

SPOTLIGHTING RETIREMENT SERVICES

by Jeannine Sabatini

The People Working For You

MANAGING YOUR BENEFITS



the "BENEFITS" section.

I want to acquaint you with the Retirement Services Division. These are the people who answer your questions, process your information, consult, educate, and help you with your retirement issues. I took photos of various employees within this division, so you can see who is helping you on the other side of the phone. Their pictures accompany this article and are on the LACERA web site (www.lacera.com) within

I contacted the manager of the Retirement Services Division, Jan Barcus, and informed her that I wanted to explain what her team does, how they do it, and how, exactly, LACERA services their members. She arranged a meeting for me with her management team: Mike Mikhail – Active Members Section, Kris Foote – Retired Members Section, Alice Natale – Member Services Section, Kim Hines – Quality Assurance Section. During our meeting, Jan spoke highly of the Retirement Services Division, and thanked me for acknowledging the efforts of her group through word, web, and photos. She explained the goals and accomplishments of her division, which bottom-lined to be the concept of providing excellent service for all LACERA members.

Although you, as a member, interact directly with the retirement services group, many other LACERA employees are indirectly working on your behalf. Jan would like it to be a requirement that all LACERA employees spend some time in benefits so they can experience first hand what the frontline of communications with our members is like. The assistant managers of the different sections of this division each briefly described what they do and what their group's responsibilities are to the members. I will expound on each section in coming issues of this publication.

One improvement worth noting is that previously, staff was trained to specialize in only one area of benefits processing, and now they are cross-trained, making them well-versed on LACERA's overall services and procedures. This aids you in getting the proper answers from LACERA with your initial call.

As our meeting progressed, I overheard a conversation between Ms. Barcus and the manager of Member Services. I saw this team in action, working together for your collective betterment. The manager was making Jan aware that they (the phone unit) did not have access to specific information. Jan noted this, then said she would look into getting access to that information for the call center. A problem presented itself and action was taken to improve it right there and then. This is the kind of service LACERA is all about. "Good, Better, Best – We never let it rest until the good is better and the better, best."

THE STRUCTURE

ACTIVE MEMBERS SECTION

Their basic focus is on the new and active member's needs. They enroll new County employees into retirement plans, process the purchasing of previous service, Plan E to Plan D transfers, reciprocal service, calculate retirement estimates, and other key functions. In keeping with LACERA's goal of "One call, one response, 100% accuracy," the active member's team is expanding their knowledge by cross-training to include information pertaining to retired members as well.

RETIRED MEMBERS SECTION

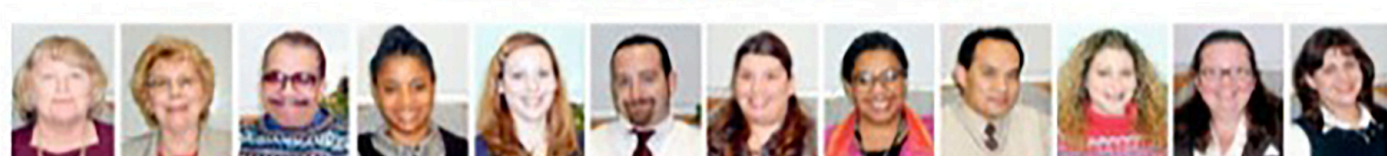
This team of individuals is responsible for payroll maintenance and getting the members on the agenda for Board approval of their retirement. They also deal with retired members' changes, including address and beneficiaries. In addition, they process members' deaths, both active and retired.

MEMBER SERVICE SECTION

This is LACERA's group of ambassadors to members, consisting of the call center, the public counter representatives, and the outreach programs. They deal with retirement issues, insurance, disabilities, and workshops.

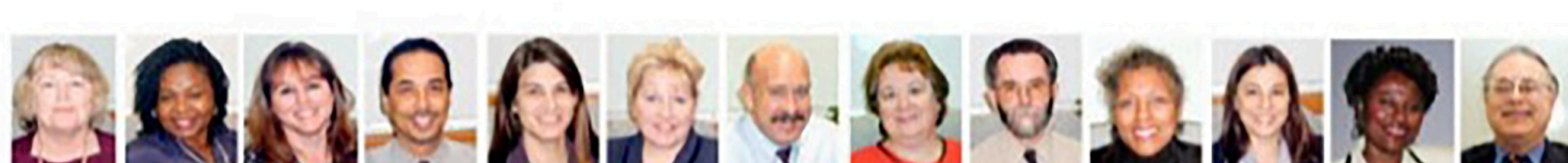
The Call Center - Our phone unit answers all the calls that come in from our members. If you have a question, or need assistance, they've got the answers and the information you need, all served up with a positive attitude. John from the call center said, "I am a counselor within a communication center. I have access to information at my fingertips and have the interpersonal skills to handle situations in a calm and effective manner."

Call Center



The Public Counter - In the lobby of LACERA you will find these cheery, informative people ready to assist you one-on-one. In addition to getting your questions answered, you can also get on-the-spot estimates and retirement counseling. The public counter is open from 8 a.m. to 5 p.m. weekdays, and helps members on a first come, first served basis.

Outreach



Workshops - The outreach section provides educational workshops for new members (every Wednesday) and those ready to retire, both safety members (the 1st Tuesday of every month) and general (every Tuesday except the 1st.) These workshops are held on-site and, with prior arrangement, off-site, at hospitals and various safety members' locations. (See the workshop schedule online at www.lacera.com under the "Benefits" section.)

