



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • DECEMBER 2011 • VOL. 22, NO. 4

LACERA Congratulates New and Returning Board Members

We congratulate the winners of the August 2, 2011 election for seats on LACERA's boards. Each will serve a three-year term, beginning January 1, 2012.

Board of Retirement (BOR)

The following individuals were reelected to the BOR. Mr. Chery was elected by active members; retired members elected Mr. de la Garza and Mr. Morris.

Yves Chery brings a history of community service to his BOR position. As a Deputy Probation Officer II and an active labor leader, he is dedicated to working with at-risk youth and advocating for working families in Los Angeles

County. Mr. Chery is a member of several labor organizations, including the L.A. County Federation of Labor, AFL-CIO, L.A. County Probation Officers' Union, and SEIU Local 721. He is a graduate of California State University, Northridge, holds a masters in fine arts from California Institute of the Arts, and a juris doctor degree from Southern California Institute of Law.

William de la Garza was first elected to the BOR in 2003. During his

35-year career in the Department of Parks and Recreation, he was devoted to serving the leisure and recreational needs of the citizens of Los Angeles. Since retiring in 1993, he has become known for his service as a retiree advocate. Mr. de la Garza is a past chair of the BOR, past president of the California Retired County Employees Association (CRCEA) and Retired Employees of Los Angeles County (RELAC), and an honorary member of the Latino Peace Officers Association.

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Upcoming Holidays



LACERA will be closed on:

- Monday, December 26 in observance of Christmas
- Monday, January 2 in observance of New Year's
- Monday, January 16 for Martin Luther King's Birthday
- Monday, February 20 for Presidents' Day

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**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

SADONYA ANTEBI

Appointed by the Board of Supervisors

ALAN J. BERNSTEIN

Appointed by the Board of Supervisors

WILLIAM DE LA GARZA

Elected by Retired Members

SHAWN R. KEHOE

Alternate Member
Elected by Safety Members

EDWARD "ED" C. MORRIS

Alternate Member
Elected by Retired Members

WILLIAM R. PRYOR

Elected by Safety Members

**Members of the
Board of Investments:**

JOHN M. BARGER

Chair
Appointed by the Board of Supervisors

SIMON S. RUSSIN

Vice Chair
Elected by General Members

HERMAN B. SANTOS

Secretary
Elected by General Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

WILLIAM R. PRYOR

Elected by Safety Members

DIANE A. SANDOVAL

Elected by Retired 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



Looking Back at 2011

As this year fades away and we look ahead to 2012, I'm reminded of a quote I recently read, *"It is important that you recognize your progress and take pride in your accomplishments."* With that in mind, I think this is a good time to review LACERA's 2011 performance. I'm proud to report LACERA continued to perform well over the past year.

The Fund

Flourishing amid continued market volatility, the retirement fund (Fund) returned 20.4 percent (gross of fees) during the 2010-2011 fiscal year (July 1-June 30). At fiscal year-end, the Fund's net assets totaled \$39.5 billion, which represents an increase of \$6.1 billion or 18.0 percent over the prior year. Prudently invested in accordance with an Investment Policy established by our Board of Investments, the Fund remains stable and positioned to pay the promised benefits now and throughout the century. As a matter of fact, in a recent investigation of public retirement systems, the Los Angeles County Civil Grand Jury (CGJ) found our *"current asset balances are sufficient to ensure that there is no threat of default on [our] obligations."* For more details about our financial condition, **I recommend you read the enclosed LACERA Popular Annual financial Report (PAFR) for 2010-2011.**

"The Fund returned 20.4 percent during the 2010-2011 fiscal year."

More about CGJ Report

The results of the 2010-2011 CGJ investigation of public pensions in Los Angeles County were released in a June 30, 2011 report.

As public pension systems continue to come under increased public scrutiny and criticism, it was particularly gratifying to see the CGJ's in-depth investigation confirmed what we all know to be true, which is LACERA is prudently and openly administered in strict compliance with the provisions of the County Employees Retirement Law of 1937. Furthermore, the Fund is soundly structured to withstand bear markets and flourish during bull markets, and as the CGJ found, remains positioned to pay the promised benefits to current, as well as future recipients. In fact, the CGJ had many good things to say about LACERA with only a few recommendations. Pronouncing LACERA, *"well run and effective at fulfilling its responsibilities,"* the CGJ went on to state, *"the County has done a good job at moderating pension costs... LACERA's stronger than average financial condition reflects, in part, prudent efforts by the County to manage pension costs through benefit design."*

1. Q: I'm a new retiree. What information resources do I have?

A: We offer a number of resources. Our Retired Member, Benefits section of lacera.com provides retirement information. Retirees receive this *Spotlight on Retirement* quarterly newsletter, which includes updates on legislation, the LACERA-administered healthcare program, and more. Once a year, you'll receive a package containing updated information regarding medical and dental/vision plans.

