


## The 2005 PAFR is Here!

Please take a moment to review LACERA's 2005 Popular Annual Financial Report (PAFR), included with this issue of PostScript. This publication summarizes our financial and service accomplishments from fiscal year 2005. We will post the full Comprehensive Annual Financial Report (CAFR) on [lacera.com](http://lacera.com) in January. 



## When It's Five Years and Counting...

**LACERA's Pre-Retirement Workshop will provide you with a personalized, preliminary calculation of your benefits and possible retirement dates.**

If you're within five years of retirement, register now to attend a LACERA Pre-Retirement Workshop. In addition to providing each registered member with a personalized preliminary calculation of benefits and possible retirement dates, the workshops offer a wealth of other valuable information:


- Retirement eligibility
- Selecting an official retirement date
- Purchasing service credit
- Additional Retirement Credit (ARC)
- Tax information
- LACERA-sponsored health insurance

Remember, you can also access

pertinent retirement information on [www.lacera.com](http://www.lacera.com):

- Workshop schedule (Pre-Retirement Workshop page)
- A copy of the workbook (Brochures & Forms page)
- Options for service retirement (Service Retirement page)
- Facts about purchasing Additional Retirement Credit (ARC FAQs)

The Calculators page on our web site provides easy-to-use interactive calculators that estimate your retirement allowance, and the cost of purchasing Additional Retirement Credit (ARC). Just follow a few simple prompts to enter your personal data, and the calculators do the rest.

Sign up for a Pre-Retirement Workshop today. Reservations are required, and can be made by calling LACERA at 1-800-786-6464. 

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**Los Angeles County  
Employees Retirement  
Association**

**Members of the  
Board of Retirement**

- LES ROBBINS  
Chair  
Appointed by Board of Supervisors
- WILLIAM R. PRYOR  
Vice Chair  
Elected by Safety Members
- WILLIAM DE LA GARZA  
Secretary  
Elected by Retired Members
- MARK J. SALADINO  
County Treasurer & Tax Collector  
Ex-Officio Member
- SADONYA ANTEBI  
Appointed by Board of Supervisors
- BRIAN C. BROOKS  
Elected by General Members
- SI FRUMKIN  
Appointed by Board of Supervisors
- ARMANDO MACIAS  
Alternate Member  
Elected by Safety Members
- ED MORRIS  
Alternate Retired Member
- SIMON S. RUSSIN  
Elected by General Members
- RICHARD WIRTH  
Appointed by Board of Supervisors

**Members of the  
Board of Investments**

- SANDRA J. ANDERSON  
Chair  
Elected by Retired Members
- ESTEVAN R. VALENZUELA  
Vice Chair  
Appointed by Board of Supervisors
- BRUCE PERELMAN  
Secretary  
Elected by General Members
- MARK J. SALADINO  
County Treasurer & Tax Collector  
Ex-Officio Member
- WILLIAM R. PRYOR  
Elected by Safety Members
- HERMAN SANTOS  
Elected by General Members
- MICHAEL SCHNEIDER  
Appointed by Board of Supervisors
- LARKIN TEASLEY  
Appointed by Board of Supervisors
- LEONARD UNGER  
Appointed by Board of Supervisors

- Chief Executive Officer  
**MARSHA D. RICHTER**
- Assistant Executive Officer  
**GREGG RADEMACHER**
- Assistant Executive Officer  
**ROBERT HILL**

From the **EXECUTIVE DESK**

Marsha D. Richter—CEO, LACERA



# LACERA Year-End Review

As the year draws to a close, I'd like to reflect on our business philosophy, and review how that philosophy continues to drive the creation of new and enhanced member service options. LACERA is always about service to our members.

LACERA's mission is to produce, protect, and provide the promised benefits to our members. To remain strategically positioned to respond to our changing world and keep our promise for decades to come, we maintain a proactive approach in our daily operations. We are quick to apply advances in technology to our systems, nurture innovative thinking in our procedures, and continually enhance our daily business tactics. The staff at LACERA is constantly driven to seek and implement new and better methods of customer service.

