

Spotlight on retirement

SEPTEMBER 2010 • VOL. 21, NO. 3



New Survivor Brochure: A Simplified Guide through the Benefit Process

We understand that a time of loss is a difficult and emotional period. To guide and assist survivors of LACERA members through the benefit process, we created a new Survivor brochure.

Our *Q&A: Survivor & Death Benefits* brochure provides straightforward answers to questions that commonly arise following the death of a member. Presented in an easy-to-read Q&A format, the brochure features a separate section on retiree deaths and **explains how to initiate the LACERA benefit**

process and expedite the payment of applicable benefits.

Be Prepared – Order a Survivor & Death Benefits Information Card

Recently, we also introduced a Survivor & Death Benefits Information Card that **summarizes what to do when a member dies**. Designed to be kept for future reference, the card lists important phone numbers and provides an area to enter member information. The Survivor & Death Benefits Information Card is

intended to assist your beneficiary in initiating the survivor benefit application process.

TIP: Keep your Survivor & Death Benefits Information Card with your other important documents, such as marriage or domestic partner certificate, birth certificate, divorce papers, etc.

The Survivor Brochure and the Survivor & Death Benefits Information Card are available on the Brochures & Forms page of lacera.com or by calling 1-800-786-6464.

LACERA Welcomes Marvin Adams to the BOR

We congratulate Marvin Adams on his recent appointment to the Board of Retirement (BOR).

Mr. Adams brings broad experience to his new position. As a public employee, he held a number of positions with the City of Los Angeles over a 26-year period. Additionally, Mr. Adams

was actively involved with the Service Employees International Union (SEIU) throughout his career. His positions at the SEIU included Field Representative, Business Representative, and Committee Chairperson. Mr. Adams also served two years as a Board Commissioner for the Los Angeles City Employees Retirement System.

IN THIS ISSUE:

- 2 From The Executive Desk
- 3 Legislative Update
- 4 Staying Healthy Together
- 5 Inside My LACERA
- 6 Frequently Asked Questions
- 6 Divorce Affects Survivor Health Care
- 6 Did You Know
- 7 Things to Know

Los Angeles County Employees Retirement Association

Members of the Board of Retirement:

LES ROBBINS

Chair
Appointed by the Board of Supervisors

SIMON S. RUSSIN

Vice Chair
Elected by General Members

YVES CHERY

Secretary
Elected by General Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

MARVIN ADAMS

Appointed by the Board of Supervisors

EDWARD L. BLECKSMITH

Appointed by the Board of Supervisors

WILLIAM DE LA GARZA

Elected by Retired Members

EDWARD "ED" C. MORRIS

Alternate Member
Elected by Retired Members

WILLIAM R. PRYOR

Elected by Safety Members

Members of the Board of Investments:

HERMAN SANTOS

Chair
Elected by General Members

JOHN M. BARGER

Vice Chair
Appointed by the Board of Supervisors

DIANE A. SANDOVAL

Secretary
Elected by Retired Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

WILLIAM R. PRYOR

Elected by Safety Members

SIMON S. RUSSIN

Elected by General Members

MICHAEL S. SCHNEIDER

Appointed by the Board of Supervisors

LEONARD UNGER

Appointed by the Board of Supervisors

ESTEVAN R. VALENZUELA

Appointed by the Board of Supervisors

Chief Executive Officer

GREGG RADEMACHER

Assistant Executive Officer

ROBERT HILL

Assistant Executive Officer

JANICE GOLDEN

From the **Executive Desk**

Gregg Rademacher – CEO, LACERA



Providing You with Information You Need to Make Wise Decisions

When you were an active employee, we kept you informed on strategies designed to maximize your retirement. Now that you're retired and enjoying the benefits you worked to achieve, **we're committed to keeping you informed about issues that may affect you as a retiree.**

One of the ways we accomplish this is through our newsletters. Much of the information we present in the *Spotlight* is intended to give you information you can use to make wise choices and get the most from your retirement.

