





Annual Report



**LOS ANGELES COUNTY
EMPLOYEES RETIREMENT
ASSOCIATION**



*For the Year Ended
December 31, 1971*



TO THE MEMBERS

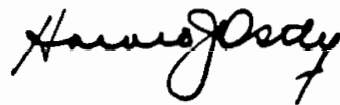
This Annual Report of the Los Angeles County Employees Retirement Association for the year ended December 31, 1971 is sent to you for the purpose of providing general, statistical and financial information concerning your retirement system.

On December 31, 1968, the Board of Supervisors adopted the provisions of Chapter 1155, Statutes of 1967, effective January 1, 1969. This action will result in increased benefits for many members of the Retirement Association. The benefit and contribution tables contained herein are based on this legislation.

The Retirement Law makes all individual records of members confidential. Such records may not be disclosed to anyone, other than the member himself, except in the administration of the Retirement Law or upon order of a court of competent jurisdiction.

Any member of the Retirement Association may call upon the Retirement Division of the Office of County Treasurer at any time for information regarding retirement problems, or for information concerning the operation of the system. When writing, be sure to give your home address, employee number, and department. Please do not telephone about matters of confidential record. Be prepared to identify yourself when you come to the office.

Sincerely yours,



Chairman
Board of Retirement

GENERAL INFORMATION—ACTIVE MEMBERS

MEMBERSHIP

Every employee appointed to a permanent position of three-quarter time or more in County service becomes a member of the Los Angeles County Employees Retirement Association (LACERA) on the first of the month following the month in which appointed. Appointees to positions in police, firefighting, and ocean lifeguard classifications, under age 36, become safety members. All others become general members.

Employees appointed to nonpermanent positions who work 180 days in a calendar year may become optional members if they so elect before March 31 of the next year.

CONTRIBUTIONS

Contributions to the Retirement Association are made by both the members and their employers. The rate of contribution for members is determined by sex and age at entrance in the Retirement Association. At present male member rates range from 6.88% of salary at age 16 to 11.07% of salary at age 54 or over. Female member rates range from 6.41% of salary at age 16 to 12.95% of salary at age 54 or over. Safety member rates range from 9.53% of salary at age 21 to 11.58% of salary at age 35. The contribution rates of members who are covered under social security are reduced by one-third with respect to the first \$350.00 of monthly salary. Contributions are discontinued when a member completes thirty years of continuous County service.

BENEFICIARY DESIGNATION

The name and relationship of his beneficiary is given by each member when he enters the Retirement Association. A married member normally names his spouse as beneficiary because of the community property laws of California and the survivorship benefits available to a spouse in the event of the member's death.

The person named as beneficiary may be changed at any time that changes occur in the member's personal circumstances. Request to change beneficiary forms are available at departmental personnel and payroll offices or from the Retirement Division.

KEEP YOUR BENEFICIARY DESIGNATION UP-TO-DATE.

CREDIT FOR PREVIOUS COUNTY SERVICE

Members who have worked in County service in an nonpermanent position before entering membership may obtain retirement credit for their nonmembership service. Members who withdrew from membership after terminating a previous period of County service may also obtain retirement credit for their previous service. Particulars applicable to each member entitled to these benefits may be obtained by written request addressed to the Retirement Division of the Office of County Treasurer.

CREDIT FOR PREVIOUS PUBLIC SERVICE

Members who have been previously employed by the State of California or a public agency in California may be entitled to retirement credit because of such service. Retirement credit may be obtained either

from the retirement system of the agency where previously employed or from the Los Angeles County Employees Retirement Association. Members who wish retirement credit because of previous public service should contact the Retirement Division for more detailed information applicable to their individual circumstances.

QUALIFICATIONS FOR SERVICE RETIREMENT

General Members

A service retirement application may be filed by any general member who:

- a. is 55 years of age or older and has retirement credit for 10 or more years of service, or
- b. has retirement credit for 30 years of service, regardless of age. General members must retire at age 70 regardless of service.

Safety Members

A service retirement application may be filed by any safety member who:

- a. is 50 years of age or older and has retirement credit for 10 or more years of service, or
- b. has retirement credit for 25 years of service regardless of age. Safety members must retire at age 60.

QUALIFICATIONS FOR DISABILITY RETIREMENT

A disability retirement application may be filed by any member who becomes permanently disabled for the performance of his duties. Disabilities that result from a job caused injury are termed service-connected and an application for retirement under these conditions may be filed regardless of age or length of service. Disabilities that are not caused by an on-the-job injury are termed nonservice-connected disabilities and an application for retirement under these conditions may be filed by any member who has five or more years of retirement credit.

QUALIFICATIONS FOR DEFERRED RETIREMENT

Deferred retirement status is available to members who terminate County service with five or more years of retirement credit and who apply in writing to enter deferred retirement status within 180 days after termination. Terminating members should carefully read the waiver relating to deferred retirement that is printed on the reverse side of "Withdrawal Certificate". Deferred members may receive a retirement allowance at any time after attaining age 55, providing at least 10 years have passed from their entry in the Retirement Association or at any age after 30 years from their entry date.