QUALITY ASSURANCE SECTION

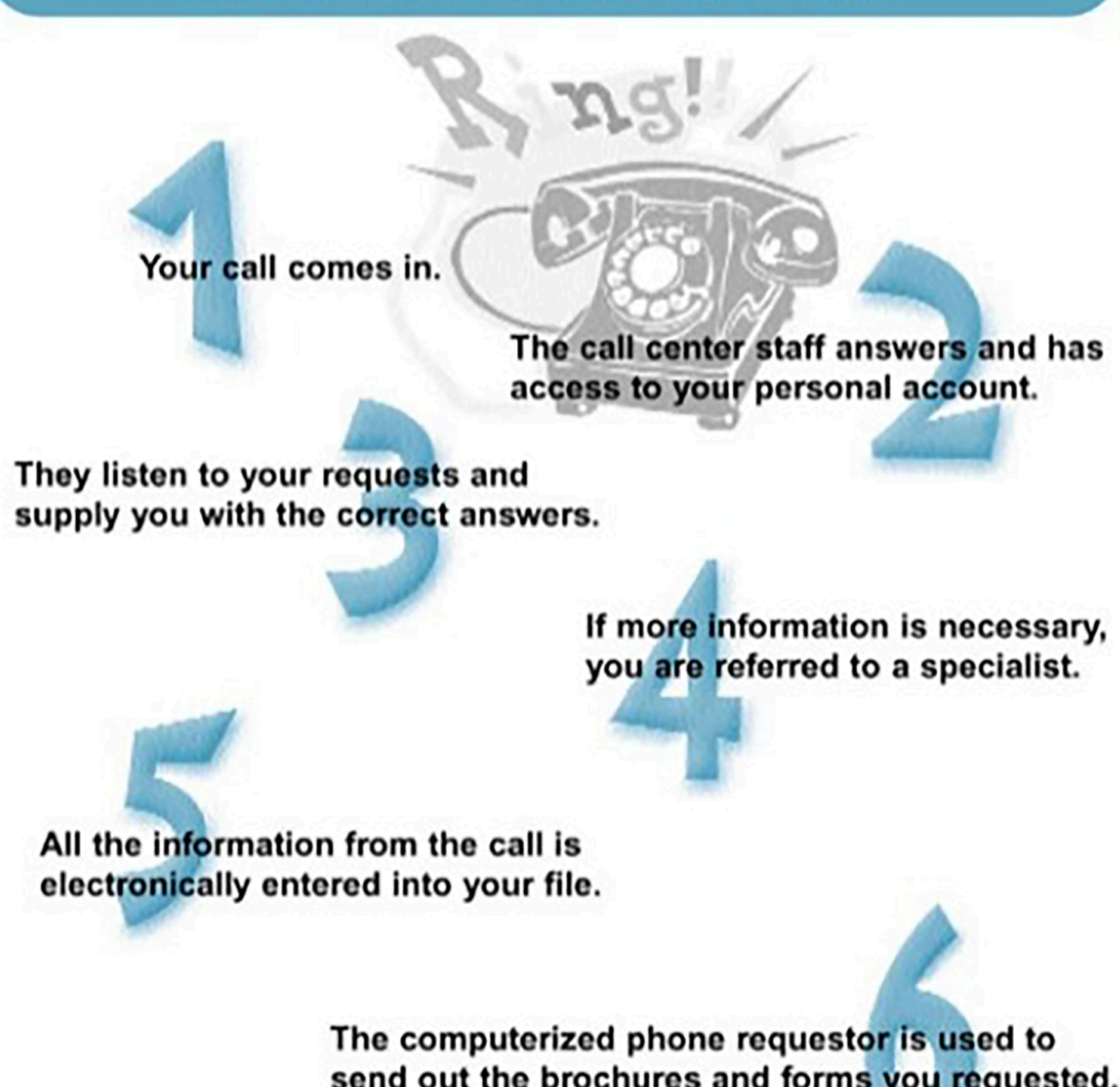
This is a section within the Retirement Services Division that keeps the programs running efficiently and effectively. They audit the other sections. They review the training programs of their division and suggest new procedures to be implemented. They maintain the high standards of LACERA's customer service by adding improved procedures, formats, and streamlined workflow.

OVERVIEW

What I discovered is that the people who interact directly with our members are dedicated, knowledgeable professionals with helpful attitudes. The Retirement Services Division is LACERA's frontline. They put into practice what LACERA stands for: Excellence, Commitment, Trust, and Service. As the LACERA Vision Statement says, "Our strengths are individual; collectively they are unstoppable."

Each section of the Retirement Services Division is unique and offers you valuable services. I have presented only a general overview of this portion of LACERA's workforce, and there is much more to explore. So the plan is to create a feature article with photos in future issues of this publication, covering a more in-depth look at each of the sections of the Retirement Services Division. This will help you in knowing how our service works and what is the best avenue for you to get the information you need. Should you call the 800#? Come into LACERA? Write us? Go to the web site?

What happens when you call in? THE PHONE PROCESS



FACTS on Retirement Services Division

This group is the largest division of LACERA employees.
10,000 – 14,000 calls a month are serviced on average, with peak months reaching up to 17,000 calls.

THE CALL CENTER TRAINING PROCESS

Employees are trained over a three month time period before they are able to answer your calls. During this time a lot of learning goes on; reading retirement plans and laws, medical plans, LACERA's Board information, Social Security and legislative updates, and more. They are taught how to make specific retirement calculations, use the LACERA K-Base (an extensive computerized "knowledge base" of over 10,000 online help files), and are given an understanding of the entire retirement process. Part of the training involves watching videos of the different aspects of the job-in-action, listening to calls in progress, and eventually monitoring their first calls. It usually takes about six months before they reach optimum performance levels.

2001 COLA Benefit APPROVED!

Great news!

The Board of Retirement has determined that your Cost-of-Living Adjustment (COLA) will this year be paid at the maximum allowable level, effective April 1, 2001. The Consumer Price Index (CPI) rose 3.7% from December 1999 to December 2000. This means that Plan A retirees and beneficiaries will receive a 3% cost-of-living increase; Plan B, C, and D retirees and beneficiaries will receive a 2% increase. There is no provision for Plan E members for cost-of-living increases.

These percentages reflect the maximum COLA amount allowed by sections 31870.1 and 31870 of the California Government Code. Since the CPI increase exceeded the maximum allowable amount, the surplus percentage will be added to your COLA Accumulation. Plan A retirees and beneficiaries will have .7% added to their Accumulation; Plan B, C, and D retirees and beneficiaries will have 1.7% added to theirs.

