



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • JUNE 2012 • VOL. 23, NO. 2

FAQs: The Temporary Relocation of the Public Counter



LACERA is located in the Gateway Plaza, at 300 N. Lake in Pasadena. As the first floor of the building is under construction, LACERA's Public Counter will be temporarily relocated to Suite 340 (the third floor of the building). Pre-Retirement Workshops will temporarily be held off site, at Descanso Gardens. Read on for more information.

Q 1: Why is the first floor of LACERA under construction?

A: LACERA's Public Counter, located in the lobby on the first floor, is being remodeled to include 19 private offices to better protect your confidential information in conversations with Retirement Benefits Specialists. We want to ensure that every member is comfortable disclosing personal information.

Q 2: When will the construction begin, and for how long will it continue?

A: Construction began in May and is scheduled to continue through the end of August. If the work is done prior to the end of August, an update will be posted on lacera.com.

Q 3: During construction, where will Public Counter services be offered?

A: Until construction is finished, the Public Counter will be relocated to suite 340, on the third floor of LACERA. Signs will be posted in the lobby on the first floor and on the third floor to direct you. You may also ask for assistance at the security desk in the lobby. The Public Counter will continue to be open Monday through Friday from 7:00 a.m. to 5:00 p.m.

Upcoming Holidays



LACERA will be closed on:

- **Wednesday, July 4,** in observance of Independence Day
- **Monday, September 3,** in observance of Labor Day

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From the Executive Desk

Gregg Rademacher – CEO, LACERA



For Almost 40 Years, LACERA Has Exercised Its Own Pension Reform

I was honored to address the Conference Committee on Public Employee Pensions in April. The committee, which is a bipartisan panel of six state legislators, was created to examine Governor Brown's Twelve-Point Pension Reform Plan, along with the pension structures of public retirement systems in California. I was invited to address the April 13, 2012 hearing, which focused on issues specific to the 1937 County Employees Retirement Law, the law that governs LACERA.

Since I was asked to speak on the topic of creative plan design, I felt the committee members were especially interested in learning about the non-contributory structure of our retirement Plan E. For the legislators to fully understand the background leading to the creation of Plan E, I knew it was important to review the history and evolution of LACERA's retirement plans for general members.

With that in mind, I expressed to the lawmakers how **Los Angeles County began exercising pension reform on its own almost 40 years ago**. I pointed out how in 1977, the County recognized the benefit formula for Plan A, the original 1937 retirement plan for general members, would not be sustainable over the long term.

"The County and its employee groups have a rich history of coming together and doing what's right for the community."

At that time, the Los Angeles County Board of Supervisors (BOS) as the plan sponsor, sat down with employee groups and the parties worked out the modified benefit formula that became known as Plan B. In 1978, the parties sat down again and created another formula modification, Plan C. The scenario repeated in 1979 with introduction of Plan D. **Each new Plan established a reduced benefit formula and marked the closing of the previous Plan.**

I noted that until 1982, all LACERA retirement plans were contributory plans, whereby each employee made mandatory contributions, through payroll deductions, to his or her Plan. In 1982, the County and its stakeholders took a new, creative approach to plan design and created non-contributory Plan E for general members. I explained that unlike our contributory plans, Plan E does not provide pre-retirement disability benefits. Additionally, it pays a lower benefit than Plan D. To enhance their retirement benefits, Plan E members are also encouraged to participate in a County-sponsored 457 defined contribution plan.

Since 1982, general employees entering County service may elect either Plan D or Plan E. **It was important for the legislators to know Plan D and Plan E meet the majority of tenets put forward by Governor Brown and many citizen groups.**

cont'd on pg. 3

Special Tax Withholding Rules Apply to Retirees Living Abroad and Retirees in U.S. with P.O. Box Addresses

The Internal Revenue Code requires LACERA to automatically withhold federal income tax at the married and claiming three exemptions rate (the W-4P tax form refers to exemptions as allowances) from: (1) **individuals who provide a P.O. Box as their home address and (2) U.S. citizens and resident aliens who are living outside of the United States.**

If you accept the married with three exemptions rate, no action is necessary on your part.