APPROVAL OF APPLICATIONS FOR RETIREMENT BENEFITS

Each application for a service or disability retirement allowance or for deferred retirement status is individually approved by the Board of Retirement. A letter informing each applicant of the action taken by the Board with respect to his application is sent by the chairman.

Applicants should contact the Retirement Division if such a letter is not received within a few days after the meeting of the Board at which their application was considered.

RECIPROCITY WITH OTHER RETIREMENT SYSTEMS

Reciprocal retirement benefits are available to members who terminate County service to accept a position with another qualified public agency in California. Members contemplating taking such action should contact the Retirement Division before leaving service for reciprocal benefits information applicable to their individual circumstances.

DEATH AND SURVIVOR BENEFITS FOR ACTIVE MEMBERS

The death benefit payable to the beneficiary of a member who dies before retirement consists of:

- a. The members's contributions and interest credited to his account, plus,
- b. An amount equal to an average month's salary (based on the last twelve months) for each year of retirement credit, but not exceeding six month's salary.

The death benefit may be paid in a lump sum or in 120 equal payments at the option of the beneficiary.

When the member's death was not caused by an injury on the job the surviving spouse or the guardian for the unmarried children under age 18 may elect a monthly allowance in lieu of the basic death benefit equal to 60% of the retirement allowance that the member would have received had he retired on the date of death.

The surviving spouse may elect to receive a combined benefit in lieu of either of the benefits previously described. The combined benefit consists of a lump sum payment (six month's salary) plus a reduced monthly allowance for life.

Information needed by a surviving spouse to make an informed election is furnished by the Retirement Division.

If the member's death was caused by an injury on the job, the surviving spouse or the guardian for the unmarried children under age 18 may elect a monthly allowance in lieu of the basic death benefit equal to the retirement allowance that the member would have received had he retired because of service-connected disability on the date of death. In such cases, an unmarried widow with children under age 18 in her custody may receive an additional allowance based on the number of children as follows:

1 child	25% of basic allowance
2 children	40% of basic allowance
3 or more children	50% of basic allowance

A combined benefit as previously described is also available to the surviving spouse of a member who dies in service from an injury or illness caused by his job.

In addition to all other benefits, the surviving spouse of a safety member who is killed by force or violence on the job receives a lump sum payment equal to twelve months pay.

SOCIAL SECURITY COVERAGE

All employees who became members of the Retirement Association on or after June 1, 1964, and all employees who elected OASDI coverage during the division of the Retirement Association are covered under social security. OASDI contributions (FICA taxes) are paid by these members on the first \$9,000 of salary paid them during each calendar year. Old age, survivor, disability, and health insurance benefits provided by the Social Security Act are payable to those members providing they meet the eligibility requirements. Questions concerning eligibility for these benefits should be directed to the nearest social security office.

WITHDRAWAL OF CONTRIBUTIONS

When a member leaves County service, he may withdraw the contributions he has made to the Retirement Association plus the interest credited to his account. Contributions made for OASDI coverage (FICA taxes) are not refunded when a member terminates County service.

Withdrawal of contributions forms are initiated by the employing department during the termination process and forwarded to the Retirement Division so that a refund warrant may be prepared.

GENERAL INFORMATION—RETIRED MEMBERS

APPLICATION FOR RETIREMENT

A retirement application is submitted to the Board of Retirement by each member who desires to retire. The Board of Retirement meets on the first Wednesday of each month to consider the applications for service retirement filed up to the 20th of the preceding month. Applications for disability retirement, accompanied by the attending physician's medical report, must be filed by the first of the preceding month to be considered at the next meeting of the Board of Retirement.

AMOUNT OF RETIREMENT ALLOWANCE

The amount of retirement allowance that will be received by a retired member throughout his lifetime is dependent on the retirement plan or basis selected by the member when he files his application. A member may choose either the unmodified basis or one of four optional bases to determine his retirement income.

The unmodified basis provides both the maximum retirement allowance for the member and a continuation of 60% of that allowance to his surviving spouse, if marriage occurred a year or more before retirement. Unmarried members may choose one of the optional bases which provide a smaller retirement allowance for the member, but enable him to provide for a beneficiary in the event of his death. Detailed information about the optional bases is available from the Retirement Division.

COUNTY SERVICE AFTER RETIREMENT

A retired member may not be paid for service to the county, except as follows:

- a. Payments for service as a juror or election officer.

- b. Payments for suggestions made for the improvement of County or district activities.
- c. Payments for service as a field deputy for registration of voters.

ENDORSEMENT OF RETIREMENT WARRANT

Personal endorsement of his retirement warrant is required of each retired member. His mark, witnessed by two persons who sign their names and give their addresses, is acceptable when the member is unable to sign his name.

A member who is traveling may arrange to have his warrant deposited in his bank account without his personal endorsement. The Retirement Division should be contacting before beginning an extended trip to make the necessary arrangements.

DEDUCTIONS FROM RETIREMENT ALLOWANCES

Deductions from retirement allowances may be authorized for the following purposes:

- a. Group insurance.
- b. Credit union loan repayments or savings deposits.
- c. Medicare premium payments.

