LACERA POSTSCRIPT

P.S.

PLANNING A SECURE FUTURE

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

VOL. 13 NO. 3 NEWS FOR ACTIVE MEMBERS SEPTEMBER 2003

Member Q&A

Q: Will overtime and excess vacation pay be included in the final compensation used to calculate my monthly retirement allowance?

A: Overtime pay is not included in final compensation. When you leave active employment or terminate, you will receive a lump-sum payment for unused sick leave and vacation time; this amount also is not included in final compensation. However, while you are an active employee, you may be eligible to receive compensation for excess vacation, holiday, or sick leave (also called "buy-back"). This compensation is included in your final compensation, up to certain maximums. If you have questions about buy-back eligibility, contact your personnel/human resources department. You can learn more about how your final compensation is calculated by attending LACERA's Pre-Retirement Workshop.

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Health Care Benefits for Your Retirement

When you retire, you can look forward to the valuable health care benefits offered through LACERA. The LACERA-sponsored Health Care Benefits Program offers the same medical and dental/vision plan choices to all County retirees and eligible dependents, regardless of your classification or bargaining unit while in active service. For active employees, the medical plan benefit levels are varied based on what the unions have negotiated for different employee job classifications. The LACERA-sponsored health plans are established on a contract between the County of Los Angeles and LACERA.

The retiree health plans offered by LACERA are similar but not identical to those offered to active employees through the County Department of Human Resources and some union agencies.

LACERA's Health Care Benefits program includes several medical plans and two dental/vision plans, and is available to all new retirees regardless of pre-existing medical conditions. However, you only have 60 days from your Board-approved retirement date to enroll yourself, your legal spouse, and eligible dependents in the plan of your choice. Late enrollment rules will apply if you do not enroll within this time frame.

The County contribution is calculated based upon the following factors:

- Your years of retirement service credit (excluding reciprocal service credit)
- The insurance plan you choose
- Number of covered dependents (coverage option)

For members with 10 years of retirement service credit, the County will contribute 40% of your health care plan premium or 40% of the benchmark plan rate (Blue Cross Plans I and II), whichever is less. For each year of retirement service credit beyond 10 years, the County will contribute an additional 4% per year, up to a maximum of 100% for a member with 25 years of service credit. The County contribution can never exceed the premium of the benchmark plan; this means that if

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ISSUE • HIGHLIGHTS

From the **EXECUTIVE DESK**

Marsha D. Richter—CEO, LACERA

Message from the CEO

As LACERA members, you have the right to know about fiscal and legislative developments that could affect the fund and your benefits. One of the ways we share such information is through our *PostScript* and *Spotlight* newsletters; the Q&A section in this newsletter is one place we address your concerns and questions. Our goal is always to present the facts fairly and without prejudice. Additionally, we post information on our web site at **www.lacera.com**, as well as send out special mailings when the need arises.

In response to such information sharing, LACERAmembers and even Board members write to us to share their opinions about announcements and articles. A recent example is an article published in the last issue of *PostScript* entitled, "Retirees Disappointed Again." This article was about the Board of Retirement reconsidering adopting a resolution to implement SB 670, the law that extends benefits to surviving spouses who marry a LACERA member after retirement. In response to this article, I received positive and negative feedback about both the article's position on the issue, as well as the issue itself. One letter I received from a retired member expressed concern about how money in the fund is allocated. In contrast, another letter commended our fair reporting on this particular issue, which has been a hot topic since 1986.

Your opinions are valuable to us for two reasons. If you tell us what is important to you, we will report on specific information that we know you want to read. In addition to focused articles in our newsletters, many hot-button topics are discussed in Board and committee meetings. Keeping this in mind, I hope that you will tell us what issues are important to you, so we can make them a priority for discussion.

2003 Legislative Updates

The time for bills to be on the Governor's desk is fast approaching. All bills must be on the Governor's desk by September 12, 2003 for them to become law in January 2004. Below are listed some of the bills LACERAis currently following.

AB 55 County Employees Retirement: Additional Retirement Credit (Correa)

This bill, introduced by SACRS, allows the Board of Supervisors to authorize members to purchase up to 5 years of additional retirement credit by paying the full actuarial cost of the future retirement benefit and not place any additional financial burden on the retirement system. The additional service is not to be counted to meet the minimum qualifications for retirement, for cancellation of retirement contributions at 30 years of service, additional ad-hoc cost-of-living benefits based on service credit, or health care.