So, you may be wondering, how do we decide on the topics we cover in each newsletter? Actually, topics are determined through a variety of methods.

Some topics become obvious choices as the issue deadline approaches. For example, if there's been a recent legislative change that affects benefits, or a change in a LACERA procedure, or we introduce a new service option, naturally, we make sure we address those issues in the next newsletter. From time-to-time, I and/or a member of my executive staff or other LACERA staff members will suggest a topic. We also monitor member inquiries that come through our Call Center and public counter. If we see a trend, we make sure we address the current "hot" topic(s).

"Our Board members have their fingers on the pulse of our membership."

LACERA is fortunate to have Board members who have their fingers on the pulse of our membership. Based on feedback they receive from their constituents, they sometimes request we address a certain issue or topic in our newsletters. A recent example of this is the Power of Attorney article we ran in the March *Spotlight*, as well as our March *PostScript* newsletter for active members. One of our Board members recommended we run an article explaining why it's important for all members — active, as well as retirees — to have a LACERA Special Durable Power of Attorney (POA) on file. The genesis of the recommendation came from an interaction the Board member had with the spouse of an active LACERA member who became incapacitated without having executed a POA. Although the member was eligible to retire, because he was incapacitated, he could not apply for retirement on his own behalf. Without a POA on file, no one was legally authorized to apply for retirement on his behalf. Absent a legally executed application for retirement, the hands of the Board of Retirement were tied; the retirement could not be granted (until a court-appointed conservator was named and the conservator applied for retirement on the member's behalf). This delay in our ability to grant the member the retirement benefits provided by his LACERA retirement plan caused undue hardship to him and his family. Furthermore, this unfortunate situation could have been avoided if the

cont'd on pg. 7

Legislative Update

As of this writing, Governor Schwarzenegger has signed three bills relevant to LACERA and its members. These bills, which become law effective January 1, 2011, are summarized below:

AB 1658:

Late last year, the Los Angeles County Board of Supervisors approved the consolidation of the Office of Public Safety (OPS) duties and functions into the Los Angeles County Sheriff's Department (LASD). Qualified County police officers who accepted sworn positions with the Sheriff's Department became Safety members on a prospective basis. Prior to this change in job classification, these individuals were General members.

Under current law, a LACERA Safety member who has five or more years of service as a Safety member may purchase and convert up to five years of prior general service to safety service. The member pays the difference between both the member and employer contributions actually made as a General member and the member and employer contributions that would have been made had he or she been a Safety member during the time to be credited, plus regular interest.

AB 1658 was sponsored by the Professional Peace Officers Association and allows a former OPS officer, who became a Safety member as a result of the consolidation, to convert all or any of his or her prior OPS officer general service to safety service. While the calculation method is the same as described above, this statute eliminates the current restriction requiring Safety members to

have five or more years of Safety member service prior to converting their general service to safety service. Additionally, AB 1658 eliminates the current provision that restricts Safety members from purchasing and converting more than five years of prior OPS general service to safety service.

Note: This law applies only to members affected by the OPS/LASD consolidation.

AB 1902:

Sponsored by LACERA to ensure equitable treatment of its members, this bill addresses three specific issues.

This bill changes Plan E payroll recording rules to conform to Los Angeles County's recent update of its payroll system from a monthly payroll period to the new semimonthly payroll period.

AB 1902 also addresses Plan E members who transfer prospectively to Plan D and become disabled. Under current law, these Plan D members must fulfill certain conditions to be eligible to apply for a LACERA disability retirement. The new law, which applies only to disabled members, waives the three-year waiting period and active employment requirement that currently applies to those who previously transferred to Plan D from Plan E and wish to transfer back. The waiver will allow disabled members who do not meet the required application eligibility conditions to transfer back to

Plan E and continue under the County's long-term disability program as a Plan E member.