2. Q: Is my monthly allowance affected by the number of days in the month?

A: No. Your allowance is based on a fixed monthly amount. The amount is the same regardless of how many days there are in the month.

3. Q: I'm retired and thinking of relocating to another state. How would this affect my retirement benefits?

A: If you move from California to another state, LACERA will stop withholding California State income tax on your monthly retirement checks. State tax requirements on retirement income differ from state to state.* Consult your tax advisor and the appropriate state tax authority for pertinent rulings. Be sure to notify LACERA of any change in your address to ensure you continue to receive your retirement check. You may make changes to your address online from your My LACERA account or by calling at LACERA 1-800-786-6464 or 626-564-6132.

Healthcare plans will probably change if you move out of the state or the country. Contact the insurance carrier for specific information about coverage differences. **To view the Contact Healthcare Insurance Companies information page, visit the Healthcare section of lacera.com.** Notify LACERA before you cancel your current health plan coverage.

*LACERA does not withhold tax for states other than California.



WORD SEARCH PUZZLE ONLINE
Visit lacera.com, Newsletter

Returning Board Members cont'd from pg. 1

He attended El Camino College and the University of Southern California.

Retired after a County career of more than 38 years, **Edward Morris** brings retirement benefit administration and a wealth of other professional experience to the BOR in his position as Alternate Retired Member. He is the former manager of LACERA's Retirement Services Division and also held positions in the Offices of the County Auditor and County Treasurer. Mr. Morris is a board member and past chairman of the Fiscal Credit Union and serves on the Board of Directors of RELAC. He attended Glendale College and UCLA.

Board of Investments (BOI)

A member of the BOI since 2006, **Diane Sandoval** was reelected by retired members to serve another term. Prior to her retirement, she held various positions at LACERA, most notably Accounting Division Manager. Active in retiree affairs, Ms. Sandoval is a past president of RELAC and member of its Board of Directors. In addition, she is a member of the California Retired County Employees Association (CRCEA) Executive and Finance Committees, and the Fiscal Credit Union Board of Directors.

Active members elected **David Green** to the BOI. Mr. Green is a children's

social worker who studied economics, investments, and business law and is eager to contribute his guidance and vigilance to the BOI. He is dedicated to ensuring County employees understand how their retirement benefits are determined and administered. Mr. Green is the founder and executive director of the charity Noise for the Needy and holds a masters degree in social work from the University of Southern California.

The LACERA election results were declared official by the Los Angeles County Board of Supervisors at its September 6th meeting.

Public Service Announcement

Become a Foster and/or Adoptive Parent

The Los Angeles County Department of Children & Family Services is seeking caring individuals to become foster or adoptive parents to children who cannot live safely with their own families due to abuse, neglect, or abandonment. **If you have room in your heart for a deserving child, call 1-888-811-1121 or visit shareyourheartLA.org.**

Have you visited the newsletter page on lacera.com lately? If you have, you've experienced its clean, new, more user-friendly design. Select the image of either newsletter and you'll be directed to a page with links to the most recent issues.

Links display:

- Issue highlights
- Link to a PDF of the issue
- Link to the issue's crossword or word search puzzle (when applicable)



Take a look; you'll like what you see. A link to the newsletter page is located on the top of the lacera.com home page.

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.

No Retirees Qualify for STAR COLA Benefits In 2012

On October 13, 2011, the Board of Retirement (BOR) determined no current retirees or beneficiaries are entitled to additional benefits under the STAR 2012 Program Year.

The Supplemental Targeted Adjustment for Retirees (STAR) is a cost-of-living adjustment program designed to ease the effects of inflation for a retiree whose retirement allowance has lost more than 20 percent of its purchasing power since retirement.

Each year, in accordance with the law, the BOR 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, California Consumer Price Index (CPI) over the prior year.

