



Spotlight on retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • MARCH 2012 • VOL. 23, NO. 1

2.0 Percent COLA Approved for 2012

At its February 9th meeting, the Board of Retirement (BOR) approved a **+2.0 percent 2012 cost-of-living adjustment (COLA)** for retirees and eligible survivors. **The increase, which is effective April 1, will be reflected in your April 30th check.**

Statistics released by the Bureau of Labor Statistics on January 19, 2012 indicate the percentage difference between the December 2010 and December 2011 CPI Indexes for All Urban Consumers for the Los Angeles-Anaheim-Riverside area is +2.2 percent.

When rounded to the nearest one-half of one percent, as prescribed by law, the result is 2.0 percent.

Two percent is less than the maximum increase (3.0 percent) allowed in LACERA Plan A. In Plans B, C, D, and E the maximum allowable increase is 2.0 percent.

According to the provisions of LACERA retirement plans, if the COLA percentage exceeds the maximum allowable (as it often did in past years), the excess percentage is accumulated to

cont'd on pg. 5

Most Member Data Subject to Disclosure under California Public Records Act

Until recently, LACERA understood Section 31532 of the County Employees Retirement Law of 1937 (CERL) — the law that governs LACERA — to mean all information pertaining to an individual member and his or her beneficiary(ies), including the amount of their benefit payments, was confidential.

Section 31532 states “...[the] individual records of members shall be confidential and shall not be disclosed to anyone...”

Based on that understanding, LACERA's policy had always been not to release individual member information.

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Upcoming Holidays



LACERA will be closed on:

- Monday, May 28
in observance of
Memorial Day.

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Los Angeles County Employees Retirement Association

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From the **Executive Desk**

Gregg Rademacher – CEO, LACERA



LACERA Retirees Pump \$1.8+ Billion into Los Angeles County Economy

The retirement and survivor benefits we administer were established by lawmakers in 1937 in recognition of the invaluable contribution made by County employees to the greater welfare of Los Angeles County.

So what does *greater welfare* of Los Angeles County actually mean? It means protecting the public health and safety and making the justice system work. It means maintaining the County coastline, operating the bus and rail services, conducting earthquake recovery projects, registering voters, and conducting elections. Or operating the libraries, museums, and parks and recreation facilities; or administering domestic violence shelters, senior service programs, and providing social services to at-risk children, as well as countless other services. Regardless of job title, LACERA members spend their careers serving the health, welfare, and recreation of County residents. For that service, the County contributes to their promised benefits. *The benefit is mutual.*

This underlying principle — “mutual benefit” — is the foundation upon which LACERA was designed. The tenet is so important we used it as the theme for our fiscal year 2010-2011 Comprehensive Annual Financial Report, as well as our Popular Annual Financial Report that you received with your December 2011 *Spotlight*.

LACERA pension dollars strengthen local economies.

Benefits Pump Substantial Dollars into Local Economies

LACERA disburses \$2.2 billion annually in retirement and survivor benefits to Los Angeles County retirees and their beneficiaries. Over the past fiscal year, more than \$1.8 billion of that payroll was paid to approximately 45,000 retirees and survivors residing in Los Angeles County.

As we know, those hard-earned benefits help to secure the futures of County retirees and their survivors.

What may not be as apparent, however, is the value-added effect these benefits have on the local economies of LACERA retirees. Let's take Los Angeles County as an example, since the majority of our retirees and survivors reside in the County.

Research shows that for every dollar LACERA paid in 2010 retirement benefits, the Los Angeles County economy realized an additional \$1.01 in economic impacts.* This means **LACERA retirees and their survivors pumped more than \$1.8 billion in additional dollars into the County economy through the money they spent on such items as food, medical services, transportation, and entertainment.**

*Computation based on research compiled by Dr. Robert Fountain of Regional Economics Consultants and methodology utilized in that group's July 2011 study for CalPERS, titled *The Economic Impacts of CalPERS Pension Payments in 2010*.

LACERA Congratulates Newly Appointed and Reappointed Board Members

We congratulate those individuals who were appointed to seats on LACERA's boards by the Board of Supervisors.

