



# Spotlight on retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • SEPTEMBER 2011 • VOL. 22, NO. 3

## Why It's Important to Have a Special Durable Power of Attorney on File

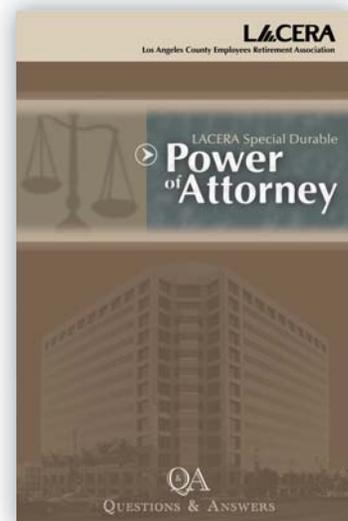
Having a LACERA Special Durable Power of Attorney on file assures you that LACERA will be able to handle your retirement benefits without interruption and in accordance with your wishes, should you become unable to handle your own affairs.

### Things to Know About Our Special Durable Power of Attorney

The LACERA Special Durable Power of Attorney is a legal document, executed by a member, which **designates another person (called an Attorney-In-Fact) to act on the member's behalf with regard to retirement matters only.**

This can include such matters as address changes, making tax withholding elections, requesting information regarding benefit payments, filing applications, and endorsing checks.

It's important to understand that a Power of Attorney does not prevent a member from taking care of his or her own retirement affairs. However, in the event a member with a Durable Power of Attorney on file becomes too ill to handle his or her affairs, the member's designated Attorney-In-Fact will be able to handle the member's retirement matters.



A member has the right to revoke or terminate a LACERA Power of Attorney at any time, as long as he

**cont'd on pg. 3**

## Upcoming Holidays



*Sorry We're*  
**CLOSED**

### LACERA will be closed on:

- Monday, October 10 in observance of Columbus Day
- Friday, November 11 to commemorate Veterans Day
- Thursday-Friday, November 24-25 for Thanksgiving

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## Los Angeles County Employees Retirement Association

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## From the Executive Desk

Gregg Rademacher – CEO, LACERA



## Civil Grand Jury Investigates Public Pensions, Finds LACERA is "Well Run."

In June, the 2010-2011 Los Angeles County Civil Grand Jury (CGJ) officially confirmed what I've been assuring you all along: **LACERA is well run and in no threat of defaulting on its obligations.**

In recent months, the CGJ conducted an investigation of public pensions in Los Angeles County. In the course of that investigation, it analyzed the key attributes of 277 public pension plans operating in Los Angeles County. Using the data it developed, the CGJ selected five plans for further in-depth review, and LACERA was one of them. According to the CGJ, LACERA was selected *"because of the plan's size and characteristics of the benefits provided to Miscellaneous and Safety (fire and police) employees, and because it was generally considered to be a well-run plan."*

At the conclusion of its investigation, the CGJ issued its findings in a report titled *Whoa! The State of Public Pensions in Los Angeles County*. In addition to finding us to be "well run" and the Fund in no threat of defaulting, the CGJ praised the County for being proactive over the past 30 years by taking deliberate steps to control and lower pension costs.

**"Overall, LACERA is well run and effective at fulfilling its responsibilities, and 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."**

The CGJ made seven recommendations regarding Los Angeles County; only one relates to LACERA directly. That recommendation suggests we modify the accounting method used to identify funds in our STAR reserves.\* STAR reserves are currently listed on the retirement fund's (Fund) financial statements as an asset. Simply put, the CGJ recommends we show an offsetting liability when the STAR reserves are valued as Fund assets. LACERA must respond to the L.A. County Superior Court Presiding Judge on this matter no later than September 30, 2011.

*\*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. It is only awarded when the Board of Retirement determines it appropriate, based on inflation experienced during an affected retiree's retirement years.*

### CGJ's Other Recommendations

The other CGJ recommendations for the County focus on matters falling under the purview of the Board of Supervisors (BOS). These recommendations concentrate

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

**A:** The Benefits, Retired Member section on [lacera.com](http://lacera.com) presents retirement information. Retirees also receive this quarterly newsletter, *Spotlight on Retirement*, which includes information on legislation, the LACERA-administered healthcare program, and more. Once a year, retirees receive a package with updated information on the medical and dental/vision plans.