In years where the change in CPI is greater than the maximum allowable cost-of-living (COLA) percentage increase (3 percent for Plan A and

2 percent for Plans B, C, and D), the excess percentage is accumulated annually and is called the COLA Accumulation.*

Since the 1.5 percent 2011 COLA adjustment approved by the BOR in February 2011 does not exceed the maximum allowable cost-of-living percentage increase permitted under any LACERA retirement plan, no additions were made to COLA Accumulations for the year 2011.

At this time, all retirees (and eligible survivors) in Plans A, B, C, and D have COLA Accumulation accounts below the 20 percent threshold for providing additional STAR benefits.

To view the 2011 COLA Accumulation chart, visit the Retired Member section of lacera.com.

Benefits to existing STAR participants are not affected and will continue unchanged.

**Plan E members are not eligible for STAR COLA benefits.*

Your 2011 1099-R Will Be Mailed in January

In compliance with Internal Revenue Service (IRS) regulations, LACERA will mail all retirees and survivors a Form 1099-R by the end of January. The IRS requires LACERA to file a 1099-R to report retirement fund distributions made to you during the year.

Access Your 1099-R on My LACERA

Registered users of My LACERA can view and print their current and prior years' 1099-Rs from their account now. The 2011 1099-Rs will be available on My LACERA in February.

Recordkeeping Tip:

It may be helpful to hold on to your December check stub or automatic deposit receipt (ADR) for ease of recordkeeping. Both the stub and the ADR show the total amount of your 2011 healthcare deductions. They may come in handy if you need that information before your Form 1099-R is available on My LACERA or before your paper copy arrives by mail.

TAX REMINDER

Adjust Your Withholding Tax Elections Anytime

You are permitted to adjust your federal or California State withholding tax elections as often as you wish. You may also choose not to have any withholding tax deducted from your LACERA allowance.

Use any of these methods to submit new withholding elections:

- **Adjust and submit online.**
 - Visit My LACERA.
- **Print a W-4P/DE-4P tax form on the Brochures & Forms page of lacera.com.**
 - Mail completed form to LACERA, P.O. Box 7060, Pasadena, CA 91109-7060.
- **Call 1-800-786-6464 to have a W-4P/DE-4P tax form mailed to you.**

Requests to adjust tax elections received by the 15th of the month will be applied to that month's allowance; requests received after the 15th will be applied to the following month's allowance.

LACERA cannot make recommendations regarding your tax withholding elections.

Consult with professional advisors regarding tax or legal matters; LACERA does not offer tax or legal advice.

REMINDER:

Your monthly retirement allowance check is payable the last business day of the month.

December 2011

Mailing Date: December 29

Direct Deposit Date: December 30

January 2012

Mailing Date: January 30

Direct Deposit Date: January 31

February 2012

Mailing Date: February 28

Direct Deposit Date: February 29

Approval Pending on 2012 Medicare Part B Premium Reimbursements

In late October, the Centers for Medicare and Medicaid Services announced the 2012 standard Medicare Part B monthly premium in 2012 will be \$99.90. This represents a \$15.50 decrease for individuals who currently pay a \$115.40 premium.* However, in 2011, most Medicare beneficiaries paid a \$96.40 monthly premium; for them, the 2012 premium represents a \$3.50 increase.

The County of Los Angeles reimburses LACERA members and/or their eligible dependents for their Medicare Part B premiums (standard rate only) on a tax-free basis provided they meet the following eligibility requirements:

- Enrolled in the LACERA-administered Medicare Supplement Plan – Anthem Blue Cross Plan III or a LACERA-administered Medicare Advantage Prescription Drug Plan (MA-PD) such as CIGNA Medicare Select Plus Rx (Phoenix, Arizona), Kaiser Senior Advantage, Secure Horizons, or SCAN.
- Paying for their Medicare Part B premium themselves.
- They are not being reimbursed for their Medicare Part B Premium by another agency, such as another employer or state.

According to Medicare law, Medicare enrollees who meet certain higher income levels are subject to an additional income-related premium amount. Under the Part B Reimbursement Program, the County will only reimburse up to the standard rate amount.

The County's Medicare Part B Premium Reimbursement Program is subject to annual approval by the Board of Supervisors (BOS). We will update the Healthcare section of lacera.com when the BOS approves Part B reimbursements for 2012.