Board of Retirement

John M. Barger joins the Board of Retirement with a solid understanding of LACERA, having served on the Board of Investments. He has over 25 years' experience as a lawyer, investor, financial entrepreneur, and public employee and is director of the Council of Institutional Investors and co-founder, managing director, and general counsel of the Latin American Reinsurance Company. Mr. Barger holds a Juris Doctorate from the University of California and a Master of Science in economics and finance from the London School of Economics.

Board of Investments

Reappointed to the Board of Investments, **Michael Schneider**, CPA, has previously served on the Board as Chair and Vice Chair. Mr.

Schneider is the owner of a certified public accounting firm in Los Angeles and co-founder of Aluminum Recycling Company, Inc., one of the largest aluminum can recyclers in the U.S. He holds a Master of Science in quantitative business analysis from the University of Southern California.

Leonard Unger, continuing his substantial history of service, has been reappointed to the Board of Investments. He has an extensive law background, with experience in estates, trusts, and litigation. He is a member of various community, civic, and cultural organizations and serves on several other boards. Mr. Unger holds a Juris Doctorate from Berkeley and, in 1998, received the Thurgood Marshall Award from the Bar Association of the City of New York for his pro bono death penalty work. His knowledge and experience are

welcome contributions to the Board of Investments.

Carolyn Widener brings a wealth of retirement system experience to the Board of Investments. Prior to her appointment, Ms. Widener served as a California State Teachers' Retirement System trustee, where she participated in decision-making on actuarial valuations, annual budget adoptions, and personnel compensation. Ms. Widener also serves on the executive board of the National Conference of Public Employee Retirement Systems. Retired following a 40-year career as professor of English and a counselor at Los Angeles Community College, she holds a Master of Education in counseling psychology from the University of Southern California and a Bachelor of Arts in history from the University of California at Los Angeles.

From the Executive Desk cont'd from pg. 2

Their expenditures have a ripple effect; money spent at one local business enhances that business' revenue, which, in turn, encourages that owner to spend more money at other local businesses. As the ripple effect continues, additional rounds of spending are generated. This ultimately leads to the creation of jobs, increased income, and expanded tax revenues. *The benefit is mutual.*

Good for the Community

In addition to infusing more than a billion additional dollars into the economy through retiree expenditures, LACERA's defined lifetime benefits also protect our retirees and survivors from the need of public assistance, particularly in difficult economic cycles. By providing a lifetime benefit, LACERA plans allow retirees and their survivors to maintain a level of reliable spending power and ongoing contributions to the local economy. This is often not the case with retirees who don't have lifetime benefits; those folks run a much greater risk of eventually tapping the resources of the local economy, rather than contributing to it.

Defined benefit plans such as the one you have as a LACERA member are not only good for you, they're good for the community, as well!



Healthcare | FAQs |

1. When I enroll in a LACERA-administered Medicare HMO plan, why can't I list a P.O. Box address as my permanent residence address on the Universal Enrollment Form for the Medicare Advantage Prescription Drug Plan?

A: When you enroll in a LACERA-administered Medicare HMO plan you must provide your street address and not a P.O. Box address. If you list a P.O. Box address as your permanent address, your enrollment form will be rejected by the insurance carriers, which may affect your enrollment.

2. How would losing my Medicare Part B eligibility due to non-payment of my Medicare Part B premium or requesting to disenroll from Medicare Part B affect my enrollment in a LACERA-administered Medicare HMO or Medicare Supplement Plan?

A: If you lose your Medicare Part B eligibility status, you will be disenrolled from your LACERA-administered Medicare HMO or Medicare Supplement Plan. To be enrolled, you must be currently enrolled in both Medicare Part A and B. If you re-enroll in Medicare Part B, you must contact LACERA immediately in order to coordinate your re-enrollment into the LACERA-administered Medicare HMO or Medicare Supplement Plan. Re-enrollment in Medicare Part B **will not** automatically re-enroll you in these plans.



Quote: "Pair off in threes."