Lastly, the bill addresses benefit portability. Vested former Plan E members may voluntarily forfeit their retirement Plan E benefits and purchase them through another California public employer. This action breaks reciprocity, which is intended to encourage career public service between California systems. AB 1902 restores reciprocity for the purpose of determining entry age when a Plan E member forfeits his or her LACERA retirement benefit.

AB 1739:

The Los Angeles County Sheriff's Department sponsored this bill to provide nonservice-connected disability and death benefits to contributory plan members with less than five years of service credit who, while on military leave from the County, die or become disabled in the course of active military service. Although this law is effective on January 1, 2011, it requires adoption by the Board of Supervisors before becoming operative.

Governor Schwarzenegger has until September 30, 2010 to sign or veto bills passed by the Legislature. If other LACERA-related bills become law this month, we will include them in the next issue.

Visit lacera.com, Newsletter Section for the Autumn Crossword puzzle.

STAYING HEALTHY TOGETHER

Vol. 4, Issue #3 • September 2010

JOIN US AT THE OCTOBER WORKSHOPS

LACERA is set to host another round of Staying Healthy Together half-day workshops on October 12th and 13th, 2010. The workshops, entitled Aging Gracefully — Navigating Your Changing World, will feature informative presentations and activity booths that focus on ways to keep up with our ever-changing environment.

Make plans to attend now

- Learn valuable information.
- Socialize with fellow LACERA retirees.
- Win fun and healthy raffle prizes!

We want you to attend – we'll mail you an invitation.



Test Your Knowledge: Try This Fun Quiz!

Test your knowledge on topics that will be presented at our upcoming workshops.

1. Clutter Control

Q: True or False: One-quarter of Americans with two-car garages have no room to park a car, because their garage is so cluttered with other belongings. _____

2. Food Safety

Q: Do you need to wash produce before you peel it? _____

3. Legal Documents

Q: What are Advance Directives? _____

4. Online Resources

Q: Approximately how many senior citizens use the Internet regularly? _____

5. Senior Care

Q: What's the difference between assisted living and independent living facilities? _____



6. Vision Care

Q: True or False: Everyone over the age 55 should have an eye exam every 3 years, regardless of their medical history. _____

ANSWERS:

1. True, according to the U.S. Department of Energy.
2. Yes. Wash fresh fruits and vegetables under running tap water before eating, cutting, or cooking. Otherwise, harmful bacteria that could be on the outside of the produce could be transferred to the portion you eat.
3. Advance Directives are legal documents that allow



Staying Healthy Together Quiz **cont'd**

you to instruct others regarding your future medical care wishes and to appoint someone to make those decisions if you are not able. These directives include living wills and medical powers of attorney.

4. As of November 2009, approximately 17.5 million senior citizens used the Internet regularly, an increase of more than 55 percent from just a few years earlier.

5. Those in assisted living require some form of care. Independent living facilities are comprised of seniors who are capable of caring for their basic needs, but prefer to live among people their own age in a community setting where meals may be shared and other social activities provided.

6. False. Eye exams for individuals 55-64 without risk factors should be performed every 1 to 3 years. Those 65 and over without risk factors should schedule an exam every 1 to 2 years. Individuals with risk factors should schedule exams based on the advice of their doctors.

Sources: becomingminimalist.com, befoodsafegov.gov, The Nielsen Company, American Academy of Ophthalmology 2009 Policy Statement.

Staying Healthy Together Online

Want more tips for good health and fitness? Visit the “Staying Healthy Together” pages on lacera.com for more wellness facts and resources.

Retiree Health Care Online

- ★ Medicare
- ★ Health Care Plans
- ★ Contact Insurance Carrier



AccordantCare Becomes Alere

Alere (formerly AccordantCare) is a Disease Management Program for members enrolled in LACERA-administered Anthem Blue Cross Plans I, II, and III only.