**2. Q: What if I marry after retirement? Will my new spouse be eligible for any LACERA benefits?**

**A:** If you marry or enter into a registered domestic partnership after you retire, your new spouse/partner will be an eligible dependent under the LACERA-administered retiree healthcare program. You must add your new dependent **within 30 days** after the date of marriage/registration. Generally, a spouse/partner added after retirement is not eligible for a continuing monthly allowance after the member's death. You may name him or her as your beneficiary for the \$5,000 death/burial benefit.\*

**3. Q: As a retiree, I take extended vacations. Is it necessary to notify LACERA to ensure I continue receiving my retirement allowance while I'm away?**

**A:** Yes. It is important to notify us when you will be spending an extended period of time at a second home or vacation home, or when you have other temporary address changes. If, for some reason, your retirement check or automatic deposit receipt is returned to LACERA while you are away, we will stop payment on your allowance for your protection.

*\*Upon the death of a retired reciprocal member, LACERA pays the death/burial benefit only if it is the member's last employing agency.*

## Special Durable Power of Attorney cont'd from pg. 1

or she is competent. If the member doesn't revoke the document, it terminates upon the member's death.

### What Durable Means

Durable means the Power of Attorney remains in effect even if the member becomes mentally incapacitated, whereas in most cases, a general Power of Attorney terminates upon the member becoming mentally incapacitated. Both instruments terminate upon the member's death.

### Why Our Power of Attorney is "Special"

LACERA's Special Durable Power of Attorney is "special" because it applies only to LACERA retirement matters. It provides no authority over a member's other real or personal property, nor can it be used for healthcare matters.

### Advantages of Executing Our Special Durable Power of Attorney

Although we will accept a properly executed generic POA, **there are advantages to executing the LACERA Special Durable Power of Attorney.** The main advantage is the LACERA instrument contains the durable clause and specifically shows your intent to have your Attorney-In-Fact conduct your retirement business with us. Additionally, the LACERA Special Durable POA includes language specific to LACERA retirement matters.

### Who Can Be an Attorney-In-Fact

You may designate anyone over the age of 18 to act as your Attorney-In-Fact.

However, the actions LACERA permits your Attorney-In-Fact to take on your behalf vary according to your designee's relationship to you. Some actions depend on whether your designee is your spouse or domestic partner, a blood relative, or a neutral party not related by blood, marriage, or domestic partnership.

### For Additional Information

Read our Power of Attorney brochure for details on how the relationship of your Attorney-In-Fact affects the actions LACERA permits to be taken on your behalf and other information regarding the LACERA Special Durable Power of Attorney.



**POWER OF ATTORNEY  
PACKAGE ONLINE**  
Visit [lacera.com](http://lacera.com),  
Brochures & Forms

Discuss your personal needs with an attorney before executing any Power of Attorney. LACERA does not provide legal advice.

As any regular visitor to lacera.com knows, our entire website is brimming with information. Much of the information members seek on lacera.com is contained in the **Benefits section**. A click on the Benefits link on the lacera.com home page will take you to an overview of the section, with specific categories displayed on the navigation bar on the left. If you roll your mouse over the Benefits tab, you'll see several categories, including:

- Retired Member
- Beneficiaries

The Healthcare section of lacera.com is often visited as well, with the Medicare Eligibility page leading the way.

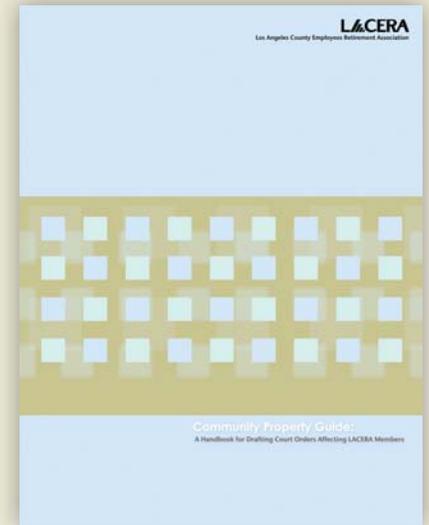
As the repository for most LACERA print materials, the Brochures & Forms page, located in the Communications section also experiences consistently high hits. Visitors to this page can view and print PDFs of our brochures and forms, as well as request to have hard copies mailed to them.