HOW YOUR COLA BENEFITS ARE DETERMINED

We receive many letters of thanks for the COLA program, and we're grateful for your encouragement. Given the good news about this year's increase, we think there's no better time for a little refresher on how your COLA benefits are determined. First, let's look at how the CPI percentage change is calculated.

As of January 1 of each year, the Bureau of Labor Statistics releases the CPI for all Urban Consumers in the Los Angeles-Anaheim-Riverside area. The LACERA Board of Retirement, before April 1 of each year, compares the current year's CPI with the previous year's. The difference in the two years' CPI is used to determine the CPI percentage change, which is then used to calculate your COLA increase. Consider the example below which shows the statistics used to determine this year's COLA increase.

As you can see, the CPI rose 6.2 points from December 1999 to December 2000. The difference between the two years, 6.2 points, is 3.7% of 167.3, the 1999 CPI. So, we say that the percentage change for the year is 3.7 percent. Now let's look at how this figure is used to determine your COLA increase.

When the CPI change is greater than either maximum allowable COLA percentage, the difference between the CPI and the COLA is added to each member's COLA percentage accumulation. For example, this year the CPI increased 3.7 percent. So, Plan A members receive the 3% COLA maximum and will be credited with .7 percent. Plan B, C, or D members receive the 2% COLA maximum and will be credited with 1.7%.

CPI Index for Year Ending December 2000	173.5
CPI Index for Year Ending December 1999	167.3
CPI Index Change	6.2

CPI Percentage Change 3.7%

Cost-of-Living Accumulation Chart Percentages as of April 1, 2001

Retirement Date	Plan A			Plan B, C, or D		
	COLA % Accumulation 1-Apr-00	Adjustment 1-Apr-01	COLA % Accumulation 1-Apr-01	COLA % Accumulation 1-Apr-00	Adjustment 1-Apr-01	COLA % Accumulation 1-Apr-01
Before 7/1/67	68.0	0.7	68.7	-	-	-
7/1/67 - 6/30/68	67.9	0.7	68.6	-	-	-
7/1/68 - 3/31/69	67.2	0.7	67.9	-	-	-
4/1/69 - 3/31/70	66.6	0.7	67.3	-	-	-
4/1/70 - 3/31/71	64.0	0.7	64.7	-	-	-
4/1/71 - 3/31/72	62.2	0.7	62.9	-	-	-
4/1/72 - 3/31/73	61.1	0.7	61.8	-	-	-
4/1/73 - 3/31/74	60.8	0.7	61.5	-	-	-
4/1/74 - 3/31/75	56.0	0.7	56.7	-	-	-
4/1/75 - 3/31/76	47.1	0.7	47.8	-	-	-
4/1/76 - 3/31/77	41.0	0.7	41.7	-	-	-
4/1/77 - 3/31/78	38.7	0.7	39.4	61.4	1.7	63.1
4/1/78 - 3/31/79	35.0	0.7	35.7	56.7	1.7	58.4
4/1/79 - 3/31/80	31.1	0.7	31.8	51.8	1.7	53.5
4/1/80 - 3/31/81	20.4	0.7	21.1	38.1	1.7	39.8
4/1/81 - 3/31/82	9.9	0.7	10.6	28.6	1.7	30.3
4/1/82 - 3/31/83	5.8	0.7	6.5	22.5	1.7	24.2
4/1/83 - 3/31/84	5.7	0.7	6.4	22.4	1.7	24.1
4/1/84 - 3/31/85	4.4	0.7	5.1	20.1	1.7	21.8
4/1/85 - 3/31/86	2.9	0.7	3.6	17.6	1.7	19.3
4/1/86 - 3/31/87	2.1	0.7	2.8	14.8	1.7	16.5
4/1/87 - 3/31/88	2.0	0.7	2.7	14.7	1.7	16.4
4/1/88 - 3/31/89	0.0	0.7	0.7	11.5	1.7	13.2
4/1/89 - 3/31/90	0.0	0.7	0.7	8.7	1.7	10.4
4/1/90 - 3/31/91	0.0	0.7	0.7	5.5	1.7	7.2
4/1/91 - 3/31/92	0.0	0.7	0.7	0.9	1.7	2.6
4/1/92 - 3/31/93	0.0	0.7	0.7	0.3	1.7	2.0
4/1/93 - 3/31/94	0.0	0.7	0.7	0.3	1.7	2.0
4/1/94 - 3/31/95	0.0	0.7	0.7	0.3	1.7	2.0
4/1/95 - 3/31/96	0.0	0.7	0.7	0.3	1.7	2.0
4/1/96 - 3/31/97	0.0	0.7	0.7	0.3	1.7	2.0
4/1/97 - 3/31/98	0.0	0.7	0.7	0.3	1.7	2.0
4/1/98 - 3/31/99	0.0	0.7	0.7	0.3	1.7	2.0
4/1/99 - 3/31/00	0.0	0.7	0.7	0.3	1.7	2.0
4/1/00 - 3/31/01	0.0	0.7	0.7	0.0	1.7	1.7

LACERA

Spotlight on Retirement

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LOS ANGELES COUNTY RETIREMENT ASSOCIATION

NEWS FOR RETIRED MEMBERS

IMPORTANT REMINDERS FOR RETIREES

Benefits Notes

by Alice Natale

Winter is almost over, and that means LACERA is once again extremely busy processing retirement applications for many new retirees. The retirement process is routine for us, but we realize that each new retiree is having a once-in-a-lifetime experience—one that is exciting, yet a bit intimidating! So, with that in mind, it's time to publish a reminder list of critical things that occur at this time of year.

Medicare Enrollment

It is most advantageous to sign up for Medicare within three months before or after your 65th birthday. For those who have attained age 65 already and who have not enrolled in Medicare yet, there is an open window each year for enrollment during the period of January 2 through March 31. This is called a Late Enrollment. Medicare accepts late enrollments but charges a 10% per year penalty fee for each year after age 65 that you were eligible, but didn't take Medicare Part B. If you do not enroll during this period, you must wait one more year to enroll.