This bill has an Urgency Clause which means that if the Governor signs it, it will become law immediately. However, it will not be effective in Los Angeles County until adopted by resolution by the Board of Supervisors. *(For additional information, see article on page 7.)*

Enacted: 9/03/03
Sponsor: SACRS
Status: Signed by Governor 9/3/03, Chapter 261
LACERA position: SUPPORT

AB 80 Firefighters: Public Service Purchase (Bogh)

This bill allows all 1937 Act County peace officers and specified County firefighters to purchase service credit for law enforcement or firefighting service performed for another public agency. It broadens the current purchasable service to include law enforcement or firefighting service with any city, state, county, or governmental "public agency" within the United States. To receive the above service, the member must deposit an amount equal to the contributions they would have made for that service, plus interest.

The Board of Supervisors may vote to pay part of the employee contributions. However, employers' contributions are not included in the cost for the additional service, which creates an unfunded liability.

Amended: 6/04/03
Sponsor: California Professional Fire Fighters
Status: Vetoed
LACERA position: OPPOSE UNLESS AMENDED

AB 285 California Employees' Retirement: Reciprocity (Negrete-McLeod)

This bill eliminates all reference to restrictions on the period of time between a member's public employment subject to a reciprocal retirement system, and would make those reciprocal benefits available regardless of the length of time between employment.

The SACRS Legislative Committee and LACERA would like to see language in the bill clarifying member redeposit rights and the rate of future member contributions.

Sponsor: SEIU
Status: Did not make it out of the Assembly PER & S Committee
LACERA position: SUPPORT IF AMENDED

AB 374 County Employees' Retirement: Budget Appropriation Allocation (Chan)

This bill would provide that, until January 1, 2007, if the net asset value of the system has declined, that limit on the expense of administration of the system may be based on the value of the assets of the retirement system as of a prior valuation date, in a prior fiscal year, as specified. Under current law, administrative expense cannot exceed eighteen hundreds of one percent of the current asset valuation. In addition to allowing the budget allocation to be based on a prior asset value, this bill also caps the expense at twenty-three hundreds of one percent of the current asset value where that amount is less than eighteen hundreds of the asset value in a prior fiscal year.

Enacted: 7/22/03
Sponsor: SACRS
Status: Signed by Governor 7/22/03, Chapter 95
LACERA position: SUPPORT

AB 457 County Employees' Retirement: "Golden Handshake" (Soto)

This bill would authorize a county Board of Supervisors to adopt resolutions to provide that members of the county's retirement system are eligible to receive up to 2 additional years of service credit or up to 2 additional years of age, or both, if the members retire within a designated period prior to January 1, 2005, and certain other conditions are met.

The bill requires that, if adopted

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Do you have questions regarding your retirement benefits?

Telephone LACERA at

626-564-6132

800-786-6464

FAX: 626-564-6155

Your Social Security number is the key to finding your records.

We thank you for your patience and understanding when you call.

welcome@lacera.com

Now you can e-mail LACERA to ask about general retirement information. Just use the LACERA e-mail address shown above. If you have specific questions about your benefits or need to resolve any issues affecting your personal retirement account, please contact LACERA at **800-786-6464** and ask to speak to a Retirement Benefits Specialist.

A Nice Surprise from Calcium

Excerpted from the Berkeley Wellness Letter

With so many people gaining weight—and trying to lose it, often unsuccessfully—most of us welcome pointers based on solid research. These, unfortunately, are few and far between. So it's good news that a group of common healthful foods with large amounts of one essential mineral may help people lose weight or keep them from gaining it. The foods are milk, yogurt, and other dairy products, and the mineral is calcium. This research is only preliminary, but the news is promising.

For years, evidence has been mounting that eating calcium-rich foods helps control or reduce weight, as shown by animal and human studies. For example, researchers at Purdue University studying young normal-weight women found that, over a two-year period, those with a high calcium intake from dairy products gained less weight and body fat then those consuming less calcium. Reviewing five clinical studies, the calcium expert Dr. Robert Heaney and his colleagues at Creighton University in Omaha concluded that having a low calcium intake over the long term more than doubles the risk of a young woman being overweight. In another review, Dr. Michael Zemel, professor of nutrition at the University of Tennessee, found that dietary calcium—especially from dairy products—plays an important role in how energy is regulated in the body and this may influence weight control.