FEDERAL AND STATE INCOME TAXES

Retirement allowance income of retired members is taxable under both Federal and State of California Income Tax laws. A statement showing the taxable income status of each retired member's retirement allowance is provided by the Retirement Division at the time of retirement.

DEATH AND SURVIVOR BENEFITS—SERVICE RETIREMENT OR NON-SERVICE-CONNECTED DISABILITY RETIREMENT

When death occurs after a member has retired under the unmodified plan of retirement, the surviving spouse or the guardian for the unmarried children under age 18 may be entitled to receive a monthly allowance equal to 60% of the retirement allowance received by the member before his death. To be eligible for this monthly allowance the member must have retired after September 21, 1951, and the surviving spouse must:

- a. be named beneficiary, and
- b. have been married to the member at least one year before he retired.

DEATH AND SURVIVOR BENEFITS—SERVICE-CONNECTED DISABILITY RETIREMENT

The surviving spouse or the guardian for the unmarried children under age 18 continue to receive the same retirement allowance that the member received before his death. To be eligible for this benefit, the spouse must:

- a. be named as beneficiary, and
- b. have been married to the member when he retired.

COST OF LIVING ADJUSTMENTS

Effective on April 1 of each year all retirement allowances then payable are adjusted in accordance with the change in the consumer price index during the preceding calendar year. The amount of any adjustment may not exceed 3% of the allowance then being received.

BURIAL ALLOWANCE

A special death benefit or "burial allowance" of \$750.00 is paid to the named beneficiary or estate of each retiree who dies after retirement.

HOSPITAL AND MEDICAL INSURANCE

Fully or partially paid group hospital and medical insurance coverage has been made available to all retirees and their families by the Board of Retirement.

The amount of premium that is paid by the Board is dependent upon the number of years of service credited to the retiree when he retires. This ranges from 40% of the premium with ten full years of service to 100% of the premium with twenty-five or more full years of service.

There are two different plans sponsored by the Board of Retirement. One plan is an "indemnity" plan whereby the retiree chooses his own doctor or hospital and his bills are paid by the insurance company underwriting the plan. The other is a "service" plan whereby the retiree must use the doctors and facilities offered by the service plan he chooses.

The indemnity plan is underwritten by the Occidental Life Insurance Company and by Blue Cross of California. Benefits under the indemnity plan are identical regardless of the insurance company chosen by the retiree to process his medical/hospital claims. Premiums are not identical, however, and Board of Retirement premium payments for the indemnity plan are limited to the premium charged by the Occidental Life Insurance Company. Additionally, retirees who did not previously have Blue Cross coverage as either a retiree or active member may not choose this company to process their claims.

The service plan is underwritten by the Ross Loos Medical Group and by Kaiser Permanente. Any retiree may choose Ross Loos regardless of previous coverage, but only those retirees previously covered by Kaiser Permanente as a retiree or active member may choose this service plan.

Premiums for Ross Loos are somewhat higher than those for Occidental, while premiums for Kaiser Permanente are somewhat lower than those for Occidental. Board of Retirement premium payments are limited to what it would pay for the individual retiree had he chosen the Occidental Life Insurance Company to process his claims.

Survivors of retirees are also eligible to participate in these hospital/medical plans.

In addition to the Board sponsored plans, retired firemen also may choose to remain covered under the hospital/medical plan offered by the Fire Fighters Union.

GENERAL STATISTICS

ACTIVE MEMBERS

	<i>General</i>		<i>Safety</i>		<i>Total</i>
As of January 1, 1971	60,213		7,202		67,415
Additions	<u>6,063</u>		<u>629</u>		<u>6,692</u>
	66,276		7,831		74,107
Deductions					
Withdrawals	6,093		245		
Retired	826		139		
Deferred	173		3		
Deceased	<u>101</u>	<u>7,196</u>	<u>8</u>	<u>396</u>	<u>7,592</u>
TOTAL ACTIVE MEMBERS					
as of December 31, 1971	59,080		7,435		66,515**

**Includes 44,243 members under OASDI

DEFERRED MEMBERS

	<i>General</i>		<i>Safety</i>		<i>Total</i>
As of December 31, 1971	1,070		24		1,094*

RETIRED MEMBERS

	<i>Service</i>	<i>Disability</i>	<i>Survivors</i>		<i>Total</i>
GENERAL					
As of January 1, 1971	7,469	966	1,392		9,827
Additions	<u>747</u>	<u>130</u>	<u>170**</u>		<u>1,087</u>
	8,256	1,096	1,562		10,914
Deductions	<u>287</u>	<u>29</u>	<u>36</u>		<u>352</u>
TOTAL GENERAL MEMBERS					
as of December 31, 1971	<u>7,969</u>	<u>1,067</u>	<u>1,526</u>		<u>10,562</u>
SAFETY					
As of January 1, 1971	609	140	376		1,125
Additions	<u>107</u>	<u>44</u>	<u>37**</u>		<u>188</u>
	716	184	413		1,613
Deductions	<u>28</u>	<u>6</u>	<u>4</u>		<u>38</u>
TOTAL SAFETY MEMBERS					
As of December 31, 1971	<u>688</u>	<u>178</u>	<u>409</u>		<u>1,575</u>
TOTAL RETIRED MEMBERS					
as of December 31, 1971	8,657	1,545	1,935		12,137

* Includes 510 members who moved into other public service under reciprocal benefits.