This policy, which takes effect with your July 2012 LACERA allowance, affects federal tax only. California State tax withholding elections are not affected.

Use LACERA'S Form W-4P to Submit a Home Address with a Street Number

If you fall within either of the referenced categories and you wish to have LACERA withhold federal tax at a rate *other than* married with three exemptions or to elect *not* to have tax withheld, you may use a W-4P tax form to submit a U.S. home address with a street number. In the event of an IRS audit, it will be your responsibility to substantiate your residence. LACERA is not responsible for the address you submit.

If You Elect Another Tax Rate It's important to understand the exact dollar amounts associated with each withholding category will vary from individual to individual. For example,

in many cases claiming single with six withholding exemptions will result in a lower withholding amount than married with three exemptions. However, this will not be true in all cases. The dollar amount depends on the amount of your allowance and other factors involving your personal situation.

If you have tax withheld, the IRS requires LACERA to withhold at least the married with three exemptions amount. Therefore, if the category you indicate on Form W-4P results in a lower withholding amount, LACERA will withhold the married with three exemptions amount.

You may also use Form W-4P to elect **not** to have tax withheld, if you provide a home address with a street number.

LACERA Tax Withholding Rates Effective July 2012

Tax Form W-4P on File with LACERA	U.S. Home Address on W-4P	Automatic Withholding at Married Claiming Three Exemptions Rate	Can Elect Any Withholding Rate*	Can Elect No Tax Withheld
YES	Includes Street Number	NO	YES	YES
YES	Includes P.O. Box	YES	NO	NO
NO	—	YES	NO	NO

**If the category elected on Form W-4P results in a lower withholding amount, LACERA will withhold at the married with three exemptions amount.*

Check with a professional advisor to determine which withholding category is best for your personal situation; LACERA does not provide tax advice. Copies of Form W-4P are available on the Brochures & Forms page of lacera.com or by calling 800-786-6464. Tax elections may also be submitted on the My LACERA section of lacera.com.

From the Executive Desk cont'd from pg. 2

County and Employee Groups Work Together to Do What's Right for the Community

In the course of my remarks, I emphasized the track record of the BOS and its stakeholders of acting conservatively and responsibly, even during the bull market years. In the 1990s, when most other public retirement systems increased their pension formulas, the BOS and employee groups remained focused on the long term and left LACERA's benefit formulas unchanged.

I was proud to report Los Angeles County and its employee groups have a rich history of coming together and doing what's right for the community.

Additionally, I praised the BOS for fully funding its portion of the retirement plan on an annual basis. I concluded my comments by stressing LACERA is stable, well-funded, and solidly positioned to pay its current, as well as future obligations.

To watch Gregg Rademacher addressing the Conference Committee on Public Employee Pensions, go to "CEO at Pension Committee" under the About section on lacera.com.



Annual Retiree Healthcare Packet

The 2012-2013 Annual Retiree Healthcare Packet, which contains the Annual Healthcare Letter, the new rate booklet for medical and dental/vision premium rates, and other valuable information regarding your LACERA-administered healthcare 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 are currently enrolled in a LACERA-administered plan and have not received your packet, contact the Retiree Healthcare Division by calling either 800-786-6464 (“press 1” when prompted) or 626-564-6132. Email us at healthcare@lacera.com.

If you have previously chosen to opt out of receiving the printed version, we will email your packet to the email address you provided to LACERA. If the emailed packet is returned to us as undeliverable, we will send a paper copy

to your home address on file.

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 a separate mailing. Plan changes and premium rates are determined by the Kaiser Permanente region in which you reside.