Calcium has several benefits, notably it keeps bones strong and helps control blood pressure. As for weight control, there are some complicated biochemical theories about how calcium may affect body weight, It may aid in the breakdown of body fat, for instance, or cause fat cells to make less fat.

Recently, a review in the American Journal of Clinical Nutrition concluded that research has so far been encouraging, and that it is time for a large, well-designed study on whether calcium really can help with weight loss. Also, must the calcium come from dairy products? According to Dr. Zemel, calcium from supplements or from other calcium-rich foods, such as dark greens, would also have an effect. But calcium from dairy products seems to work best. Other substances in milk (such as magnesium and boron) may play a synergistic role with calcium.

Remember that the key to weight loss and weight control is, as always, consuming fewer calories than you burn. Calcium by itself will not make you lose weight. But if you are trying to lose weight, don't drop dairy foods from your daily fare. Just choose low-fat or nonfat products. You may lose weight faster if you keep your calcium intake high.

If you are under 50, you should be getting 1,000 milligrams of calcium daily from food or supplements; if you are a woman over 50 or a man over 65, aim for 1,200 to 1,500 milligrams. This will help your bones and may help your blood pressure. If it also helps with weight control, so much the better!

Legislative Updates cont'd from pg. 3

by County Board of Supervisors:

1) The employer transmit to the County retirement system an amount determined by Board of Retirement to fund the additional benefit;
2) At least one position remain vacant permanently in participating agencies;
3) Any member who reinstates from retirement shall forfeit the "Golden Handshake" additional service credit;
4) The "Golden Handshake" cannot be offered only to management employees; and
5) The provisions of this bill will become inoperative on January 1, 2005,

The "Golden Handshake" provisions contained in this bill are optional in each 37 Act County and will not become effective unless adopted.

Amended: 9/12/03
Sponsor: SEIU
Status: To Governor
LACERA Position: WATCH

AB 933 Law Enforcement Officers: Tuition Payment/Survivor Benefits (Reyes)

Extends the definition of "child" to include a stepchild for purposes of providing tuition and special death benefits in the case of a law enforcement officer killed in the line of duty.

Revises Secs. 31781.1 and 31787 of the 1937 Act to provide survivor benefits to the stepchild of any member who would have been entitled to retire but dies prior to retirement.

Amended: 9/8/03
Sponsor: Fresno Deputy Sheriffs Association
Status: To Governor
LACERA position: SUPPORT IF AMENDED

AB 1585 California Employees' Retirement (Assembly PER & S Committee)

This bill would:

1) Authorize the system to obtain a loan against the assets in case of an emergency for purposes of paying retirement benefits;
2) Change the time to file financial statements;
3) Establish a replacement benefit plan for payment of benefits that may exceed IRC Section 415 annual distribution limits;
4) Allow the Boards of Retirement of all 37 Counties to contract with county counsel or private attorneys or employ staff attorneys for legal services. (LACERA has in-house attorneys as authorized by the 37 Act since 1990.)

Amended: 8/18/02
Sponsor: Assembly PER & S Committee
Status: To Governor on 9/5/03
LACERA position: SUPPORT

AB 1587 County Employees' Retirement: Reciprocity (Assembly PER & S Committee)

This bill would:

1) Prohibit the adoption of any retirement benefits for some, but not all, general members or for any subgroup, as specified;
2) Revise the provisions regarding the selection of an alternate member and the 8th member of the retirement board;
3) Eliminate the restriction regarding the period of time between a member's public employment subject to the various reciprocal retirement systems, making those reciprocal benefits available irrespective of the length of time between employment with reciprocal agencies.

Amended: 9/4/03
Sponsor: Assembly PER & S Committee
Status: To Governor
LACERA position: WATCH

SB 270 California Employees' Retirement (Soto)

This bill requires the Board of Retirement to provide organizations that are recognized by the Board as representing the retired employees of the County or district with notice and an opportunity to comment on any proposed changes to the system's retirement benefits or the use of excess funds.