**Includes survivors of 63 deceased active members who receive life payments by election.

RATES OF CONTRIBUTION BY PAYROLL DEDUCTION

PERCENTAGE OF BASE SALARY

Nearest Year of Age at Membership

GENERAL MEMBERS

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
16	6.88	6.41	35	7.92	8.83
17	6.90	6.51	36	8.04	9.01
18	6.93	6.61	37	8.17	9.19
19	6.95	6.71	38	8.29	9.37
20	6.97	6.80	39	8.42	9.57
21	6.99	6.90	40	8.55	9.77
22	7.01	7.00	41	8.69	9.97
23	7.05	7.11	42	8.85	10.16
24	7.09	7.23	43	9.00	10.37
25	7.13	7.35	44	9.15	10.59
26	7.18	7.47	45	9.32	10.81
27	7.24	7.61	46	9.49	11.03
28	7.31	7.74	47	9.68	11.25
29	7.38	7.88	48	9.87	11.48
30	7.45	8.02	49	10.05	11.71
31	7.53	8.18	50	10.25	11.95
32	7.62	8.33	51	10.45	12.19
33	7.72	8.49	52	10.65	12.43
34	7.81	8.66	53	10.85	12.69
			54	11.07	12.95
			and		
			over		

1. When salary is not subject to social security, the retirement contribution is calculated by multiplying the applicable percentage times total salary.
2. When salary is subject to social security taxes, the retirement contribution is calculated by multiplying the applicable percentage times total salary less \$116.67.

RATES OF CONTRIBUTION BY PAYROLL DEDUCTION

PERCENTAGE OF BASE SALARY

Nearest Year of Age at Membership

SAFETY MEMBERS

<u>Age</u>	<u>Male and Female</u>
21	9.53
22	9.64
23	9.76
24	9.89
25	10.02
26	10.15
27	10.29
28	10.44
29	10.59
30	10.74
31	10.91
32	11.07
33	11.24
34	11.40
35	11.58

1. When salary is not subject to social security, the retirement contribution is calculated by multiplying the applicable percentage times total salary.
2. When salary is subject to social security, the retirement contribution is calculated by multiplying the applicable percentage times total salary less \$116.67.

HOW TO COMPUTE A RETIREMENT ALLOWANCE ESTIMATE

Retirement allowances are based on a percentage of average monthly salary for the latest or highest paid year of service. This average monthly salary is called final compensation. Determine final compensation by adding the monthly salary for the latest or highest 12 months and dividing the sum by 12. For example:

$$\begin{array}{r r r r r} \$715 & \times & 3 & = & \$2145.00 \\ 735 & \times & 9 & = & 6615.00 \\ & & \text{---} & & \text{---} \\ & & 12 & & \$8760.00 \end{array}$$

$$\text{AVERAGE SALARY} = \$8,760 \div 12 = \$730.00$$

After computing the average salary, find the percentage that applies to the age and years of service at retirement as shown on the following charts. There is a separate chart for safety members, male general members, and female general members. A male general member age 60 with 25 years of service would find that his percentage is 54.27% by matching the line for 25 years of service with the column for 60 year of age on the chart for male general members. Multiply the appropriate percentage times the average salary, for example:

$$\text{AVERAGE SALARY } \$730.00 \times 54.27\% = \$396.17$$

This retirement allowance is the amount payable to the member under the unmodified basis for service retirement. Disability retirement allowance estimates and optional basis retirement allowance estimates are computed by the Retirement Division.

AMOUNT OF RETIREMENT ALLOWANCE PER MONTH

SAFETY MEMBERS

MALE AND FEMALE

(Firemen, Peace Officers, Lifeguards)

Percentage of Final Compensation

Years of service	AGES					55 & over
	50	51	52	53	54	
10	20.00	21.03	22.16	23.38	24.67	26.20
11	22.00	23.14	24.37	25.72	27.14	28.82
12	24.00	25.24	26.59	28.06	29.61	31.44
13	26.00	27.34	28.80	30.40	32.07	34.06
14	28.00	29.44	31.02	32.74	34.54	36.68
15	30.00	31.55	33.23	35.08	37.01	39.30
16	32.00	33.65	35.45	37.41	39.48	41.92
17	34.00	35.75	37.67	39.75	41.94	44.54
18	36.00	37.86	39.88	42.09	44.41	47.16
19	38.00	39.96	42.10	44.43	46.88	49.78
20	40.00	42.06	44.31	46.77	49.34	52.40
21	42.00	44.17	46.53	49.11	51.81	55.02
22	44.00	46.27	48.74	51.44	54.28	57.64
23	46.00	48.37	50.96	53.78	56.75	60.26
24	48.00	50.48	53.17	56.12	59.21	62.88
25	50.00	52.58	55.39	58.46	61.68	65.50
26	52.00	54.68	57.61	60.80	64.15	68.11
27	54.00	56.79	59.82	63.14	66.61	70.73
28	56.00	58.89	62.04	65.48	69.08	73.35
29	58.00	60.99	64.25	67.81	71.55	75.00
30	60.00	63.10	66.47	70.15	74.02	
31	62.00	65.20	68.68	72.49	75.00	
32	64.00	67.30	70.90	74.83		
33	66.00	69.41	73.11	75.00		
34	68.00	71.51	75.00			
35		73.61				