Part A Medicare is for hospitalization and does not require a fee if you have 40 quarters of Social Security.

Part B Medicare is for medical care and costs \$50.00 per retiree. If you elect Kaiser Senior Advantage, Secure Horizons, SCAN, or Blue Cross III as your plan, LACERA will reimburse you for the cost of Part B.

Withholding Amounts

This is tax time. During the last week of January, LACERA sends retirees the 1099 form reflecting your taxable income. Many members decide to make changes at this time of year to meet future tax needs. If you wish to make such a change, please call LACERA at 1-800-786-6464 and we will mail you the appropriate change form.

Lost 1099s

Each year we replace missing 1099s for many members. We urge you to keep the 1099 in a safe place until you do your taxes. Should you need a duplicate, we will send a copy of the original. To request the duplicate, we suggest requesting it prior to April 1, 2001 in order to receive it in time for the April 15, 2001 tax filing date.

Each year we get many requests to replace this document on April 15, which results in a delayed filing. In the event you cannot locate your copy at tax time, you can file an extension with the IRS to allow time for you to complete your return.

Cost-of-Living Raises

The annual cost-of-living adjustments (COLAs) are applied to the contributory plans effective April 1 of each year. The increase will be reflected on the April 30 benefit payment. The maximum allowable increase for Plan A is 3%, and 2% for Plans B, C, or D. Plan E does not provide cost-of-living benefits.

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BOARD NEWS

Make Your Vote Count This Summer

This summer, you have the opportunity to elect a new member to the Board of Retirement. The passing of Robert A. Stotelmeyer left a vacant seat on the Board of Retirement, and the election will choose a new member to fill his seat.



RETIREE ELECTION for the Board of Retirement

The tentative election schedule (pending adoption by the Board of Supervisors) is as follows:

- 3/20/01 - Board of Supervisors Adopts Resolution
- 4/6/01 - Candidate filing begins
- 5/7/01 - Filing deadline
- 5/8/01-5/16/01 - First and last dates candidates' statements are available for inspection.
- 5/11/01 - Random drawing for order of appearance on ballot. Eligible candidates certified.
- 5/17/01-5/31/01 - Official Ballots prepared.
- 6/1/01-6/11/01 - Ballot materials gathered for mailing.
- 6/12/01 - Ballots mailed.

Candidate statements have a 200-word limit. Deadline for filing of candidate statements and resubmittal of withdrawn candidate statements is 5/7/01.

If you have any other questions or need more information about the election for a retiree representative on the Board of Retirement, you may call the County Registrar Recorder office at (562) 462-2319.

Board Committes For 2001

Some Board of Retirement (BOR) and Board of Investments (BOI) members attend special committee meetings, as well as regular Board meetings, to review issues and make recommendations to their full respective boards. In addition, BOR and BOI members serve on two joint committees which include members of each board. Below is a schedule and attendee list for the 2001 special committee meetings of the BOR, the BOI, and the joint committees.

BOARD OF RETIREMENT

DISABILITY PROCEDURES & SERVICES
Meets bimonthly following the board meeting.
Warren Bennett, Chair
William Pryor, Vice Chair
Mark Saladino
Sadonya Antebi
Alternate: Les Robbins
Staff: Sylvia Miller
David L. Muir

INSURANCE, BENEFITS & LEGISLATIVE
Meets the 2nd Tuesday of each month at 9:00 A.M.
Les Robbins, Chair
Michael L. Falabrino, Vice Chair
Simon S. Russin
Warren Bennett
Alternate: William Pryor
Staff: Kathy Migita
Marsha D. Richter

OPERATIONS OVERSIGHT
Meets the 2nd Tuesday of each month at 10:30 A.M.
Simon S. Russin, Chair
Sadonya Antebi, Vice Chair
Michael L. Falabrino
Warren Bennett,
Alternate: Edgar Twine
Staff: Rob Hill
Gregg Rademacher

JOINT COMMITTEES

CEO EVALUATION COMMITTEE
Meets as required.
Estevan R. Valenzuela (BOI) Chair
Les Robbins (BOR) Chair
Sandra J. Anderson (BOI)
Simon S. Russin (BOR)
Warren Bennett (BOR)
Staff: Janice Golden

TRAVEL POLICY
Meets as required.
Les Robbins (BOI) Chair
Sandra J. Anderson (BOI)
Warren L. Bennett (BOR)
Bruce Perelman (BOR)
Sadonya Antebi, Alt. (BOR)
Staff: David L. Muir

BOARD OF INVESMENTS

AD HOC COMMITTEE ON ANNUAL PERFORMANCE REVIEWS
Daniel Cohen, Chair
Mark Saladino
Simon S. Russin

AD HOC COMMITTEE ON EMERGING MANAGERS
Estevan R. Valenzuela, Chair
Larkin Teasley
Sandra J. Anderson
Daniel Cohen



Welcome Aboard

We are pleased to welcome Mr. Edgar H. Twine to the Board of Retirement.

Mr. Twine is an attorney in private practice in the Los Angeles area. His experience includes service on the Board of Trustees for: the L.A. County Bar Association, the ARCO Plaza Federal Credit Union, the John M. Langston Bar Association, and Wildlife on Wheels. He has also served on the Board of Directors of the Museum of African American Art, and the American Association of Blacks in Energy. In 1995, Mr. Twine received the John M. Langston Bar Association's Corporate Lawyer of the Year Award. LACERA looks forward to working with Mr. Twine during his term.