Enacted: 8/3/03
Sponsor: CRCEA
Status: Signed by Governor 8/3/03, Chapter 191

SB 274 County Employees' Retirement: DROP (Soto)

This bill establishes a Deferred Retirement Option Plan (DROP) for law enforcement members. In implementing a DROP program, the bill requires the County to elect a forward, back, or actuarial equivalent DROP.

Amended: 9/11/02
Sponsor: Professional Peace Officers Association
Introduced: 9/11/03
Status: To Governor
LACERA position: WATCH

Exciting Volunteer Opportunities in Consumer Protection

Public Service Announcement

Come Join Our Winning Team!

Are you interested in learning more about your rights as a consumer while helping others? Have you ever wanted to learn more about consumer protection issues such as small claims court, refunds, purchases and exchanges, buying a car, credit problems, false advertising, and identity theft? Then this volunteer opportunity is for you!

The County of Los Angeles Department of Consumer Affairs (DCA) is looking for volunteers like you to help us promote a fair and vibrant marketplace for consumers, businesses, and our communities. As recipient of the prestigious Agency of the Year award from National Association of Consumer Agency Administrators (NACAA), DCA volunteers are truly part of an award winning team.

As a member of Team DCA, you won't be filing papers or making coffee. Volunteers are vital members of our team and have access to all that the department has to offer. DCA volunteers:

- Receive training on a wide variety of consumer affairs laws and issues.
- Provide direct counseling and assistance to the more than 400,000 consumers who contact us for help each year.
- Work closely with our staff in the investigation of consumer fraud cases and the mediation of routine consumer complaints.
- Have the satisfaction of knowing that they are making a positive difference in our communities every day.

No experience is necessary. Interested individuals should have excellent customer service skills and be able to learn about consumer protection. Bilingual volunteers will have the opportunity to utilize their language skills. Volunteers are asked to commit a minimum of 4 hours of service per week at our headquarters office located near the Music Center and the new Disney Concert Hall in downtown Los Angeles. Days and hours are flexible.

Our office is open between 8:00 a.m. and 4:30 p.m., Monday through Friday. There is excellent public transportation to our offices and free parking is provided. We also offer challenging internships for college and high school students. To learn more, visit us online at: **http://consumer-affairs.co.la.ca.us** or contact our Volunteer Programs Coordinator to learn how you can join our winning team:

Espie Hernandez
Volunteer Programs Coordinator
County of Los Angeles Department of Consumer Affairs
500 West Temple Street, Room B-96
Los Angeles, CA 90012
(213) 974-9740
ehernand@co.la.ca.us

Grapefruit and Medication Don't Always Mix

Excerpted from the Harvard Health Letter

By blocking certain enzymes in the small intestine, grapefruit juice increases the absorption of many medications ranging from some of the calcium-channel blockers to anti-anxiety drugs to most of the statins—but not pravastatin (Pravachol). Many people ask whether grapefruit itself, as opposed to the juice, has the same effect. To date, almost all of the research has been on grapefruit juice. But several years ago, Canadian researchers conducted a study comparing grapefruit juice with segments from a whole grapefruit and a concoction that included grapefruit peel. They measured effects on the metabolism of felodipine (Plendil), a calcium-channel blocker. The juice, the whole fruit, and the peel concoction all boasted felodipine levels in the blood. The peel had the biggest effect. The evidence for grapefruit juice affecting drug metabolism is much stronger, but it seems that grapefruit itself might also be a problem.

The lesson? Before making grapefruit part of your diet, check with your doctor to make sure that any drugs you are taking will not be adversely affected.

AB 55: Additional Retirement Credit

By Jan Barcus

Assembly Bill 55, signed by Governor Davis on September 4, 2003 (Chapter 261), would allow members of a 37 Act County Retirement System to purchase up to 5 additional years of retirement service credit. The bill contains an urgency clause that means that if the Governor signs the bill, it becomes law immediately. *However, the law does not become effective in any county until the Board of Supervisors adopts a resolution making it applicable in that county*.

Additional Retirement Credit (ARC)

Under current retirement law, a contributory plan member is eligible to purchase service credit with LACERA for prior employment with Los Angeles County, the United States government (including military service), the State of California, and any public entity located within the State of California for which he or she is not eligible, now or in the future, to receive a retirement allowance. The cost for the service can depend on when LACERA membership began and the type of service being purchased.