Years of Service	AGES			
	46	47	48	49
25	41.13	43.39	45.43	47.61
26		45.13	47.24	49.51
27			49.06	51.42
28				53.32

AMOUNT OF RETIREMENT ALLOWANCE PER MONTH

Percentage of Final Compensation

GENERAL MEMBERS — MALE

Years of Service	Ages										
	55	56	57	58	59	60	61	62	63	64	65 and over
10	16.67	17.40	18.39	19.43	20.54	21.71	22.57	23.42	24.28	25.14	26.00
11	18.33	19.15	20.23	21.38	22.59	23.88	24.82	25.77	26.71	27.66	28.60
12	20.00	20.89	22.07	23.32	24.64	26.05	27.08	28.11	29.14	30.17	31.20
13	21.67	22.63	23.91	25.26	26.70	28.22	29.34	30.45	31.57	32.68	33.80
14	23.33	24.37	25.75	27.21	28.75	30.39	31.59	32.80	34.00	35.20	36.40
15	25.00	26.11	27.59	29.15	30.81	32.56	33.85	35.14	36.42	37.71	39.00
16	26.67	27.85	29.43	31.09	32.86	34.73	36.11	37.48	38.85	40.23	41.60
17	28.33	29.59	31.27	33.04	34.91	36.90	38.36	39.82	41.28	42.74	44.20
18	30.00	31.33	33.11	34.98	36.97	39.07	40.62	42.17	43.71	45.26	46.80
19	31.67	33.07	34.94	36.92	39.02	41.25	42.88	44.51	46.14	47.77	49.40
20	33.33	34.81	36.78	38.87	41.07	43.42	45.13	46.85	48.57	50.28	52.00
21	35.00	36.55	38.62	40.81	43.13	45.59	47.39	49.19	50.99	52.80	54.60
22	36.67	38.29	40.46	42.75	45.18	47.76	49.65	51.54	53.42	55.31	57.20
23	38.33	40.03	42.30	44.70	47.23	49.93	51.90	53.88	55.85	57.83	59.80
24	40.00	41.77	44.14	46.64	49.29	52.10	54.16	56.22	58.28	60.34	62.40
25	41.67	43.51	45.98	48.58	51.34	54.27	56.42	58.56	60.71	62.86	65.00
26	43.33	45.25	47.82	50.53	53.40	56.44	58.67	60.91	63.14	65.37	67.60
27	45.00	46.99	49.66	52.47	55.45	58.61	60.93	63.25	65.56	67.88	70.20
28	46.67	48.73	51.50	54.41	57.50	60.78	63.18	65.59	67.99	70.40	72.80
29	48.33	50.47	53.34	56.36	59.56	62.95	65.44	67.93	70.42	72.91	75.00
30	50.00	52.22	55.18	58.30	61.61	65.12	67.70	70.28	72.85	75.00	
31	51.67	53.96	57.10	60.24	63.66	67.30	69.95	72.62	75.00		
32	53.33	55.70	58.85	62.19	65.72	69.47	72.21	74.96			
33	55.00	57.44	60.69	64.13	67.77	71.64	74.47	75.00			
34	56.67	59.18	62.53	66.07	69.82	73.81	75.00				
35	58.33	60.92	64.37	68.02	71.88	75.00					
36	60.00	62.66	66.21	69.96	73.93						
37	61.67	64.40	68.05	71.90	75.00						
38	63.33	66.14	69.89	73.85							
39	65.00	67.88	71.73	75.00							
40		69.62	73.57								
41			75.00								

Years of Service	Ages									
	46	47	48	49	50	51	52	53	54	
30	28.61	30.45	32.33	34.30	36.40	38.66	41.12	43.82	46.76	
31		31.46	33.41	35.44	37.61	39.95	42.50	45.28	48.32	
32			34.49	36.59	38.82	41.24	43.87	46.74	49.88	
33				37.73	40.03	42.53	45.24	48.20	51.44	
34					41.25	43.81	46.61	49.66	53.00	
35						45.10	47.98	51.12	54.56	
36							49.35	52.58	56.12	
37								54.04	57.68	
38									59.23	

