 4 was their least often selected Retirement Option

*As reported in LACERA's 2009 Comprehensive Annual Financial Report.

Did You Know

Defined Benefit (DB) Plans

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

Defined Contribution (DC) Plans

- **Employee** decides how to invest the funds and **bears the risk** of adverse investment performance.

Annual Health Care Packet Mailing

The 2010-2011 Annual Retiree Health Care Packet, which contains the Annual Health Care Letter and other valuable information regarding your LACERA-administered health care plans, was mailed at the end of May. Please take a few minutes to look it over and review your coverage. **No action on your part is necessary unless you want to make changes to your current enrollment in a LACERA-administered health plan.**

If you have not received your packet, contact the Retiree Health

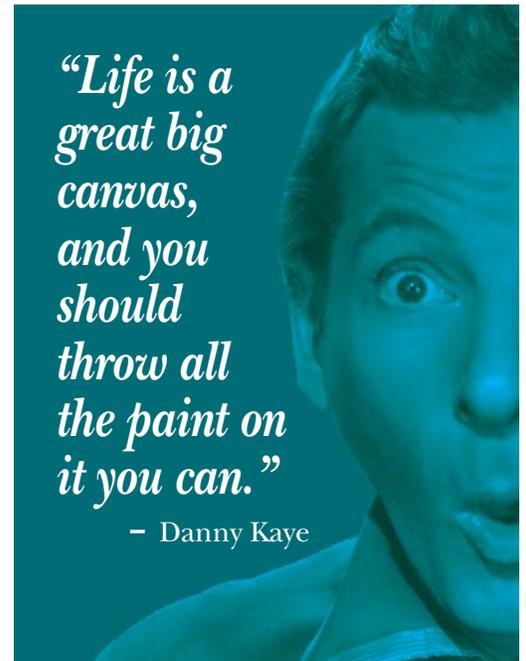
Care Division by calling either 1-800-786-6464 (“press 1” when prompted) or 626-564-6132.

You may also contact us via email at healthcare@lacera.com.

Note: If you are enrolled in a LACERA-administered Kaiser Permanente plan outside of California, you will receive an out-of-state rate booklet from LACERA in an additional mailing. Plan changes and rates are determined by the Kaiser Permanente region in which you reside.

“Life is a great big canvas, and you should throw all the paint on it you can.”

– Danny Kaye



LACERA Takes Its Daughters and Sons to Work

A group of LACERA offspring ages 8-12 spent April 22nd at LACERA in celebration of Take Your Daughters and Sons to Work Day.

This year’s theme of 1 youth + 1 dream = 2morrow’s leader encouraged the kids to follow their dreams and believe in their abilities to achieve success. With that in mind, the kids “worked” their way through various LACERA divisions, learning, participating, and having fun as they went.

Our Investments Division explained the importance of saving money

and offered tips on how to save. The kids participated in several mind-challenging (and fun, of course) games throughout the day, including a round of “Are You Smarter than an Attorney” hosted by our Legal and Disability Litigation Divisions and math-oriented games led by our Financial & Accounting Services Division. Our Communications and Human Resources Divisions (HR) gave LACERA’s next generation opportunities to express their creative sides. In Communications, the kids created a take-home book filled with their original artwork and writing

samples; they also tapped into their artistic talents in HR by creating a collage depicting what they wanted to be when they grow up.

Perhaps the most popular activities of the day (not including the ice-cream break) were the hip-hop dance class, American Idol karaoke session, and the up-close and personal visit with a deputy from the Sheriff Department’s Canine Unit and his four-legged partner.

The kids were unanimous; a day at LACERA was much better than a day at school!

Upcoming Holidays

LACERA will be closed **Monday, July 5** in observance of Independence Day and **Monday, September 6** for Labor Day.



1-800-786-6464



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Spotlight_{on retirement}
FEATURED ARTICLE:
*Keeping Your
Beneficiary
Information Current*

ALSO: Update on Health Care Reform, Inside My LACERA, Staying Healthy Together, and more!

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Email: welcome@lacera.com **Ask LACERA:** Get instant answers to general questions. Find it on lacera.com.