Through those efforts, we were pleased to introduce a number of member service programs and enhancements during the year:

**Multifaceted Outreach Initiative.**

To make sure our members are kept up to date on all the services LACERA offers, we moved proactively to bring members the latest information regarding our services through a multifaceted program of ads, newsletters, brochures, and web copy.

**Customer Service Enhancements.**

By employing advances in technology and creative strategies, we generated new services, and delivered added convenience and efficacy to the full menu of member service options we offer. The "My LACERA" web feature, which allows members simple and secure 24-hour online access to their personal membership information, is just one notable example of the service enhancements we implemented this year.

**Technology-Driven Upgrades.**

In 2005, we upgraded our internal operating system with the latest information management software. The integration of this software into our existing system was a massive undertaking, and improved the security, flexibility, and speed of our entire operation. This conversion positions us to provide our members with an expanded tier of service options as we move forward.

The service options and upgrades we introduced during the year are testaments to our vision for the future, and to our dedication to keeping the covenant we hold with our members. Our members deserve the best. Therefore, we choose to be the best.

On behalf of everyone at LACERA, I wish you happy holidays, and a healthy and peaceful New Year. 🚀

# 2005 Legislative Updates

by Jan Barcus

Three bills amending the County Employees Retirement Law were passed by the State Legislature and signed by Governor Schwarzenegger during the recently concluded legislative session. This article provides a summary of those bills. Also discussed here is Assembly Constitutional Amendment 23 introduced on September 8, 2005, by Assemblyman Keith Richman.

## SB 973 (Chapter 418) Domestic Partner Survivorship Rights

**Background:** Effective January 2000, the California Legislature enacted a measure to allow domestic partners to register their partnership with the Secretary of State. Initially the registration carried no legal rights or responsibilities.

Effective August 26, 2003, the Board of Supervisors adopted provisions of the County Employees Retirement Law extending survivor benefits to a LACERA member's domestic partner. The retirement provisions were limited to contributory plan members who had registered their domestic relationship with the Secretary of State at least one year before retirement (or prior to retirement if the member retired on a service-connected disability).

The California Legislature later enacted legislation (AB 205), that provided couples that are registered with the Secretary of State specific rights and responsibilities. AB 205 was effective January 1, 2005 and covered both LACERA contributory and noncontributory plan members.

Unfortunately, the above measures excluded LACERA members who had retired before the August 26, 2003 effective date for contributory plan members or the later AB 205 January 1, 2005 effective date for all members.

**What SB 973 does:** Effective January 1, 2006, SB 973 provides that upon the member's death a

survivor's allowance may be paid to the domestic partners of some members who retired before the August 2003 and January 2005 effective dates mentioned above. It also allows some retired members to change the benefit option they selected at retirement. In order for a member's domestic partner to be covered by SB 973, certain requirements must be met:

- The member must have retired on or before January 1, 2006. (The January 1, 2006 date was selected because the domestic partner of a member retiring after that date is covered under the provisions of AB 205.)
- At the time the member elects to change his or her retirement option, the retired member and his or her domestic partner must be registered with the Secretary of State and provide the original Certificate of Registered Domestic Partnership to LACERA.
- The member and his or her domestic partner must sign an affidavit under penalty of perjury stating that at least one year prior to the member's retirement (or at retirement for a service-connected disability) the member and partner would have qualified to be registered with the Secretary of State as domestic partners.
- If at retirement the member elected one of the optional

benefit settlements, his or her domestic partner must have been named as beneficiary.

If a member decides to change his or her retirement election, any adjustment in the retirement allowance will be made prospectively only. No adjustment is made in the member's allowance for the period from his or her retirement date to the date the member elects to change the retirement option.

A member who wishes to change his or her retirement election under SB 973 must do so before January 1, 2007.

SB 973 amends the Retirement Law without further action by the Board of Supervisors or the Board of Retirement.