AMOUNT OF RETIREMENT ALLOWANCE PER MONTH

Percentage of Final Compensation

GENERAL MEMBERS — FEMALE

Years of Service	Ages										
	55	56	57	58	59	60	61	62	63	64	65 and over
10	16.67	17.41	18.41	19.48	20.61	21.82	22.68	23.54	24.40	25.26	26.11
11	18.33	19.15	20.25	21.42	22.67	24.00	24.95	25.89	26.84	27.78	28.72
12	20.00	20.89	22.10	23.37	24.73	26.19	27.22	28.25	29.28	30.31	31.34
13	21.67	22.64	23.94	25.32	26.79	28.37	29.48	30.60	31.72	32.83	33.95
14	23.33	24.38	25.78	27.27	28.85	30.55	31.75	32.95	34.16	35.36	36.56
15	25.00	26.12	27.62	29.22	30.91	32.73	34.02	35.31	36.60	37.88	39.17
16	26.67	27.86	29.46	31.16	32.97	34.91	36.29	37.66	39.04	40.41	41.78
17	28.33	29.60	31.30	33.11	35.03	37.10	38.56	40.01	41.47	42.93	44.39
18	30.00	31.34	33.14	35.06	37.09	39.28	40.82	42.37	43.91	45.46	47.00
19	31.67	33.08	34.99	37.01	39.16	41.46	43.09	44.72	46.35	47.98	49.62
20	33.33	34.82	36.83	38.95	41.22	43.64	45.36	47.08	48.79	50.51	52.23
21	35.00	36.56	38.67	40.90	43.28	45.83	47.63	49.43	51.23	53.04	54.84
22	36.67	38.31	40.51	42.85	45.34	48.01	49.90	51.78	53.67	55.56	57.45
23	38.33	40.05	42.35	44.80	47.40	50.19	52.16	54.14	56.11	58.09	60.06
24	40.00	41.79	44.19	46.74	49.46	52.37	54.43	56.49	58.55	60.61	62.67
25	41.67	43.53	46.03	48.69	51.52	54.55	56.70	58.85	60.99	63.14	65.28
26	43.33	45.27	47.87	50.64	53.58	56.74	58.97	61.20	63.43	65.66	67.89
27	45.00	47.01	49.72	52.59	55.64	58.92	61.24	63.55	65.87	68.19	70.51
28	46.67	48.75	51.56	54.53	57.70	61.10	63.50	65.91	68.31	70.71	73.12
29	48.33	50.49	53.40	56.48	59.76	63.28	65.77	68.26	70.75	73.24	75.00
30	50.00	52.23	55.24	58.43	61.82	65.47	68.04	70.61	73.19	75.00	
31	51.67	53.98	57.08	60.38	63.89	67.65	70.31	72.97	75.00		
32	53.33	55.72	58.92	62.33	65.95	69.83	72.58	75.00			
33	55.00	57.46	60.76	64.27	68.01	72.01	74.84				
34	56.67	59.20	62.61	66.22	70.07	74.19	75.00				
35	58.33	60.94	64.45	68.17	72.13	75.00					
36	50.00	62.68	66.29	70.12	74.19						
37	61.67	64.42	68.13	72.06	75.00						
38	63.33	66.16	69.97	74.01							
39	65.00	67.97	71.81	75.00							
40		69.65	73.65								
41			75.00								

Years of Service	Ages									
	46	47	48	49	50	51	52	53	54	
30	29.78	31.56	33.40	35.28	37.27	39.41	41.73	44.25	47.00	
31		32.63	34.52	36.46	38.51	40.72	43.12	45.73	48.56	
32			35.63	37.63	39.75	42.04	44.51	47.20	50.13	
33				38.81	41.00	43.35	45.90	48.68	51.69	
34					42.24	44.66	47.29	50.15	53.26	
35						45.98	48.68	51.63	54.83	
36							50.08	53.10	56.39	
37								54.57	57.96	
38									59.53	

HOW TO COMPUTE A RETIREMENT ALLOWANCE ESTIMATE COORDINATED WITH SOCIAL SECURITY BENEFITS

Members who are covered by social security receive a reduced service retirement allowance from LACERA. The reduction is dependent on age at retirement and the number of years of social security coverage. These members receive social security benefits beginning at age 62, in addition to a retirement allowance from LACERA. An estimate of the reduced retirement income from LACERA may be computed as follows:

1. Compute the unmodified service retirement allowance.
2. Determine the reduction factor for age at retirement from the following chart.
3. Determine the number of years of county service with social security coverage.
4. Multiply the reduction factor times the number of years of county service with social security coverage to obtain the amount of reduction.
5. Subtract the amount of reduction from the unmodified allowance to determine the reduced retirement allowance.

If a member who retired at age 60 with 25 years of service had been covered by social security during the last 12 years of his County service, his reduced retirement allowance would be computed as follows:

Unmodified Retirement Allowance	\$396.17
Reduction, 12 years x \$2.53	30.36
Reduced Retirement Allowance	<u>\$365.81</u>

**REDUCTION FACTORS FOR RETIREMENT ALLOWANCES
OF MEMBERS COVERED UNDER SOCIAL SECURITY**

<u>Age at Retirement</u>	<u>Male Reduction</u>	<u>Female Reduction</u>
50	\$1.42	\$1.45
51	1.50	1.53
52	1.60	1.62
53	1.70	1.72
54	1.82	1.83
55	1.94	1.94
56	2.03	2.03
57	2.15	2.15
58	2.27	2.27
59	2.40	2.40
60	2.53	2.55
61	2.63	2.65
62	2.73	2.75
63	2.83	2.85
64	2.93	2.95
65 and over	3.03	3.05