– Yogi Berra to his players during a spring training drill

Inside lacera.com

We've redesigned and updated the **Boards section on lacera.com**. The Board of Retirement and the Board of Investments each have their own overview page, which displays the following:

- Summary of Board composition, duties, and responsibilities
- Link to Board member profiles
- Link to bylaws
- Link to Board Committees
- Meeting Schedule with links to meeting agendas and minutes

Use the Boards tab on the top of the lacera.com home page to view the freshly reorganized and easy-to-navigate Board section.

California Public Records Act cont'd from pg. 1

Courts Reject Confidentiality of Member Data

In recent years, various "public interest" groups have been successful in challenging that interpretation. Recent court rulings, including rulings by three California Courts of Appeal, have found confidentiality does not apply to most retiree and beneficiary information. LACERA is bound by these rulings.

The courts ruled retiree pension information is subject to disclosure under the California Public Records Act (CPRA). The California Legislature created this law (Govt. Code, §§ 6250 - 6276.48) in 1968 to recognize the public's right to information concerning the peoples' business. **The CPRA grants the public access to information in**

possession of all California state and local agencies, including LACERA.

We Will Honor All Lawful Requests

As we have informed you by letter, to date we have received requests from two news organizations for retiree information and expect to receive additional requests from other organizations and/or individuals in the future. **LACERA will honor all lawful requests for information. Going forward, we will be unable to alert our members each time we receive such a request.**

For More Information

Read the FAQs on page 7 for additional information about the CPRA or visit the Benefits section of lacera.com.

COLA Approved for 2012
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supplement future COLA benefits. The accumulated percentage carryover is known as the **COLA Accumulation**. The longer you have been retired (or receiving a survivor's allowance), the more COLA carryover you have accumulated.

LACERA uses the COLA Accumulation to fund the maximum increase allowable under each Plan. Qualified Plan A retirees and their eligible survivors with sufficient COLA Accumulations will draw from them to supplement this year's 2.0 percent adjustment.

**Retirement date also applies to survivors of LACERA retirees who died during that period.
**Plan E COLA (Automatic COLA) increases apply only to service credit earned after June 4, 2002. Plan E members who retired after June 4, 2002 will receive up to a 2 percent COLA increase. The portion of the 2 percent COLA is based upon a ratio defined as the months of service earned after June 4, 2002, divided by the total months of service. COLA adjustments also apply to pre-June 4, 2002 Plan E service credit for which Elective COLA was purchased.*

2012 COLA Accumulation Chart

The chart below reflects the COLA Accumulation percentages for all retiree groups as of April 2012.

				COLA ACCUMULATION		
Retirement Dates*	Plan	Maximum Cost of Living	CPI Change	As of April '11	April '12 Withdrawals	As of April '12
Prior to 4/1/81	A	3.0%	2.0%	14.5%	1.0%	13.5%
4/1/81 – 3/31/82	A	3.0%	2.0%	8.2%	1.0%	7.2%
4/1/82 – 3/31/83	A	3.0%	2.0%	4.1%	1.0%	3.1%
4/1/83 – 3/31/84	A	3.0%	2.0%	4.0%	1.0%	3.0%
4/1/84 – 3/31/85	A	3.0%	2.0%	2.7%	1.0%	1.7%
4/1/85 – 3/31/86	A	3.0%	2.0%	1.2%	1.0%	0.2%
4/1/86 – 3/31/87	A	3.0%	2.0%	0.4%	0.4%	0.0%
4/1/87 – 3/31/88	A	3.0%	2.0%	0.3%	0.3%	0.0%
4/1/88 – 3/31/12	A	3.0%	2.0%	0.0%	0.0%	0.0%
4/1/77 – 3/31/90	B, C, D	2.0%	2.0%	17.5%	0.0%	17.5%
4/1/90 – 3/31/91	B, C, D	2.0%	2.0%	14.9%	0.0%	14.9%
4/1/91 – 3/31/92	B, C, D	2.0%	2.0%	10.3%	0.0%	10.3%
4/1/92 – 3/31/00	B, C, D	2.0%	2.0%	9.7%	0.0%	9.7%
4/1/00 – 3/31/01	B, C, D	2.0%	2.0%	9.4%	0.0%	9.4%
4/1/01 – 3/31/02	B, C, D	2.0%	2.0%	7.7%	0.0%	7.7%
4/1/02 – 3/31/03	B, C, D	2.0%	2.0%	7.6%	0.0%	7.6%
4/1/03 – 3/31/05	B, C, D	2.0%	2.0%	5.9%	0.0%	5.9%
4/1/05 – 3/31/06	B, C, D	2.0%	2.0%	3.5%	0.0%	3.5%
4/1/06 – 3/31/07	B, C, D	2.0%	2.0%	1.0%	0.0%	1.0%
4/1/07 – 3/31/12	B, C, D	2.0%	2.0%	0.0%	0.0%	0.0%
6/4/02 – 3/31/03	E**	2.0%	2.0%	7.6%	0.0%	7.6%
4/1/03 – 3/31/05	E**	2.0%	2.0%	5.9%	0.0%	5.9%
4/1/05 – 3/31/06	E**	2.0%	2.0%	3.5%	0.0%	3.5%
4/1/06 – 3/31/07	E**	2.0%	2.0%	1.0%	0.0%	1.0%
4/1/07 – 3/31/12	E**	2.0%	2.0%	0.0%	0.0%	0.0%