The "additional retirement credit" (ARC) as defined in AB 55 is "credit that does not otherwise qualify as county service, public service, military service, medical leave of absence, or any other time recognized for service credit by the retirement system." This means that the ARC does not need to be based on actual prior employment. To be eligible to purchase ARC, a contributory member must be credited with at least 5 years county retirement service credit

How You May Use Your ARC

The additional credit increases the total years of service credit on which a retirement allowance is calculated. This can add approximately 8% to the average member's retirement

allowance. ARC may not be used to meet the minimum eligibility qualifications for service or disability retirement or towards cancellation of contributions with 30 years service credit. ARC is not counted towards service for additional ad-hoc cost-of-living benefits based on service credit, health care benefits, or any other benefits based on service credit.

You should carefully consider whether or not purchasing ARC is a good financial decision for you

ARC Cost Calculation

AB 55 states that the cost for ARC shall be such that it does not place any additional financial burden on the employer or the retirement system. The calculation formula is called the "present value formula," which means that the member pays the value, in today's dollars, of the future retirement benefit to be received on account of the additional service. The cost will differ for each member and factors the member's anticipated retirement date, age, and service credit, the current salary rate projected to the anticipated retirement date, and the projected interest earned from the date of payment to the retirement date.

Based on calculations prepared by LACERA's actuary, the cost of ARC will vary from 75% to 125% of the member's annual earnings, depending on the member's retirement plan.

Members may pay for ARC through payroll deductions or through a rollover from a 401k plan, an IRA, another employer's qualified plan, or a combination of these. The term of a payroll deduction contract may be up to 10 years. Payment must be completed prior to retirement. If retirement occurs earlier than anticipated, payment must be completed within 120 days from the retirement date. LACERA is conferring with tax counsel to determine if payment can be completed through a plan-to-plan transfer of 457 funds.

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Credit Unions Serving County Employees

The following credit unions proudly serve employees of Los Angeles County. For membership eligibility and affiliate service centers, contact the credit unions directly.

F & A Federal Credit Union
2625 Corporate Place
Monterey Park, CA 91754
(800) 222-1226

First City Credit Union
717 W. Temple Street
Los Angeles, CA
(800) 944-2200

Fiscal Credit Union
310 E. Colorado Street
Glendale, CA 91205
(800) 311-3328

Focus One Community Credit Union
3825 N. Mission Road
Los Angeles, CA 90031
(323) 343-9600

Harbor Federal Credit Union
P.O. Box 5159
Torrance, CA 90510
(310) 222-2395

L.A. Financial Credit Union
224 N. Fair Oaks Avenue
Pasadena, CA 91103
(800) 894-1200

Olive View Federal Credit Union
14445 Olive View Drive
Building P
Sylmar, CA 91342
(818) 367-1057

POPA Federal Credit Union
1100 Corporate Center Drive
Suite 203
Monterey Park, CA 91754
(800) 369-7672

Public Works Credit Union
900 S. Freemont Avenue
Alhambra, CA 91803
(626) 458-5175

Rancho Federal Credit Union
12620 Erickson Avenue
Downey, CA 90242
(562) 803-6401

Southland Civic Credit Union
8545 Florence Avenue
Downey, CA 90240
(562) 862-6831

AB55 cont'd from pg. 7

Board of Supervisors Adoption

LACERA knows the question everyone is asking: "Will the Board of Supervisors adopt AB 55?"

At this time, LACERA cannot answer that question. However, we are aware that the County has some concerns about the bill:

1) Even though employees would be charged the full actuarial cost (as determined by the actuary) to purchase ARC, if LACERA's earnings do not match the assumed rate of return there could be an unfunded liability;
2) The additional service could encourage some employees to retire earlier while they are still needed to support County operations;
3) The program cannot be selectively implemented. Once adopted by the Board of Supervisors, it cannot be modified or discontinued.

We will need to wait to see if these concerns are resolved sufficiently for the Board of Supervisors to adopt the ARC provisions. As with most additions to the retirement law, should the Board of Supervisors adopt the ARC provisions, they will be applied prospectively only.

LACERA will continue to publish legislative updates on this and other retirement legislation in its newsletters and on the web site, **www.lacera.com**. If you move, please be certain to update your address with your department so you will continue receiving this and other important retirement communications.