This table assumes final compensation equal to or exceeding \$350.00

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

STATEMENT OF FINANCIAL CONDITION

December 31, 1971

ASSETS

CASH AND ACCRUED ASSETS

Cash		\$	288,713.15
Accrued Assets			
Accrued Interest Receivable.....	\$	7,732,041.87	
Accrued Interest – Commercial			
Loans		4,990.82	
Accrued Dividends Receivable.....		600,342.38	
Accrued Rentals Receivable.....		8,200.00	
Accrued Members Contributions			
Receivable		1,130,869.80	
Accrued Employers Contributions			
Receivable.....		836,094.52	
Unclassified Accounts Receivable..		229,502.89	
Reimbursable Insurance and Other			
Advances.....		<u>45,374.17</u>	
Total Accrued Assets.....			10,587,443.11

INVESTMENTS

Bonds – Book Value		592,561,146.08
Common Stocks at Cost.....	\$	154,859,807.95
Common Stocks Receivable.....		1,020,251.01
Preferred Stocks at Cost.....		<u>16,619,201.75</u>
Stocks – Book Value		172,499,260.71
Real Estate Projects at Cost		
.....	\$	209,449,084.81
Less: Accumulated Amortization..		<u>8,434,581.95</u>
Real Estate Projects –		
Book Value		201,014,502.86
F.H.A. and V.A. Insured		
Mortgages – Book Value.....		99,885,145.92
Conventional Mortgages,		
Commercial – Book Value.....		10,889,072.21
Conventional Mortgages,		
Residential – Book Value.....		<u>2,650,613.29</u>
Total Assets	\$	<u><u>1,090,375,897.72</u></u>

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

STATEMENT OF FINANCIAL CONDITION

December 31, 1971

LIABILITIES AND RESERVES

CURRENT LIABILITIES

Vouchers Payable	\$ 1,020,251.01	
Mortgage Loan Payments		
Collected in Advance	26,917.11	
Unclassified Accounts Payable	7,951.61	
Total Current Liabilities		\$ 1,055,150.06

MEMBERS DEPOSIT RESERVE

General Members	\$ 241,751,512.20	
Safety Members	75,438,655.19	
Unclaimed Deposits of Former Members	192,189.59	
Total Members Deposit Reserve		320,385,656.98

COUNTY ADVANCE RESERVE

General Members	\$ 149,774,995.38	
Safety Members	69,364,565.50	
Total County Advance Reserve		219,139,560.88

RETIRED MEMBERS RESERVE

General Members	\$ 350,581,556.18	
Safety Members	115,828,215.50	
1921 Act Members	5,762.99	
Death Benefit Reserve	130,666.67	
Retired Members Medical Insurance Reserve	2,518,119.22	
Total Retired Members Reserve		469,064,320.56

COST OF LIVING RESERVE

Active Members	\$ 17,008,656.22	
County Advance Reserve	15,076,201.19	
Retired Members	13,878,605.34	
Total Cost of Living Reserve		45,963,462.75

Reserve for Earnings, Deficiencies,

Investment Losses, and Other

Contingencies

 Total Liabilities and Reserves

\$ 1,090,375,897.72

*On March 8, 1972, the Board of Investments ordered \$14,567,746.49 transferred from this reserve as follows:

To: Death Benefit Reserve	\$ 200,000.00
Retired Members Medical Insurance Reserve	\$ 5,000,000.00
Cost of Living Reserve for Retired Members	\$ 9,367,746.49

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

STATEMENT OF RECEIPTS

Calendar Year 1971

RECEIPTS

Cash on hand, January 1, 1971		\$ 343,406.41
Members Normal Contributions		
General Members.....	\$ 38,457,517.85	
Safety Members.....	<u>9,701,607.95</u>	48,159,125.80
Members Other Contributions		
General Members.....	\$ 332,683.10	
Safety Members.....	<u>85,762.30</u>	418,445.40
Contributions By Employers		
General Members.....	\$ 54,020,078.93	
Safety Members.....	<u>18,321,576.92</u>	72,341,655.85
Cost of Living Contributions		
Members	\$ 4,645,398.19	
Employers.....	<u>3,635,017.42</u>	8,280,415.61
Interest Collected on Securities		
Long Term.....	\$ 28,488,945.37	
Short Term.....	228,003.59	
Short Term Discount/Interest (Below).....	\$ 210,306.82	
Savings Account.....	<u>29,501.44</u>	28,956,757.22
Dividends Received on Stock		
Common	\$ 4,749,431.25	
Preferred	<u>1,052,885.00</u>	5,802,316.25
Debt Securities Sold or Matured		
Long Term.....	\$ 17,354,814.01	
Short Term.....	257,260,000.00	
Total	\$ 274,614,814.01	
Less: Short Term Discount/ Interest (Above).....	210,306.82	274,404,507.19
Equity Securities Sold		
Common Stock.....	\$ 15,503,955.54	21,258,903.10
Preferred Stock	<u>5,754,947.56</u>	32,257,047.81
Current OASDI Contributions.....		
Rents and Return of Investments - Real Estate Projects.....		12,345,653.00
Interest and Return of Investments - Mortgage Loans...		14,953,696.09
Members Contributions - Medical Premiums.....		27,697.57
American Airlines - Boeing Equipment Trust of 1969.....		4,342,136.72
Collection of Reimbursable Disbursements.....		414,038.74
Unclassified Receipts.....		<u>134,759.88</u>
Total Beginning Cash Balance Plus Receipts.....		\$ <u><u>524,440,562.64</u></u>