## New Community Property Guide Assists Attorneys of Members Involved in Divorce

LACERA has created a brochure, entitled *Community Property Guide: A Handbook for Drafting Court Orders Affecting LACERA Members*, to assist counsel of LACERA members involved in a dissolution of marriage, legal separation, or termination of a domestic partnership. Members who choose to represent themselves (in pro per or pro se) in such proceedings may also find the information useful.

California law defines community property as any asset acquired or income earned by a married person while living with his or her spouse. To the extent a married person accumulates an interest in a pension (such as LACERA's) during the marriage, the pension is considered community property and subject to division in a dissolution of marriage (or termination of domestic partnership).

LACERA retirement benefits are administered in accordance with the County Employees Retirement Law of 1937 (CERL). Therefore, any court order directing a division of property involving a LACERA pension must comply with applicable statutes of CERL. To assist in the preparation of



such orders, our new brochure includes a section containing sample language that may be included in a domestic relations order to direct the division of a member's retirement allowance.

*Community Property Guide: A Handbook for Drafting Court Orders Affecting LACERA Members* is available on the Brochures & Forms page of lacera.com or may be ordered by calling 1-800-786-6464.

For information regarding dissolution of marriage, legal separation, or termination of a domestic partnership, consult an attorney. LACERA does not offer legal advice.

## Update Your Address with Unions, Credit Unions, and Retiree Groups

If you have deductions taken from your LACERA allowance for dues to a union, credit union, or retiree group, it's important to make sure that group has your current mailing address. Several of these groups report they are experiencing a high volume of mail returned by the post office as undeliverable.

It's wise to keep track of the groups to which you belong and make sure you notify them whenever you change your address. That way, you'll stay connected.

### Did You Know

#### Defined Benefit (DB) Plans

LACERA pays \$5,000 lump-sum death benefit for retirees.

#### Defined Contribution (DC) Plans

Not applicable.

## IMPORTANT INFORMATION

# For Medicare-Eligible Members and Dependents Currently Enrolled in LACERA-administered Medical Plans

### MEDICARE PART D

Companies and organizations sponsoring Medicare prescription drug plans are aggressively conducting massive marketing campaigns seeking to enroll Medicare-eligible beneficiaries, such as you, in **other** Medicare prescription drug programs. **Ignore these advertisements and solicitations!**

**Proceed with caution, remember the following important information:**

- **Do not** sign up for non-LACERA Medicare Part D plans.
- No action is required on your part.
- You currently have a prescription drug plan through your LACERA-administered medical plan that is as good, if not better than the average non-LACERA Medicare Part D plan; you do not need

any additional prescription drug insurance.

- Signing up for a non-LACERA Medicare Part D plan may jeopardize your LACERA-administered medical plan, and you may not get it back until later!
- If you wish to keep your LACERA-administered medical coverage, **do not enroll** in non-LACERA Medicare Part D plans.

If you have any questions, contact LACERA Retiree Healthcare at 1-800-786-6464 (press 1 when prompted), or 626-564-6132, or email us at [healthcare@lacera.com](mailto:healthcare@lacera.com).

**A Word of Caution:** Do not give personal and/or financial information, such as your Medicare ID number or credit card number, to anyone. If you suspect any fraudulent activities, contact Medicare at 1-800-633-4227 or visit [medicare.gov](http://medicare.gov) or call the SAIC Medicare Drug Integrity Contractor (MEDIC) at 1-877-772-3379.

## Understanding Your Prescription Drug Benefits

This article discusses prescription drug benefits for members enrolled in LACERA-administered Anthem Blue Cross Plans I, II, and III. It is presented for your information only; your benefits are not changing.

Your prescription drug benefits are administered through CVS Caremark. Under CVS Caremark, you may have your prescriptions filled at either a participating retail pharmacy or through the CVS Caremark Mail Service Pharmacy. Instructions for using both of these methods are outlined below.