Board of Supervisors Considers Enhanced Survivor Benefits Proposal, Among Others

In the recent **Fringe Benefits Memoranda of Understanding (MOUs)** covering the period October 1, 2000 through September 30, 2003 between the unions and the County, the Board of Supervisors agreed to consider retirement benefit enhancements for LACERA members. Of them, one affects current retirees:

Enhanced Survivor Benefits

This proposal would increase survivor benefits for contributory Plans A, B, C, and D from 60% to 65%, and from 50% to 55% for Plan E. Persons already receiving survivor benefits will receive the increase prospectively, starting on the effective date of approval. The earliest possible effective date for any of the proposed benefits is July 1, 2001; however, actual effective dates may be later than this date. Benefits proposed in the MOUs are contingent upon the passage of required legislation and approval by the Board of Supervisors. LACERA is also conducting actuarial studies to determine the cost of the enhancements, should any of the benefits be approved. Neither LACERA nor the County can predict if these benefit enhancements will be adopted.

Below are descriptions of the other benefit enhancements that are being considered. These would not affect your retirement benefits if enacted prospectively, and they are listed here solely to keep you informed:

One Year Final Compensation

To base the retirement allowance on an employee's highest one year of pensionable compensation for all contributory plans (A, B, C, and D General, and A and B Safety).

Cost-of-Living for Plan E

To provide a prospective cost-of-living adjustment (COLA) up to 2% for Plan E. Employees will receive a prorated portion of a 2% COLA based on the Plan E service credit earned after this goes into effect. Employees can purchase the COLA for prior Plan E service credit, provided they contribute both the employee and employer contributions.

Plan E Social Security Offset

To reduce the Plan E assumed age used to determine the Social Security offset from age 65 to 62. The offset reduces a retiree's retirement allowance. Lowering the age to 62 may lessen the Social Security reduction. Also, employees can use their actual Social Security benefit to calculate the offset when they retire at age 62 (previously 65) or older. This provision only applies to Plan E members who earned Social Security credits through County employment. Employees who started with the County after 1982 do not have their retirement allowance reduced.

Plan E Early Retirement Factors

To establish Plan E early retirement factors at the more favorable 1982 levels, regardless of future actuarial valuations. (Plan E retirement benefits are based on normal retirement at age 65. If you retire earlier, your allowance will be reduced by applying the early retirement factors. Currently, early retirement factors are calculated by the actuary and are based on interest rate assumptions and life expectancy trends.)

Prospective Transfer to Plan D

To allow members of retirement Plan E transferring to Plan D to purchase all, some, or none of their prior service credit. This would be in addition to their Plan D contributions, which are based on age at transfer. Employees who choose not to purchase all of their prior Plan E credit will be eligible to receive Plan E and Plan D retirement allowances based on the years of service credit under each Plan.

Prospective Transfer to Plan E

To allow members of retirement Plan D to transfer to Plan E on a prospective basis. Employees who transfer will keep their Plan D service credit and funds on deposit, and will earn Plan E service credit starting at the point of transfer. The employees will then be eligible to receive Plan E and Plan D retirement allowances based on the years of service credit under each plan.

PENDING NEGOTIATIONS:

Additional benefit enhancements were discussed and the parties agreed to establish a committee to continue negotiations on the following items during the term of the current MOUs.

The parties further agreed that any recommended retirement enhancements listed below will not be forwarded to the Board of Supervisors for approval prior to the complete resolution by the court or a court approved settlement, whichever occurs first, of the case commonly known as "Ventura" as it specifically relates to Los Angeles County. Such recommendations will include LACERA Board of Investments agreeing to fund the cost of such retirement enhancements from LACERA surplus funds. These additional items are:

- Transferring Probation Officers to Safety Retirement
- Transferring Safety Police to Safety Retirement
- 3% at Age 50 Safety Formula
- Implementation of the 2% at Age 55 Retirement Benefit Formula for General Members.

Again, while there is no guarantee that any of these benefit enhancements will be approved, they are under consideration and our members will be notified if and when they are enacted. Please visit our Web site at www.lacera.com for updates on these and other issues of concern to LACERA members.

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HEALTH INSURANCE COSTS FOR YOUR DEPENDENTS DON'T OVERPAY!

Are you paying more than you have to for coverage in LACERA's Health Care Benefits Program? If you have not notified LACERA regarding dependents who no longer qualify for coverage, you may be paying extra money for coverage you cannot use.

If any of the following have happened, and you haven't notified LACERA, you're probably paying more than you have to for health coverage:

- You and your spouse become legally separated or divorced
- Your children exceed the maximum eligible age for dependent children (age 19, or up to 23 for full-time students*)
- Your children become married
- Your spouse or children die.

In certain circumstances, dependents who are no longer eligible for LACERA's health care plans may qualify for continuation coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA). For details, please contact LACERA's Insurance Services Section at 1-800-786-6464.

To ensure that you **do not pay premiums for dependents who are no longer covered**, you must notify LACERA in writing within 30 days of a Change in Family Status. It is your responsibility to notify LACERA. If you do not notify LACERA regarding ineligible dependents, you will only be refunded up to a maximum of 12 months of your overpaid premiums.

* Children 19 or older who are incapable of self-support due to a mental or physical handicap may qualify as disabled dependents.

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Divorce, Legal Separation, and Your Retirement Benefits

Whether you're a LACERA member or the spouse of one, a divorce or legal separation can impact your retirement benefits and health coverage. This article will help you understand what the difference between legal separation and divorce means to you as a LACERA retiree, and how either change affects the benefits you and your former spouse receive.

LEGAL SEPARATION

Retirement Benefits

When you receive a judgment of legal separation, your marital status does not change. Upon your retirement, through a Wage and Earning Assignment Order, the court may order your legally separated spouse to receive a portion of your retirement benefits. Except in limited circumstances, upon your death, your spouse is still eligible for a continuing survivor's allowance.

Health Benefits

Under the LACERA-sponsored medical plan, a legally separated spouse is not eligible for coverage as a dependent. However, if your spouse was a covered dependent prior to the legal separation, your spouse would be eligible for COBRA coverage for a maximum of 36 months.