**Rate applied to new Medicare enrollees in 2011 and those who meet certain higher income levels.*

2012 County Part B Reimbursement Rates, Pending Approval	
2011 Part B Reimbursement	2012 Part B Reimbursement
If you are currently paying this Part B premium:	You will pay this Part B premium, effective January 1, 2012:
Single Party \$ 96.40 \$110.50 \$115.40	\$99.90
Two Party \$192.80 \$206.90 \$211.80 \$221.00 \$225.90 \$230.80	\$199.80

1-800-786-6464

STAYING HEALTHY TOGETHER

Vol. 6, Issue #4 • December 2011

Staying Healthy Together: Active Living — Healthy Minds

LACERA retirees and family members came together in October to participate in the fall Staying Healthy Together workshops at the Sportsmen's Lodge in Studio City and the Carson Community Center in Carson. These workshops featured guest speakers from the Alzheimer's Association who gave presentations on memory loss, dementia, and Alzheimer's disease.

Members also participated in interactive activity booths provided by our LACERA-administered healthcare carriers.

The activity booths, which provided members with knowledge regarding important mental and emotional health topics, included:

- **The Importance of Sleep**, presented by Anthem Blue Cross: Explored sleep tools and tips for getting a good night's rest.
- **Mentally Challenging Games and Samples of Foods That Stimulate the Mind**, presented by Alere.
- **Memory Exercises and Bingo**, presented by CIGNA.
- **Online Brain Games**, presented by UnitedHealthcare.
- **Caring for and Recognizing the Needs of the Caregiver**, presented by Kaiser Permanente: Offered tips on making your house safer when caring for people with dementia.
- **The Importance of Relaxation and Dealing with Stress**, presented by SCAN. Members were able to try different types of relaxation techniques, including aroma therapy.

Speakers from the Alzheimer's Association gave two informative presentations and answered questions from LACERA members after the workshops. Attendees learned:

- Dementia is a broad term covering many types of mental illness. Alzheimer's is the most common form of dementia.
- While we can't be expected to remember everything, it's important to seek medical attention when memory loss starts to disrupt daily life and activities. Having a difficult time remembering some details is very different from having a form of dementia such as Alzheimer's.

- Although there is no cure for Alzheimer's disease, there are medications that can help alleviate the symptoms. The earlier the disease is diagnosed, the more options are available for managing the symptoms.
- If you are diagnosed with Alzheimer's or another form of dementia, it's important to create a long-term plan with your doctors and family to ensure you're planning for the future.

For more information on Alzheimer's and dementia:

- Visit the Healthcare, Staying Healthy Together, Active Living section of lacera.com to view materials from the workshop presentations.
- Contact the Alzheimer's association at 1-800-272-3900 or visit alz.org.

Each of the workshops concluded with a raffle for three gift baskets designed to help exercise both mind and body:

- Gift Basket I provided at-home workout tools.
- Gift Basket II included brain games and puzzles.
- Gift Basket III featured items to help manage stress and promote a better night's rest.

The grand prize winner at each workshop won a \$100 gift card to Whole Foods!

Thoughts from Workshop Attendees

- *"The presentation reminded me that we shouldn't be afraid to talk about dementia. It's important to be able to discuss these things with your friends and family."*
— Herb (Woodland Hills)
- *"The speaker was really knowledgeable and did a great job of answering everyone's questions."*
— Mary (Sylmar)
- *"I've been coming to these workshops for the past few years and they keep getting better. Keep up the good work!"*
— Julie (Torrance)

From the Executive Desk cont'd from pg. 2

You can view the complete CGJ report, including its recommendations, in the LACERA in the News section of lacera.com.

Microfiche Conversion

During 2011, we completed the ambitious microfiche conversion project we began in November 2009. The massive undertaking included the review, processing, and conversion of more than 50 years of microfiche records (dating back to our inception in 1938) to electronic image files. By the conclusion of the project, nearly 19.5 million frames of member data had been converted to a digital format with an average accuracy rate of 99.9 percent. This update to our system will streamline our operational efficiency and promote enhanced service to our members.

Training Program

We recognize it takes knowledgeable personnel to maintain a quality operation. That's why we provide in-house training for new hires, as well as refresher training for our experienced

staff. In 2011, we provided classroom and hands-on "floor" experience to approximately 20 new hires. At the conclusion of the intense year-long program, the graduates were qualified to serve as Retirement Benefits Specialists in both our Call Center and our Claims Processing Division. To keep their knowledge current and their skills sharp, our experienced Retirement Benefits Specialists receive refresher training as needed throughout the year.