In 2009, Alere and CVS Caremark entered into an agreement to align management of Accordant with Alere, a leader in specialized disease management services.

This alliance brings together best practices and excellent resources in the delivery of integrated, effective disease management services. Members enrolled in LACERA-administered Anthem Blue Cross Plans I, II, and III will begin to see the new Alere name on materials and correspondence they receive from CVS Caremark.

Although the name is changing, be assured you will

continue to experience the same dedicated care you are accustomed to receiving. Your level of benefits and service will remain the same.

The goal of Alere is to empower you to make more effective health care decisions, whether you choose to lead a healthier lifestyle or learn self-care skills to cope with an illness. Watch for the Alere name on the program communications and materials you receive from CVS Caremark. **If you have questions, visit alere.com or call Alere at 1-800-227-3728.**

Inside MY LACERA

Are you registered on My LACERA?



The ability to connect with your personal retirement information 24/7 is at your fingertips.

Register Now: Look for My LACERA on the lacera.com home page.

For assistance in registering, call 1-800-786-6464; a LACERA Retirement Benefits Specialist will help you through the process.

register

FAQs: Updating Your Contact Information

1. Q: Why does LACERA want me to have a current photo ID?

A: Under any circumstances, having a valid government-issued photo ID is helpful in confirming your identity at LACERA's public counter. Additionally, in the event LACERA discovers a possible discrepancy in your account, your photo ID will help to confirm your identity at our public counter or (if you're out of the area) at the office of another public agency. In cases where a possible discrepancy in a member's account is discovered and the member's identity cannot be verified, LACERA will place a hold on the member's benefits pending verification of identification.

2. Q: When should I notify LACERA of my change of address?

A: Immediately. Having your current address on file will ensure you receive your monthly allowance. If the post office returns your ADR to us, we will place a hold on your account pending receipt of your proper address. Keeping your address up-to-date will also expedite delivery of your 1099-R, Annual Benefit Statement, and *Spotlight* newsletter, as well as any correspondence or other materials LACERA may send you. Update your address by calling LACERA at 1-800-786-6464 or by completing a change of address form and returning it to LACERA. You can download a copy from the Brochures & Forms page of lacera.com.

3. Q: Can I update my contact information over the phone?

A: The Retirement Benefits Specialists in LACERA's Call Center will assist you in completing a name change, and change of phone number, as well as a change of address. Give them a call at 1-800-786-6464.

Divorce Affects Eligibility for Survivor Health Care

Divorce impacts more than a retiree's retirement allowance; it also affects eligibility for LACERA-administered survivor health care.

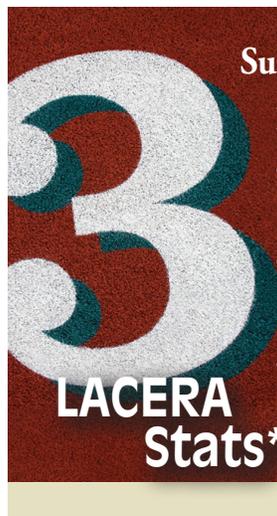
- **If you named your former spouse or domestic partner as your beneficiary at the time of retirement, and you later divorce or terminate your domestic partnership, your "ex" will not be eligible**

for LACERA-administered survivor health care upon your death.

- **If you divorce (or terminate your registered domestic partnership) during active service and remarry (or enter into a registered domestic partnership) after (or less than one year before) retirement, your new spouse or domestic partner will not be eligible for LACERA-**

administered survivor health care upon your death.

NOTE: If you divorce (or terminate your registered domestic partnership) after retirement, you must notify LACERA's Retiree Health Care Division to remove your "ex" from your LACERA-administered Health Care coverage.