How the 2012 COLA Affects Plan A Retirees

Plan A retirees and eligible survivors with sufficient COLA Accumulations will draw from their Accumulations in order to receive the 3.0 maximum percentage increase allowed under their Plan. As indicated in this chart, certain groups of Plan A retirees and survivors have no

COLA Accumulations from which to draw; others have only enough to partially supplement this year's COLA. Since this year's COLA is 2.0 percent, the maximum increase allowed in the other LACERA plans, retirees and survivors in Plans B, C, D, and E have no need to draw from their COLA Accumulations.

PLAN A					
Retirement Date	2012 COLA Adjustment		Withdrawal from COLA Accumulation		Total 2012 COLA Increase
Prior to April 1, 1977 – 3/31/86	2.0%	+	1.0%	=	3.0%
4/1/86 – 3/31/87	2.0%	+	0.4%	=	2.4%
4/1/87 – 3/31/88	2.0%	+	0.3%	=	2.3%
4/1/88 – 3/31/12	2.0%	+	0.0%	=	2.0%

STAYING HEALTHY TOGETHER

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Staying Healthy Together: Plans Underway for Spring Workshops

We're currently finalizing the details for our spring Staying Healthy Together workshops. Held at various locations throughout Los Angeles County, these popular half-day educational and social events feature informative health presentations and valuable strategies for retiree wellness.

They also offer a great opportunity to connect with fellow retirees.

Watch your mail for details on dates, locations, and workshop topics. Workshop information will also be posted in the Healthcare section of lacera.com as soon as it's available.

Anthem Blue Cross Enrollees Only

Receiving Care from In-Network and Out-of-Network Providers

The following affects those enrolled in LACERA-administered Anthem Blue Cross Plans I, II, and Prudent Buyer Plan only:

Those currently enrolled in one of the LACERA-administered Anthem Blue Cross Indemnity Medical Plans (Anthem Blue Cross Plans I, II, or Prudent Buyer Plan) have the flexibility to receive care from in-network and out-of-network providers.

If you are enrolled in one of the Anthem Blue Cross medical plans listed above and you are facing surgery or other care in a hospital, from a hospital-based physician, it is important to understand the costs and provider types associated with that care. For example, in 2011, some members discovered that although their surgeon was considered in-network, the anesthesiologist who treated them did not have a contract with Anthem Blue Cross, and was, therefore, considered out-of-network.

As a result, those members were billed out-of-network costs for that anesthesiologist.