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

STATEMENT OF DISBURSEMENTS

Calendar Year 1971

DISBURSEMENTS

Refunds to Terminated Members			
General Members.....	\$	7,136,892.02	
Safety Members.....		818,718.08	
Members Cost of Living.....		<u>617,262.52</u>	\$ 8,572,872.62
Lump Sum Death Benefits.....			517,795.81
Retirement Allowances			
General Members.....	\$	32,124,615.29	
Safety Members.....		7,970,801.34	
Cost of Living.....		<u>4,554,107.10</u>	44,649,523.73
Retired Members Death Benefits.....			159,333.33
Investments			
Bonds – Par Value.....	\$	315,194,214.71	
Net Premium/Discount.....		<u>751,082.20</u>	314,443,132.51
Accrued Interest			234,533.80
Preferred and Convertible			
Preferred Stocks			855,346.15
Common Stocks			70,235,952.27
Real Estate Projects.....			28,522,055.93
Mortgage Loans			16,314,983.79
Accrued Interest on Mortgage			
Loans.....			79,809.83
OASDI Contributions.....			32,250,771.76
Reimbursable Disbursements.....			223,297.36
Medical Insurance Premiums			2,554,709.54
American Airlines – Boeing			
Equipment Trust of 1969.....			4,342,136.72
Unclassified Expenditures			195,594.34
Cash on Hand, December 31, 1971			<u>288,713.15</u>
 Total Disbursements Plus			
Ending Cash Balance	\$		<u><u>524,440,562.64</u></u>

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

ANALYSIS OF CHANGES IN SURPLUS

Calendar Year 1971

Surplus Balance, January 1, 1971.....		-0-
<u>INCREASES</u>		
Interest on Securities		
Interest Received during 1971.....	\$ 28,956,757.22	
Interest Purchased during 1971.....	234,533.80	
Net Interest Received during		
1971.....	\$ 28,722,223.42	
Interest Accrued December 31, 1970...	6,970,339.15	
	\$ 21,751,884.27	
Interest Accrued December 31, 1971....	7,732,041.87	\$ 29,483,926.14
Dividends.....		6,041,304.64
Income from Real Estate Projects		
Rent Received During 1971.....	\$ 12,345,653.00	
Rent Accrued During 1971.....	8,200.00	
Credits to Amortization of		
Real Estate Projects.....	1,630,869.30	10,722,983.70
Net Income from Mortgage Loans.....		7,069,118.7
Net Amortization of Bond		
Discount/Premium.....		457,030.87
Unclassified Income.....		46,449.79
Total Increases.....		\$ 53,820,813.92
<u>DECREASES</u>		
Interest Credited to Members		
Deposit Reserve.....		\$ 12,785,445.25
Interest Credited to County		
Advance Reserve.....		9,206,675.90
Interest Credited to Retired		
Members Reserve.....		18,110,218.66
Unclassified Charges to Surplus.....		140,911.8
Total Decreases.....		\$ 40,243,251.64
Sub-Total.....		\$ 13,577,562.28
Transfer to Reserve for Earnings, Deficiencies, Investment Losses, and Other Contingencies.....		\$ 13,577,562.28
Surplus Balance, December 31, 1971.....		-0-

MEMBERS OF BOARD OF RETIREMENT

For the Calendar Year 1971

CHAIRMAN

HAROLD J. OSTLY, County Treasurer and Tax Collector. Ex-officio member of Board of Retirement by law. Re-elected Chairman of Board January 6, 1970.

SECRETARY

NORMAN SHAFFER, Intermediate Air Pollution Engineer, Air Pollution Control District. Elected by general members. Present term expires December 31, 1972.

MEMBERS

RAY K. CHERRY, Hadley Cherry Inc., General Contractors. Appointed by Board of Supervisors. Present term expires December 31, 1971.

LAUREN CONLEY, Executive Vice-President, Union Bank. Appointed by Board of Supervisors. Present term expires December 31, 1972.

MRS. MARY ANN HOLLIBAUGH, Housewife. Appointed by Board of Supervisors. Has served since January 1, 1959. Present term expires December 31, 1973.

RICHARD PACHTMAN, Deputy District Attorney. Elected by general members. Present term expires December 31, 1973.

LUTHER D. RUSSELL, Inspector, Sheriff's Department. Elected by safety members. Has served since August 11, 1959. Present term expires December 31, 1971.

ALTERNATE MEMBER

ALFRED K. WHITEHEAD, Forester and Firewarden's Department. Elected by safety members. Present term expires December 31, 1971.

This booklet compiled and published by the administrative staff under the direction of E. J. Martin, Retirement Systems Manager.



**LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION**

Room 440, Hall of Administration

500 West Temple Street

Los Angeles, California 90012