Quality Service

Our dedication to providing top quality service to our members remains strong. Over the past fiscal year, our team of Retirement Benefits Specialists provided one-on-one counseling to 25,129 members. Our experts met with 16,322 of those members at our Public Counter, and answered more than 116,707 member inquiries through our Call Center. In addition, our Outreach team provided close to 300 retirement workshops at 200+ County locations and provided 191 benefit fairs at County workplaces. Plus, our Correspondence Unit processed and/or

replied to some 1,896 member emails and 5,293 letters.

During the 2010-2011 fiscal year, our Claims Processing experts placed 3,033 new retirees and survivors on the retiree payroll, of which 98.25 percent were paid within one payroll cycle. This was accomplished while maintaining a 98 percent accuracy level on overall benefit processing. Seventy-eight percent of active member transactions were processed within 21 days.

After looking back at the year, I feel good about the state of LACERA and our outlook for 2012... and beyond. We are healthy and strong and remain well positioned to continue our lawful mission to produce, protect, and provide the promised benefits to the retirees of Los Angeles County and their beneficiaries. On behalf of the management and staff of LACERA, I wish you and your loved ones joyous holidays and a wonderful 2012!



Read Tips on Preventing Medicare Fraud

The Senior Medicare Patrol (SMP), a government-sponsored organization, has produced a flyer outlining tips for protecting against, detecting, and

reporting Medicare fraud. The SMP program is designed to empower seniors through increased awareness and understanding of healthcare programs.

To read the flyer, visit the [Healthcare section of lacera.com](http://lacera.com).

Socialize With Fellow Retirees at Our Spring Workshops

In the coming months, we'll be announcing the details of our spring 2012 workshops. Watch your mail and visit the Staying Healthy Together section of lacera.com to keep informed. We look forward to seeing even more LACERA retirees at our spring 2012 workshops!

2011 Legislative Updates

Senate Bill 203 Signed By Governor Brown

During the recently concluded legislative session, Governor Brown signed into law Senate Bill 203, sponsored by the California Retired County Employees Association (CRCEA). According to the sponsor, this bill resolves the problem of unfilled vacancies on some retirement system boards. Failure to fill a vacancy in a timely manner can deny the various stakeholders of the retirement system proper representation on the board.

At LACERA, the Board of Retirement (BOR) is comprised of nine members and two alternates. The Board of Investments (BOI) has nine members. The Los Angeles County Board of Supervisors appoints four members to each board. Additionally, the County Treasurer and Tax Collector is required by law to serve on both boards as an ex-officio member.

The other board members are elected as follows:

- General members elect two members to each board.
- Safety members elect one member to each board and an alternate member to the BOR.
- Retired members elect one member to each board and an alternate member to the BOR.

Effective January 1, 2012, when there is a vacancy in the elected member positions on either board and the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. (An exception applies to Safety member vacancies on the BOR. These vacancies are filled for the remainder of the current term only.)

The bill also specifies if the retired member position is vacant on the BOR, the alternate retired member shall fill the vacancy for the remainder of the retired member's term of office. Previously, the alternate retired member would fill the vacancy temporarily until an election was held to fill the vacancy for the remainder of the term.

If there is a vacancy with respect to the alternate retired member, the BOR shall, by majority vote, appoint a replacement alternate member from a list of nominees submitted by a qualified retiree organization. This replacement member shall serve until the expiration of the current term of the current retired member. Previously, except for the initial appointment by the BOR, subsequent alternate retired members were elected.

For more information on the BOR and BOI, visit the Boards section of lacera.com.

We Send You Holiday Cheer!

The boards, management, and staff of LACERA wish you and your family a joyous holiday season. May the coming year bring you love, laughter, and good health.



Read About Our Financial Condition

Want to learn more about LACERA's financial condition and our overall operation? Then take a few minutes to look over the enclosed 2011 Popular Annual Financial Report (PAFR). This year's PAFR features an attractive member-centric, newsletter-style format. Our full Comprehensive Annual Financial Report will be available on lacera.com in January 2012.



DECEMBER 2011

Spotlight_{on} retirement

FEATURED ARTICLE:

Board Election

ALSO: Your 2011 1099-R, 2012 Medicare Part B Premium Rates, Inside lacera.com, Staying Healthy Together, 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.

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