Domestic Partner Legislation

By Jan Barcus

On January 1, 2003, AB 2777 (Nation) went into effect. This bill amended the County Employees Retirement Law of 1937 to permit certain Boards of Supervisors, including Los Angeles County, to extend to domestic partners of County employees the same survivor benefits (except retiree health care) received by the spouses of eligible County employees who die either before or after retirement. Both LACERA and the Board of Supervisors supported passage of AB 2777.

On August 26, 2003, the Board of Supervisors on a motion by Supervisor Yaroslavsky, unanimously adopted a resolution to provide survivor benefits to domestic partners of current and future retirees. The resolution took effect immediately.

The new law implemented by the Board of Supervisors provides that a person who qualifies as a domestic partner under the Family Code is eligible for the same survivor benefits as a spouse. The qualifications include:

- ◆ The partnership is registered with the Secretary of State.
- ◆ Both persons have a common residence.
- ◆ Neither person is married or a member of another domestic partnership that has not been terminated.
- ◆ Both persons are at least 18 years of age.
- ◆ Either of the following:
  - • Both persons are members of the same sex.
  - • If of the opposite sex, one or both of the persons are over the age of 62
- ◆ Both persons are capable of consenting to the domestic partnership.

A domestic partner of a member who retired under a service retirement or a nonservice-connected disability retirement does not qualify unless the partnership was registered with the Secretary of State at least one year prior to retirement. The one-year requirement does not apply to members who retire under a service-connected disability retirement or death before retirement, but the partnership must be registered before the date of retirement or death.

In the event that a member with an eligible registered domestic partner dies leaving a dependent child, that child will receive the continuing allowance until age 19 or until married, whichever occurs first, or until age 22, if attending an educational institution. When the child no longer meets the eligibility qualifications, payments will be made to the domestic partner. However, if the child elects to receive a lump-sum payment in lieu of the continuing allowance, the payment will be shared equally among any surviving dependent children and the domestic partner.

There are currently two additional domestic partner bills on Governor Davis' desk for approval. Senate Bill 85 would make clarifying amendments to the Retirement Law. Assembly Bill 205 would amend the Family Code and would extend most of the rights and duties of marriage to persons registered as domestic partners.

SB 85

SB 85 would change the age until which a dependent child will receive the continuing allowance from age 19 to age 18. This change is to make the age requirements under AB 2777 the same as other sections within the Retirement Law that provide benefits to a dependent child.

AB 205

AB 205, by Assemblywoman Jackie Goldberg, would give domestic partners most of the legal rights, protections, and benefits accorded to married persons. It would also give them the same responsibilities, obligations, and legal duties under the law. These rights and responsibilities extend to community property, parenting responsibility, child support, access to divorce court, access to family benefits at work, and mutual responsibility for debt.

Similar to the requirements of the retirement law, to qualify as a domestic partner the persons must meet the requirements of the Family Code as listed above. In addition, termination of the partnership may be handled through the courts, or if certain conditions are met, by filing a Notice of Termination of Domestic Partnership with the Secretary of State.

Health Care cont'd from pg. 1

the premium for the plan and coverage option you have chosen exceeds the benchmark premium, you will be required to pay the difference, even if you have 25 years of service. Likewise, if you have 25 years of service and your plan premium is less than the benchmark rate, the County will contribute 100% of your plan premium only, not the benchmark plan rate.

You and your spouse have additional coverage choices if either of you are age 65 or over and have Medicare Parts A and B. If you or your eligible spouse choose a LACERA-sponsored Medicare plan, LACERA will reimburse your Part B premium. (The Part B reimbursement program is subject to an annual review by the Board of Supervisors.) The County reimburses retired members for the amount of their Medicare Part B premiums on a tax-free basis if both of the following conditions are met:

1) You are enrolled in Medicare Part A and Medicare Part B
2) You are enrolled in a LACERA-sponsored Medicare HMO plan or Medicare supplement plan

Also, if you or your eligible spouse is enrolled in a LACERA-sponsored Medicare plan, your eligible dependents under age 65 must enroll in a LACERA-sponsored corresponding non-Medicare plan.