Quote: *“In three words, I can sum up everything I’ve learned about life: It goes on.”*

– Robert Frost

Inside lacera.com

Visit the **Brochures & Forms** page to view, download, print, and/or order:

- The Federal and California Tax Withholding Certification for Pension/Annuity Payments form (Forms W-4P/DE-4P)
- The Payday Planning Calendar
- Retiree healthcare plan documents
- A direct deposit brochure
- Address and name-change forms

Whether you’re a newly retired member of LACERA or retired years ago, the materials you need to stay on track into your retirement are available on the Brochures & Forms page. A link to the Brochures & Forms page is on the top left side of every lacera.com web page.



Three non-financial ways to prepare for an easier transition into retirement:

- Establish concrete goals that will give you a new sense of purpose: earn a degree or take classes on a subject that interests you, volunteer your time and energy to a cause you’ve always wanted to support, work on a project – writing a book, for example – you never found the time in your working life to pursue.
- Nurture relationships already important to you and engage yourself in social pursuits that will broaden your network of friends: join a meet-up or a reading group, schedule a weekly coffee date, share photos and letters or emails with family and friends, and consider your role in the lives of your children and grandchildren or younger relatives.
- If you plan to travel, consider where you want to go and how you will prepare: Are you interested in exotic locals or familiar trips? Do you want to visit relatives who live in another state or immerse yourself in a foreign culture?

The LACERA PENSION DOLLAR

10¢
Employee
Contributions

75¢

LACERA
Investment Earnings



15¢
Employer
(County)
Contributions

LACERA Pensions are Funded Through Three Sources

Investment Income Funds 75 Percent of Each Pension Dollar

As public pensions come under increasing public criticism, it's important to know that over the past 15 years, 75 cents of each LACERA pension dollar has been funded by returns on investments. Employee contributions have funded 10 cents of each dollar, while employer (County) contributions have funded the remaining 15 cents.

LACERA TAKES ITS DAUGHTERS AND SONS TO WORK FOR A DAY

An enthusiastic crowd of LACERA employees' kids, ages 8 to 12, joined us on April 19 to celebrate Take Your Daughters and Sons to Work Day at LACERA.

The kids shared a day of interesting and informative activities generated around this year's theme, "Build Opportunity." They were welcomed to LACERA by our CEO, Gregg Rademacher, and were introduced

to several LACERA divisions and special guests throughout the day.

The kids learned about LACERA's technological equipment from Systems, illustrated a take-home book in our Communications Division, played educational games with the Claims Processing and Financial & Accounting Services Divisions, toured Procurement, worked on an enormous crossword

puzzle with Disability Litigation, and talked with planetary geophysicist Todd Ratcliff of NASA's Jet Propulsion Laboratory about the parallels between *Star Wars* – a subject on which several of the kids were well versed – and space and spacecraft. Later in the day, they met with a Pasadena firefighter, who invited them onto the fire truck and explained the duties of a firefighter and fire safety rules.

In addition to the fire truck tour and Mr. Ratcliff's talk, the biggest hits with the kids were the chicken and Hawaiian rolls at lunch and some pretty awesome hip-hop lessons. Several of the kids will have aged out of the Take Our Daughters and Sons to Work Day events for 2013 but, given their enthusiasm, were invited to come again next year as volunteers.



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 healthcare 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, leaving a surviving spouse or eligible domestic partner and dependents who 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.

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STAYING HEALTHY TOGETHER

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Staying Healthy Together Spring Workshops Stress the Importance of Biometric Screenings

Our April Staying Healthy Together workshops, which were held in Burbank and Carson, focused on biometric screenings and their importance as health and wellness tools.

Workshop attendees received complimentary screenings measuring their:

- Blood pressure
- Total cholesterol
- Glucose
- Body mass index (BMI)

The screenings were conducted by HealthFax, a third-party administrator.

After the tests, members and their eligible dependents were able to review their results with HealthFax health advisors. Participants learned how biometrics serve as reliable indicators for many chronic preventable diseases such as diabetes, heart disease, and hypertension.