DIVORCE

Retirement Benefits

When you receive a final judgment of **dissolution**, your marital status changes to "divorced." In the divorce proceedings, you and LACERA are jointly entered in the dissolution action. As part of the divorce settlement, your ex-spouse may be entitled to a portion of your retirement benefits. However, you will continue to receive your full retirement allowance until final dissolution has been entered and LACERA receives a court order which sets forth what portion of your retirement allowance your ex-spouse is entitled to receive. Upon your death, your ex-spouse is no longer eligible to receive benefits.

Health Benefits

Under the LACERA-sponsored health plans, your ex-spouse is not entitled to coverage as a dependent. However, if your ex-spouse was a covered dependent prior to the divorce, he or she would be eligible for COBRA coverage for a maximum of 36 months.

For more information on COBRA benefits, please refer to the [Health Care Section](#) of our web site, your Guide to Administrative Rules for LACERA Health Care Benefits, or call us at (800) 786-6464.

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LACERA Helps You with Home Financing

If you're buying a new home or refinancing your current mortgage, you should consider taking advantage of the **LACERA Member Home Loan Program (MHLP)**, which offers you a flexible interest rate lock-in option. With the MHLP, you can choose the lowest interest rate of three possible dates: (1) your application date, (2) the approval date, or (3) the date the documents are prepared.



You'll receive the lowest interest rate of these three dates at no extra charge! Some mortgage lenders increase the loan interest rate by as much as 1/4th of 1% for this option. Or they may charge up to \$300 every time the rate is re-locked. LACERA saves you money by giving you the lowest fixed interest rate possible with no extra fees.

The MHLP offers a wide range of fixed and adjustable rate loans, all with competitive rates and low fees. The program is open to both active members and retirees, and beneficiaries who receive an allowance from LACERA are also eligible to apply for home loans. Other attractive features of the program include:

- Easy application process
- 25% discount off the 1% origination fee
- A low \$350 application fee that includes a credit report and appraisal report
- Zero point loans available
- A dedicated 800 phone number
- Pre-approvals

GMAC Mortgage Corporation provides financing for the MHLP, and they will assist you in completing your home loan application. Loan officers are available to visit your residence or job site to take your application. Or you may visit the GMAC offices to apply for a home loan. Also, the entire loan application can be completed by phone, mail, or by fax.

LACERA can help you and your family save money with the lock-in interest rate offered by our Member Home Loan Program. For more information, call 1-800-2-LACERA (252-2372).

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LOS ANGELES COUNTY RETIREMENT ASSOCIATION

NEWS FOR RETIRED MEMBERS

From The Executive Desk Of

Marsha D. Richter, Chief Executive Officer

JUDGE RULES IN LACERA'S FAVOR IN PLAN E CASE



As you may have heard by now, Los Angeles Superior Court Judge John P. Shook ruled on January 2, 2001 that a lawsuit brought against the County and LACERA by Plan E members who transferred from another retirement plan could not be pursued in a "representative capacity." What you may not be as familiar with are the facts of the case and what this ruling means.

On January 4, 1982, Plan E was introduced as a retirement plan option. This was the first time that LACERA members had the choice to participate in a non-contributory plan. Many County employees decided to transfer to Plan E, and were refunded their retirement contributions from their previous plan, plus interest. Some of the people who transferred to Plan E alleged that the County and LACERA didn't provide enough information to let them know what their new retirement benefits would be under Plan E. LACERA and the County have disputed these allegations.

These County employees joined a group known as CEFRRP, County Employees for Fair Retirement Plans, to pursue this matter in court as a representative action, i.e., as one collective lawsuit rather than several individual ones. **Judge Shook found that CEFRRP does not have standing to pursue the case in a representative capacity**, because there are a number of individual issues that predominate over issues that the members may have in common. That is, the complaints of individuals in the suit take precedence over their common complaints.

Judge Shook based his ruling on three separate grounds:

First, he found that the approximately 500 members who were union members at the time Plan E was agreed to through collective bargaining had constructive notice of the provisions of Plan E, which was included verbatim in an appendix to the Memorandum of Understanding in 1981, and which was agreed to by their exclusive union representatives.

Second, Judge Shook found that the **timeliness** of the members' claims, i.e., whether their claims are barred by the statute of limitations, is an issue that must be litigated on an individual basis. It cannot be determined through a representative action whether or not each individual's claim falls within the statute of limitations.

And third, Judge Shook ruled that the question of whether individual members relied on any misrepresentations or concealments allegedly made by LACERA and the County with respect to the terms of Plan E involves individual questions of fact. (CEFRP alleged such reliance in their First Amended Complaint.)

As you can see, the judge's ruling is based primarily on the fact that this action was brought before the court as a representative action, rather than as individual lawsuits. In fact, Judge Shook stated that his ruling is not intended to limit any individual lawsuits that may otherwise be brought by the individual plaintiffs in this case. More information about this and other news items of importance to LACERA members can be found on our web site at www.lacera.com.

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Q: I'm a new retiree. When will my health insurance begin?

A: LACERA coverage is coordinated to begin on the first day of the month after active County health coverage ends. For this to occur, your enrollment form must be received by LACERA within 60 days from the date of your retirement, or within 60 days from the date your name appears on the Board of Retirement agenda. Late enrollment rules apply if LACERA does not receive your enrollment form in a timely manner.

Q: I am a LACERA retiree currently living in Arizona. Do I need to pay California state tax on my pension, or should I pay these taxes to Arizona?

A: If you reside in another state, California will not collect state income tax on your retirement allowance which was earned in California. This retirement income, however, may be taxable in your new state of residence. State tax requirements on retirement income differ from state to state. You should consult with your own tax advisor and contact the appropriate state tax authority for its rulings.

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New Policy Makes Direct Deposit Safer

If you receive your retirement allowance via direct deposit, each month you receive an Automatic Deposit Receipt (ADR) in lieu of a check. As a safety measure, beginning May 1, your bank account and routing number will not appear on your ADR. Your bank account number and routing numbers are still needed for the completion of the direct deposit application. They will be displayed on the pre-notification letter that is sent to you for verification, but will no longer appear on your ADR.