Any changes in the level of benefits resulting in an increase to the County's costs must be approved by the Board of Supervisors. When you retire, you will receive an information packet with details and comparison charts on all of LACERA's health care plans. LACERA currently offers the medical and dental/vision plans below:

2003-2004 LACERA HEALTH CARE PLANS FOR RETIREES

LACERA MEDICAL PLANS		
Indemnity Plans	**Individual Deductible**	**Family Deductible**
BLUE CROSS I	$100	$ 100
BLUE CROSS II	$500	$1,500
BLUE CROSS Prudent Buyer Plan	$100	$ 200
Health Maintenance Organizations		
Office Visit		
(HMO) Plans	**Deductible**	**Copay ***
CIGNAHealthCare Network Model	None	$5
Kaiser Permanente	None	$5
PacifiCare (Under age 65 only)	None	$5
Medicare Supplement Plan		
Blue Cross Plan III	None	None (if provider accepts Medicare assignment plus 20% prescription drug costs)
Medicare HMOs		
Kaiser Senior Advantage	None	$ 5
CIGNA HealthCare for Seniors (available in Phoenix, Arizona only)	None	$12
Secure Horizons	None	$ 5
SCAN Health Plan	None	$ 5
LACERA DENTAL/VISION PLANS		
CIGNADental/Vision Plan (Indemnity)	$25	$50
CIGNADental Health/ Vision (HMO)	None	None

(* These office visit co-payments were effective July 1, 2002.)

cont'd on pg.11

Health Care cont'd from pg.10

Firefighters have an additional health plan option, available through the Los Angeles County and Orange County Fire Fighters Local 1014. The Health & Welfare Plan is administered by Local 1014, with premiums subsidized by the County.

Transamerica Long Term Care Insurance Plan

LACERA also sponsors long-term care coverage as an enhancement to the retiree medical plan coverage. If you have any questions regarding the LACERA-sponsored health plans, please call LACERA at 800-786-6464.

**"Listen!
The wind is rising,
and the air is wild with leaves,
We have had our summer evenings,
now for October eves!"**

— Humbert Wolfe

Member Q&A cont'd from pg. 1

Q: I left County service on February 1, 2000 and deferred retirement from Plan D. When I apply for retirement, will my final compensation be based on the average of 1 or 3 years of salary?

A: A member's final compensation in Plans B, C, or D is based on 1 year (12 consecutive months of service) if the member was employed on or after October 1, 2000 and retires on or after July 1, 2001. If the member does not meet both date requirements, final compensation is based on 3 years (36 consecutive months). Since you terminated before October 1, 2000 and have not returned to County service, your final compensation will be based on 3 years of service. When you apply for retirement, LACERA will average the 3-year period immediately preceding your termination date unless you select a period of higher compensation.

Q: I am the spouse of a deceased retired member. I received a $750 lump-sum death benefit, but I have read that the lump-sum death benefit has been increased to $5,000. Will I receive an additional lump-sum amount?

A: No. The lump-sum death benefit eligibility and amount depends on the retired member's retirement plan and date of death. If the retired member was in Plan E and died before June 4, 2002, the beneficiary was not eligible for any lump-sum death benefit. If the retired member was in Plan A, B, C, or D and died before June 4, 2002, the beneficiary received $750. If any retired member (regardless of Plan) dies on or after June 4, 2002, the beneficiary receives a lump-sum death benefit of $5,000.

Q: I am currently a full-time employee with L.A. County and a Plan D member, but I plan to become a part-time employee and elect to continue making monthly contributions. When I retire, will my retirement allowance be based on my part-time income or my full-time income? And 20 years from now, will they go all the way back to the year 2003 to see what my full-time income was?

A: Your final compensation is always based on the salary you would be making as a full-time employee, even if you work part time. However, your service credit increases according to the time you actually work. For example, if you work part time for 5 years at 3/4 time, you get 3.75 years of service credit in 5 years. But your final compensation would be based on the salary that you would receive if you were a full-time employee.

P.S.
POSTSCRIPT

LACERA
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PASADENA, CA 91109-7060

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Permit No. 725

Election Results Certified

The Board of Supervisors has certified the election results, and congratulations are in order! On January 1, 2004, Simon Russin will continue to contribute to the LACERA Board of Retirement, as he begins this new term, elected by General members. We also wish to extend a warm welcome to Herman B. Santos to the Board of Investments, also elected by General members.

Look for extended information on these two elected Board members when they begin their terms in 2004. Again, welcome gentlemen. We look forward to working with you in 2004.

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Editor's Note—

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