Representatives of LACERA-administered health plans were also on hand to provide members with information regarding available tools and programs to address their health issues.

At the conclusion of the workshop, twenty lucky attendees won \$50 gift cards in a raffle. The winners will receive their prizes by mail.

Find Out Your Numbers

Knowing your biometrics can assist in developing a path to disease prevention and improved health. If you haven't had biometric screenings, make an appointment with your health provider.

Biometrics To-Do List:

- Schedule an annual physical with biometric screenings
- Discuss the results with your health provider
- Contact the carrier of your LACERA-administered medical plan to find out more about tools and resources available to help you take control of your health

More Workshops Coming This Fall

Stay tuned for dates and details regarding our fall Staying Healthy Together workshops.

Thoughts from Workshop Attendees

- *"This was great; everyone was so friendly and helpful. I learned a lot!"*
– Bonnie
- *"I liked being able to talk to the medical professionals and get answers to my questions."*
– Evelyn
- *"I received valuable information from the nurses and my health insurance carrier. Now I feel better about making healthy choices."*
– Jim



New Assistant Executive Officer Joins LACERA's Executive Office

In March 2012, John Popowich (or JJ, as he prefers to be called) joined LACERA's Executive Office as Assistant Executive Officer (AEO). As AEO, Mr. Popowich assists in developing the strategic direction, leadership, and planning of LACERA.

Mr. Popowich brings a wealth of relevant experience to this position. Prior to becoming AEO, he served as Manager of our Member Services

Division, where he oversaw 60 employees in providing customer service and retirement counseling to LACERA's 156,000 active and retired members. In an effort to enhance LACERA's customer service systems, Mr. Popowich created, launched, and managed our Member Services Quality Control Unit, which ensures service quality levels through call-monitoring, work reviews, audits, and surveys.

Additionally, he created a Member Services-specific knowledge base designed to raise the level of detail in retirement counseling and other customer services.

Before joining LACERA in 2005, Mr. Popowich earned a BS in Business Management from the University of Phoenix, and he held private sector positions that focused on customer service and quality control.

Across

1. A cowboy of the Great Basin and California region of the U.S.
4. The 50 stars on the American flag stand for the 50 _____.
6. Nickname for the American flag (2 Words)
7. The Hancock who signed the U.S. Declaration of Independence
8. June 20 is the first day of _____.
9. Commonly known as the Fourth of July (2 Words)
12. There are 56 of them on the U.S. Declaration of Independence.
13. An airborne insect that lights up the skies on summer nights
14. In a defined benefit plan, it is the _____ who bears the risk of adverse investment performance.
15. What Yankee Doodle called the feather in his hat
16. The Star-Spangled Banner is our national _____.



Down

1. The "_____ Fireworks Spectacular" has been held in Massachusetts annually since 1973. (2 Words)
2. Danny and Sandy's duet from the 1978 movie *Grease* (2 Words)
3. Falls on the third Sunday each June (2 Words)
5. LACERA's Public Counter has been temporarily relocated to the _____ floor of LACERA.
8. Hand-held fireworks that burn slowly and emit sparks
10. COLA becomes effective each year on the first of _____.
11. Term for a southern California weather pattern, usually the cloudiest time of year (2 Words)

(Answers can be found on lacera.com/newsletters page.)



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Did You Know

Defined Benefit (DB) Plan

LACERA invests the funds; your employer bears the risk of adverse investment performance.

Defined Contribution Plan

The employee decides how he or she will invest the funds, and the employee bears the risk of adverse investment performance.

Payday Calendar



REMINDER:

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

June 2012	July 2012	August 2012
M: June 28	M: July 30	M: August 30
DD: June 29	DD: July 31	DD: August 31

M = Mailing Date DD = Direct Deposit Date

COBRA Eligibility Reminder cont'd from pg. 5

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 Retiree Healthcare at 800-786-6464 and press 1 or call 626-564-6132. Email us at: healthcare@lacera.com.

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.**

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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