### Retail Pharmacy

To have your prescription filled at a participating retail pharmacy for your immediate or short-term medicine needs:

- You must present your ID card to a pharmacist with each prescription to ensure correct claims processing. The CVS Caremark information on the back of your Anthem Blue Cross ID card identifies you as a participant in the program.
- You will pay for your prescription in full when you receive your medication at a retail pharmacy; you will be reimbursed based on whether you used a network or a non-network pharmacy.

- If you use a network pharmacy:
  - A pharmacist will submit your claim.
  - Anthem Blue Cross will reimburse you for 80 percent of the cost (after you meet your annual deductible).\*
- If you use a non-network pharmacy:
  - You must submit a claim form directly to CVS Caremark for reimbursement.
    - You can obtain a Member Claim Form online at [caremark.com](http://caremark.com) or by calling Customer Service at 1-800-450-3755. Mail the completed form along with the prescription slips (**not** the register receipt) to:  
  
CVS Caremark  
PO Box 65929  
San Antonio, TX 78265-9529
  - Anthem Blue Cross will reimburse you for 60 percent of reasonable and customary charges (after you meet your annual deductible).\*
  - If you do not live within the Caremark service area, you will be reimbursed for 80 percent of reasonable and customary charges (after you meet your annual deductible).\*

\*A deductible is not required under the Anthem Blue Cross III plan.

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1-800-786-6464

# STAYING HEALTHY TOGETHER

## Staying Healthy Together:

Vol. 5, Issue #3 • September 2011

## Active Living — Healthy Minds

Mental and emotional well-being are important components of a healthy life, and stimulating your mind can be fun at any age! This fall, we invite you to attend informative workshops which explore important mental and emotional health topics, including detecting, treating, and living with Alzheimer's disease, and ways to combat depression and stress.

### Save the Dates!

Upcoming workshop locations and dates:

- Tuesday, October 18 (afternoon) at Sportsmen's Lodge in Studio City
- Wednesday, October 19 (morning) at the Carson Civic Center in Carson

Keep an eye on your mailbox for the invitation to this exciting event. Participants can look forward to socializing with fellow members, winning fun and healthy raffle prizes, and learning about important health issues. We look forward to seeing you there!

### Special Guest Speaker

*Did you know Alzheimer's affects an estimated 4.5 million people?* The October workshops will feature a special guest speaker who will discuss Alzheimer's disease and other mental illnesses. Don't miss this important and informative presentation!

### Focus on Your Mental Health

#### Reducing Stress

Stress is a normal part of everyday life, but when stress becomes overwhelming it can be detrimental to your emotional and physical health. Reducing stress has been shown to have healthy benefits.

Here are some quick tips for reducing stress in your life:

- Write it down: Write 10 to 15 minutes a day about how you feel.
- Let your feelings out: Share with a friend or family member regularly.
- Do something you enjoy: Take time for hobbies.
- Exercise: Endorphins released during exercise help balance stress.

#### Mood Boosters

Healthy eating, exercising, and being social are elements of good mental health. For example, studies show foods high in Omega-3 fatty acids, protein, and natural sugars boost your immune system, as well as your mood. Combined with daily exercise, these healthy foods can help you maintain your good mood and reduce your stress level.



**CROSSWORD PUZZLE ONLINE**  
Visit [lacera.com](http://lacera.com), Healthcare, Staying Healthy Together

### Prescription Drug Benefits cont'd from pg. 5

#### CVS Caremark Mail Service Pharmacy

The Mail Service Pharmacy is important for participants who take specialty drugs and maintenance prescriptions for chronic medical conditions. Under the Mail Service Pharmacy program, you may order up to a 90-day supply of your long-term maintenance prescription drugs by mail.



To get your prescription filled through the CVS Caremark Mail Service Pharmacy, call toll-free at 1-800-450-3755 or log on to [caremark.com](http://caremark.com). Your prescriptions will be mailed to your home approximately 10 to 14 days after CVS Caremark receives your order.

#### For the Mail Service Pharmacy, you will pay the following copays:

- \$10 for each authorized generic prescription

- \$30 for each authorized preferred brand-name prescription (on the drug list)
- \$50 for each authorized non-preferred brand-name prescription (not on the drug list)

#### Specialty Drugs

Specialty drugs are available only by mail through Caremark Specialty Pharmacy Services, unless they are dispensed in your physician's office.