LACERA Financial Report

LACERA is continually planning for your future. The Popular Annual Financial Report (PAFR), enclosed with your February check, gives you a summary of our financial strength as of June 30, 2000. Read all about the double-digit returns and progressive accomplishments of your \$31 billion fund. The PAFR tells you about revenues and expenses, investment performance, asset allocations, funding status, and membership growth. As in past years, LACERA continues to manage an extremely healthy fund.

LACERA is constantly searching for ways to improve customer service and build an even better retirement fund for you. We are pleased to present the 2000 Popular Annual Financial Report for your review.



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Retiring Abroad? You're not alone!

One of the great things about retiring is having extra time to spend with family and friends. But what if the family and friends you've been longing to spend time with live in another country? No one of retirement age has ever packed up and left the good old U.S.A., right? Wrong. LACERA has 136 members living in 46 countries, some as close as Canada and Mexico, others as far away as India and Thailand. If you've ever dreamt of spending your golden years on foreign shores, take comfort in knowing you're not alone.

For most Americans, moving to a different country poses not only the opportunity for adventure and excitement, but unique challenges as well. For example, the food and climate of another country may be quite different from what you're used to. Learning as much as you can about a country before you move will make settling there a more pleasant experience. It's also a good idea to visit the country several times, or go for an extended stay before moving.



Chances are there will be plenty of people back in the U.S. to keep in touch with. Since international calls can be quite expensive and mailing letters overseas can take weeks, the Internet can be a powerful communication tool. Email is a great way to maintain contact with friends and loved ones, and you can get important information—such as news from LACERA about your retirement benefits—from U.S. Web sites.

Here are some of the places LACERA retirees have made their home:

Country	Number of Retirees
Australia	3
Canada	25
Costa Rica	4
Egypt	5
England	7
Greece	4
Honduras	3
India	3
Ireland	4
Israel	4
Japan	7
Mexico	9
Philippines	11
Sweden	3
Thailand	6

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IMPORTANT Changes in SCAN/SmartCare

Senior Care Action Network (SCAN) has sold SmartCare, its non-Medicare business, to Universal Care. This change affects LACERA retirees and dependents under the age of 65 who are currently enrolled in SmartCare. SCAN benefits for retirees over 65 are unaffected by this change. LACERA has decided not to contract with Universal Care for the SmartCare program. **LACERA must transfer all SmartCare members to other LACERA-sponsored medical plans effective June 1, 2001.**

SCAN's decision to sell SmartCare reflects the current state of the insurance industry. To maintain programs such as SmartCare, health care companies are faced with making significant investments in sales forces, marketing efforts, and other business areas. Of late, the cost of these investments has forced some companies to choose between cancelling programs such as SmartCare or diverting resources from other programs, such as coverage for seniors. While inconvenient for you and your loved ones who depend on programs like SmartCare, hard decisions such as the one made by SCAN are necessary in order for companies to maintain the quality service offered by their most important programs. We at LACERA will continue to keep you updated on any developments that affect you and your health coverage.

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Health Care Coverage for LACERA Member Survivors

As a LACERA retiree, your years of hard work are rewarded with top-notch retirement benefits, such as health care coverage through one of the many LACERA-sponsored health care plans. If you're married or are the parent of a dependent child, it's likely that your spouse or child has grown accustomed to coverage under your LACERA plan, as well. But what happens in the event of your death? It's something no one likes to think about, but you can rest assured knowing that options are available that may extend health plan coverage to your eligible survivors (see below section on survivor eligibility requirements). The following list explains what coverage is available to your survivors, given their eligibility and prior coverage status:

- **If your surviving spouse or child is eligible for continuing retirement benefits, he/she will be mailed a packet of information for both retirement benefits and health care benefits upon your death.** Eligible dependents will receive continuous health care benefits, provided they were covered as dependents under your LACERA plan. LACERA's Insurance Services Section will coordinate health care coverage.
- If a surviving spouse or child is not eligible for continuing retirement benefits, but has been continuously covered under your health care plan, he/she will be mailed a packet containing information about continuing health care coverage through COBRA.
- If a surviving spouse or child is eligible for continuing retirement benefits, but was not continuously covered as a dependent under your LACERA health plan and now wishes to be covered, he/she is subject to the rules for Late Enrollment.
- If an eligible survivor is covered under a LACERA-sponsored health care plan and remarries, the survivor's eligible new dependents can be added to the plan, provided LACERA is notified within 30 days of the date of acquisition (i.e., marriage, birth, adoption, etc.). However, when the eligible survivor dies, his/her eligible dependents will no longer be eligible for continued coverage through a LACERA-sponsored health plan, except for a limited period of time through COBRA.
- If your eligible survivors are required to pay premiums for coverage, they will be notified.

ELIGIBILITY REQUIREMENTS FOR LACERA MEMBER SURVIVORS

Eligible Surviving Spouse:

- Was married to member at least one year prior to member's retirement. If the member was granted a service-connected disability, the one-year rule does not apply, but the date of the marriage must have preceded the date of retirement.
- Eligible to receive a continuing allowance.

Eligible Surviving Children:

- **If there is a surviving spouse:** Any surviving unmarried natural child, stepchild, or legally adopted child under the age of 18 — or from age 19 through age 22 if enrolled as a full-time student at an accredited or licensed educational institution.
- **If there is no surviving spouse:** Any surviving unmarried natural child, stepchild, or legally adopted child under the age of 18 — or from age 18 through age 21 if enrolled as a full-time student at an accredited or licensed educational institution and receiving retirement benefits.
- **Whether or not there is a surviving spouse:** Any unmarried disabled child age 19 or older who meets LACERA's requirements for disabled dependent eligibility.

For more information about LACERA-sponsored health care plans and other important news, please visit us online at www.lacera.com.

WEB AU COURANT by Jeannine Sabatini

Time to catch you up on the LACERA web site. Our web site has been up and running for several months now. Section by section it is being developed, and progress is being made on a daily basis.