Guidelines for Understanding Potential Out-of-pocket Costs for Hospital-based Physicians Steps to follow before you receive care:

1. Ask your provider or the facility to list any additional services required for your upcoming visit (such as anesthesia or radiology) and to specify whether those services will be performed by in-network providers.
2. **Contact Anthem Blue Cross directly to confirm each provider is in-network:**
 - Phone: (800) 284-1110 or
 - Website: anthem.com/ca

3. Request an in-network provider for your upcoming visit, if possible. **Note:** If an in-network provider is not available, you will be responsible for any billed charge exceeding the Customary and Reasonable charge. A customary and reasonable charge is the maximum amount the plan will pay for a service, based on the amount providers in that geographic area charge for similar services or supplies.

For questions regarding your medical benefits under Anthem Blue Cross Plans I, II, or the Prudent Buyer Plan, **contact Anthem Blue Cross directly at (800) 284-1110 or visit anthem.com/ca.**



1. Q: Why isn't my retirement data protected by federal and state consumer protection laws?

A: The *L.A. Times* filed its request for retiree data under the California Public Records Act (Govt. Code, §§ 6250 - 6276.48), which is designed to give the public access to information in possession of public agencies. The law applies to all California state and local agencies, including LACERA. Any person or organization may file a request under this law.

2. Q: Does the CPRA permit public access to my social security number or contact information?

A: No. According to Section 6254.4 of the CPRA, the following information is "confidential and shall not be disclosed to any person":

- home address
- telephone number
- e-mail address
- California driver's license number
- California identification card number
- Social Security number



CALIFORNIA PUBLIC RECORDS ACT
Visit lacera.com, Benefits

3. Q: How will the L.A. Times use the data LACERA provided?

A: The *L.A. Times*, as well as any other organization or individual that accesses records under the CPRA, may use the information as it sees fit. LACERA has no control over how the information is used. Moreover, the law **prohibits** LACERA from inquiring about the nature of its use.

Experts Offer Valuable Insight at Annual Board Offsite Conference

Being conversant in issues affecting retirement is a priority at LACERA. We believe our members benefit by having educated and informed board members and management. In keeping with our commitment to this education, we hold an offsite educational and fiscal planning conference every January. The latest conference included presentations by LACERA management and experts on legislation, healthcare, investments, ethical conduct, and economics.

Meeting highlights included:

- **LACERA's Outreach**

Strategies: John Popowich, LACERA Member Services Manager, discussed a variety of approaches to augment outreach efforts to members throughout Los Angeles

County. He outlined the history of LACERA's outreach strategies, reviewed current member demographics, and discussed the possibility of implementing mobile and satellite offices. He also explored neighborhood workshops, extended office hours, and other possibilities to better connect with all LACERA members.

- **LACERA Retirement Benefit Strategic Plan:** CEO Gregg Rademacher and AEOs Robert Hill and Janice Golden outlined the association's strategic plan for the next three years and underscored LACERA's commitment to delivering first-class member service.

- **Retiree Healthcare:** Cassandra Smith, LACERA Retiree Healthcare Manager, presented the strategic plan for retiree healthcare. Also, Michael Kanter, M.D., Medical Director of Quality and Clinical Analysis of Southern California Permanente Medical Group, discussed Kaiser Permanente's current healthcare quality rating and its plan for improving healthcare services.
- **Legislative Update:** Lobbyist Joe Ackler reviewed recent developments in California politics and their potential impact.



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Did You Know

Defined Benefit (DB) Plans

LACERA's COLA (cost-of-living) programs provide inflation protection.

- Whenever the increase in the Consumer Price Index for the prior year exceeds the maximum level allowable by their LACERA retirement plan, retirees and survivors receive an annual COLA benefit.

Defined Contribution (DC) Plans

No cost-of-living program included.

- No protection against inflation.



A bird's eye-view of Los Angeles County, by the numbers:

- 129 square miles of islands
- 4,084 square miles of total land area
- 1,875 square miles of mountains

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.**

Payday Calendar

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

March 2012	April 2012	May 2012
M: March 29	M: April 27	M: May 30
DD: March 30	DD: April 30	DD: May 31

M = Mailing Date DD = Direct Deposit Date