## From the Executive Desk cont'd from pg. 2

on the enactment of policies that curb opportunities for pension spiking and reduce the County's portion of retiree healthcare. I think it's worth noting, the report also mentioned, *"It is unlikely that retiree health benefits can be modified for current retirees and employees."*

The CGJ suggests *"LACERA could explore the benefits of changes to actuarial methodologies used to smooth investment returns and the County could, with input from LACERA, focus on discussions with employee bargaining groups to redesign benefits, including exploring benefit caps and establishing defined contribution alternatives; examining opportunities for cost reductions from modifying certain provisions that create opportunities for pension spiking; and consider policy changes to ensure the pre-funding of OPEB [Other Post-Employment Benefits] benefits by increasing annual contributions and narrowing the allowed uses of the County Contribution Credit Reserve."*

The details of the CGJ's investigation, along with its findings and recommendations, are included in the agency's report. **You can read the full report on [lacera.com](http://lacera.com).**

### About the CGJ

The CGJ acts in a "watchdog" capacity

to ensure the County is being governed honestly and efficiently and County monies are being handled appropriately. It carries out its responsibility by carefully examining the operations of various county, city, and joint-power agencies within Los Angeles County. Its mandate includes the authority to audit operations, accounts, and records of officers and departments within each agency under investigation.

**"Both CalPERS and LACERA have managed pension trusts for local governments for over 70 years. During that period, these funds have met their pension obligations to members and been successful at accumulating significant asset reserves for future benefit obligations. Their current asset balances are sufficient to ensure that there is no threat of default on their obligations."**

The CGJ is divided into committees, each of which concentrates on the investigation of certain departments or functions of city or county government, to explore whatever special needs or problems may be confronting the city or county at the time of each new CGJ impanelment. A committee will visit the County facility, meet with County officials, and develop recommendations for improvement. At the end of the Grand Jury's term, a final report is sent to the County Board of Supervisors for

a response within ninety days. Copies of the final report are distributed to public officials, libraries, and the news media. This year's CGJ included a committee to assess the state of pension plans in Los Angeles County.

### In Summary

As public retirement systems undergo increasing scrutiny, we continue to be a soundly run system, openly operated, and guided by strict corporate

governance policies. As you know, LACERA retirement benefits are, and have always been, strictly administered in accordance with the County Employees Retirement Law of 1937. As such, we will continue to produce, protect, and provide the promised benefits to our members and their beneficiaries.



## Prescription Drug Benefits cont'd from pg. 6

### Specialty drug copayments:

- \$50 for up to a 30-day supply
- \$100 for a 31 to 60-day supply
- \$150 for a 90-day supply

**You must register** with Caremark Specialty Pharmacy Services by calling 1-800-237-2767, Monday through Friday, 4:30 a.m. to 6:00 p.m. (Pacific Time). For TDD, call 1-800-231-4403. For refills, call 1-800-237-2767.

### What is a specialty drug?

While there is no single accepted definition, all descriptions agree that specialty drugs:

- Often use biotechnology and genetic coding
- Are used to treat complex or rare conditions, such as rheumatoid arthritis, osteoporosis, cancer, anemia, and multiple sclerosis

- Are delicate and difficult to produce
- Are typically self-injected or administered by a healthcare professional
- Are typically very expensive because of their complexity and narrow therapeutic range

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## Prescription Drug Benefits cont'd from pg. 7

### Questions?

Contact Caremark Pharmacy directly for assistance with your prescription drug benefits, including:

- Finding a network pharmacy in your area
- Requesting mail order refills
- Confirming which prescription drugs are covered

Contact Caremark:

- Phone: 1-800-450-3755
- Internet: [caremark.com](http://caremark.com)

Contact Anthem Blue Cross for assistance with your ID cards:

- Phone: 1-800-284-1110
- Internet: [anthem.com/ca](http://anthem.com/ca)

# SEPTEMBER 2011

## **Spotlight**<sub>on retirement</sub>

### **FEATURED ARTICLE:**

## ***Civil Grand Jury Finds LACERA is "Well Run"***

**ALSO:** *Understanding Your Prescription Drug Benefits, LACERA Power of Attorney, 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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