Successes from the Last Fiscal Year

LACERA's Document Processing Center

- Scanned and indexed **46,915 documents** from members
- Answered **26,073 calls** to our business office
- Printed, folded, inserted, sealed and mailed **93,560 letters** to members

LACERA Stats*

*July 1, 2009–June 30, 2010

Did You Know

Defined Benefit (DB) Plans

LACERA provides a lifetime benefit

- You will receive your monthly retirement allowance for the rest of your life

Defined Contribution (DC) Plans

401(k) and 457 Plans are savings accounts

- Your benefit payments (withdrawals) stop when your money runs out

Things to Know Regarding Survivor Eligibility for LACERA-Administered Health Care

Upon the death of a LACERA retiree, any survivor or beneficiary who is receiving a continuing monthly allowance from LACERA and who qualifies as a surviving eligible dependent, as defined by LACERA's Retiree Health Care Administrative Guidelines, is eligible to enroll in LACERA-administered health care coverage.*

If, at retirement, you **did not designate** your eligible spouse or domestic partner or minor child to receive a continuing allowance upon your death, he or she will **not be eligible** for LACERA-administered survivor health care.

Retirement Option	Survivor Health Care Eligibility	Reason for Eligibility or Ineligibility
Unmodified or Unmodified+Plus	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Limits designated beneficiaries to surviving spouses or domestic partners or minor children who meet eligibility requirements • Both Options provide a continuing allowance
Option 1 (not available in Plan E)	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • Pays a lump-sum benefit, not a continuing allowance
Option 2, 3, or 4	<ul style="list-style-type: none"> • Only if named beneficiary meets definition of eligible surviving dependent 	<ul style="list-style-type: none"> • Provides a continuing allowance

Eligibility for Survivor Health Care under Retirement Option 2, 3, or 4

If you had an eligible spouse or domestic partner at retirement, and did not designate that individual to receive a monthly allowance, he or she will not be eligible to receive LACERA-administered survivor health care upon your death.

Survivors and dependents who had continuous coverage under the decedent's LACERA-administered health plan, but are not eligible to receive a continuing allowance, may apply for continued benefits (for a maximum of 36 months) under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

For additional information, call 1-800-786-6464 and press 1 to speak with a LACERA Retiree Health Care Benefits Specialist.

**Member's surviving spouse, domestic partner, minor child(ren), or disabled dependent children who meet eligibility requirements. 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.*

From the Executive Desk cont'd from pg. 2

member had a POA on file. Our Board member was so touched by this incident, he asked us to discuss the topic in a newsletter article.

After the articles ran, member requests for our POA package increased substantially.

The specialists in our Retiree Health Care Division are regular contributors to our *Spotlight* newsletter in conjunction with

our Staying Healthy Together retiree wellness program.

Our Communications Division researches, writes, and designs each newsletter and manages the quarterly publication schedules. After a few rounds where ideas and topics are discussed and finalized with staff, our talented in-house professionals "roll up their sleeves" and

produce our quarterly *Spotlight* and *PostScript*.

Judging from the feedback we receive, our members enjoy reading the newsletters and find their content interesting and helpful. LACERA will continue to use the *Spotlight* to discuss important issues that could impact your LACERA retirement benefits and the quality of your retirement.



LACERA
PO BOX 7060
PASADENA, CA 91109-7060

Standard
Presorted
U.S. Postage
PAID
Van Nuys, CA
Permit No. 987



Upcoming Holidays

LACERA will be closed on:

- Monday, October 11 for Columbus Day
- Thursday, November 11 for Veteran's Day
- Thursday-Friday, November 25-26 in observance of Thanksgiving

SEPTEMBER
2010

*Spotlight*_{on retirement}

FEATURED ARTICLE:

Divorce & Eligibility for Survivor Health Care

ALSO: *New Survivor Brochure,
Retiree Wellness Workshop,
New Board Member, Legislative
Updates, and more!*

Editor's Note: *Spotlight on Retirement* is created 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. Consult with professional advisors regarding legal, tax, and/or medical matters: LACERA does not offer legal, tax, or medical advice.

1-800-786-6464 lacera.com Email: welcome@lacera.com