Here are some of our recent developments:

- **SEARCH** – (located on the top bar on every web page) It is fully functional. You can type in a word and get a listing of LACERA's web pages relating to that word.
- **THE HOME PAGE** – It has a new look. Topical articles are now grouped into categories of common interest.
- **NEW PHOTOS** – The Retirement Services Division employees (the helpful folks answering your calls and providing you quality service) are now online. Check out the **BENEFITS** section of the web site.
- **ARCHIVES** – Currently the HOME page has an archive area which stores articles previously listed. So, if you want to read an old article, you now have access to it. All sections will have an archive area in the future.
- **THE LACERA BOARDS** – This page has a fresh look with buttons linking you to the Board's bylaws, photos, the latest agendas and minutes, for both the Board of Investments and the Board of Retirement.
- **LINKS** – New links for reciprocal counties, health resources, and cultural activities.
- **BENEFITS** – This section has been expanded to include topics such as divorce, job termination, reciprocity, and other information that you have requested.

WEB SITE ANALYSIS

Here are some interesting facts about the LACERA web site.

- Hits for entire site - 853, 616*
(Hit = a count of all successful encounters including HTML pages, pictures, forms and scripts)
 - Viewed pages for entire site 41, 478*
(Viewed = a count of hits to pages defined as documents or forms)
- *Figures accurate as of Friday, 2-9-01

TOP 10 MOST FREQUENTLY VIEWED PAGES

1. LACERA HOME
2. RETIREMENT CALCULATOR (under development)
3. ACTIVE MEMBERS
4. FAQ'S
5. ORDER NOW (available the end of March)
6. LINKS
7. CONTACT US
8. RETIRED MEMBERS
9. SITE MAP
10. SEARCH

TOP 5 COUNTRIES VISITING THE SITE

1. US
2. CANADA
3. TAIWAN
4. SPAIN
5. UK

TOP 5 STATES VISITING THE SITE

1. CA
2. GEORGIA
3. CONNECTICUT
4. NY
5. MASSACHUSETTS

TOP 5 CITIES VISITING THE SITE

1. PASADENA, CA
2. PALO ALTO, CA
3. NORCROSS, GA
4. REDWOOD CITY, CA
5. STAMFORD, CO

OUR WEB VISITORS MOST POPULAR ONLINE CARRIERS

1. AOL
2. LA.CA.US
3. EARTHLINK
4. CYBERSURFERS
5. WEB TV

WEB SITE DAILY ACTIVITY

- On weekdays we have an average of 126 visitors and 8,365 hits.
- On weekends we have an average of 185 visitors and 11,015 hits.
- The most active time of day is between 8am and 10 am.
- Wednesday is the day with the most activity.
- The most active day ever was November 27, 2000 with a whopping 23,230 hits.

RESPONDING TO YOUR FEEDBACK

The LACERA web site (www.lacera.com) is a good vehicle for you to find answers to your questions. We encourage you to continue using it as a source of updated retirement information.

When you email LACERA, here is how your inquiry is answered:

- For a general inquiry, an answer or suggestion is emailed back. Perhaps you will be redirected to specific pages on the web site as well.
- For a specific inquiry, an initial response is sent advising you that your request has been referred to a specialist. You then will receive a follow-up response from the specialist with the information you requested.
- If you leave personal identifying information (as opposed to just crazylegs@aol.com) your inquiry will be noted in your LACERA file.

Your feedback is essential to us. Your email gives us direction as to what type of information you require, and how better to fill your needs. Please keep the emails coming in and we will assist you the best we can. Thanks for the input.

Below are the topics you have been concerned about.

- **Transferring from Plan E to Plan D**
- **Terminating employment** and distributing retirement funds.
- **Divorce** (There is now a web page regarding the Dissolution of Marriage.)
- **Reciprocity** (A web page has been added covering the topic, along with a list of reciprocal counties and applicable links to their web sites.)
- Can you make changes online? (Not yet, but interactive transactions will be available in the future. We are currently building an infrastructure to allow us to provide these services to you without sacrificing the security of your account.)
- **Social Security**
- Workshops (**New Member** or **Pre-retirement**)
- **Medicare Part B reimbursement**
- **COLA**
- **STAR COLA**
- **Purchasing service credit**
- **Death benefits for surviving spouse**
- Medical benefits for 25 years of service
- And some suggestions on how we can improve.

TESTIMONIALS

"I enjoy the web site, I think it is great." -A LACERA Retirement Board member

"Keep up the good work on the LACERA site. It is informative and I expect it to grow with information and services in the future." -D. Kersh

"I like your new web site!" -Mr. Hirschensohn

"Thanks for being online!!!" -A retired member

"LACERA's a wonderful web site..." -An active member

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What Makes Us Forget?



Everyone suffers from memory lapses at some point or other, regardless of age. Still, memory loss is a condition usually attributed to older adults. But such forgetfulness can be caused by a number of factors that have little to do with a person's age. Here are some of them:

- **Stress** decreases concentration and short-term memory.
- **Lack of Sleep** harms memory because the brain revises and stores memories during sleep. In fact, Massachusetts researchers found that college students who slept at least eight hours learned better and quicker than those sleeping six hours or less (*Journal of Cognitive Neuroscience*, 3/00).
- **High Blood Pressure** harms mental processing and short-term memory.
- **Alcohol Consumption** impairs concentration and short-term memory. Over time, alcohol abuse impairs long-term memory.
- **Caffeine** provides a short-term boost, but it reduces concentration and disrupts sleep patterns.
- **Smoking** means you're getting less oxygen. Less oxygen to the brain means a dulled memory.

As you can see, many factors other than age contribute to memory loss. Certain activities promote better memory recall. Some of them are making lists, using a calendar to keep track of obligations, and reciting new ideas aloud several times. There are other activities that stimulate the brain and improve many cognitive functions, memory included. Some of these are taking a class, working crossword puzzles, reading and writing, and even doing common tasks in a different way than normal, such as washing dishes with the opposite hand. If memory loss is a problem for you, consider reducing any factors from the list above and incorporating some memory-enhancing activities. You may find your recall improving, and you'll probably feel a lot better, too!