## AB 538 (Chapter 63) Actuarial Valuation/Contribution Rate Adjustments

Current law requires that periodic actuarial valuations be conducted under the supervision of an actuary. Upon the basis of the valuation, the Board of Investments recommends to the Board of Supervisors any necessary changes in the contribution rates for the members and the employer. This bill authorizes the Board of Supervisors to adopt provisions that would require the Board of Investments to also recommend to the governing body of a district within the county that is not governed by the Board

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## Legislative Updates, cont'd from pg. 3

of Supervisors the changes in contribution rates.

This bill was sponsored by the Orange County Board of Supervisors. Some counties that operate under the County Employees Retirement Act administer the retirement benefits for large groups of members employed by local "outside districts." These districts are not governed by the Board of Supervisors. AB 538 does not become effective until adopted by the Board of Supervisors.

### **AB 1769 (Chapter 134) Mandatory Retirement Exemption**

This bill authorized the Board of Supervisors to exempt the Fire Chief from mandatory retirement at age 60. AB 1769 was urgency legislation and became effective upon the Governor's signature. The Board of Supervisors implemented the exemption on August 9, 2005.

### **Pension Reform Legislation**

In the last issue we reported that while pension reform efforts were not successful this year, we did not think the issue had died. No sooner had we gone to print than Assembly Constitutional Amendment 23 was introduced by Assemblyman Keith Richman.

As you may recall, the pension reform measures introduced during the 2005 session would provide that all government employees hired after a specific date would be covered by a defined contribution plan. These measures were widely criticized because they did not include disability benefits for members injured on the job or death benefits for the families of fire fighters or law enforcement officers killed in the line of duty. Another concern expressed is that most

government employees are not covered by Social Security. In many cases the defined benefit plan through their governmental employer is their only source of retirement income. Limiting new governmental employees to a defined contribution plan places their retirement security on the uncertainties of the investment markets. ACA 23, which proposes that employees be allowed to choose between a defined contribution plan and a hybrid retirement plan, addresses some of those concerns.

### **ACA 23 California Public Employee Defined Contribution and Hybrid Plans**

This measure would provide that on and after July 1, 2007, any person hired by a public agency is prohibited from enrolling in a Defined Benefit plan. New employees will be allowed to enroll in a Hybrid Plan or in a Defined Contribution plan. The bill provides that the employer would match the employee's contributions to the Defined Contribution Plan dollar for dollar up to 4% of the employee's base salary.

The Hybrid Plan consists of a defined benefit component that provides a benefit determined by a formula using age, service credit, and salary; and a defined contribution component. Contributions for the defined benefit component shall be shared equally by the employer and the employee. However, the employee contribution rate cannot be increased by more than two percent of salary in any year. The measure is not clear but it appears that the same contribution limits as outlined for the Defined Contribution Plan would apply to the defined contribution component of the Hybrid Plan. Other characteristics of the Hybrid Plan

are:

**Benefit formula:** The defined benefit component of the Hybrid Plan shall be based on the employee's highest three consecutive years' average salary and shall include the following benefit formulas:

- Employees eligible for Social Security (except public safety employees): One percent of highest average salary for each year of service.
- Employees not eligible for Social Security (except public safety employees): One and three-quarters percent of highest average salary for each year of service.
- Public safety employees: Two percent of highest average salary for each year of service. Public safety employees are defined as "a sworn officer or firefighter."

**Retirement Age:** An employee may not retire under the hybrid plan, except for disability, until he or she has reached "normal retirement age" which is defined as:

- 55 years of age for public safety employees
- 65 years of age or the applicable retirement age under Social Security for all other employees

**Salary Defined:** Salary is defined as "an employee's base salary excluding overtime pay, shift differential, vacation pay, and all other additional payments or allowances.

Both the Defined Contribution Plan

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# “My LACERA,” It’s All About YOU!

Think of “My LACERA” as your personal online file cabinet for all things LACERA. Always locked, it’s a private place on [www.lacera.com](http://www.lacera.com) where all your personal information is neatly stored, and always accessible... to you, and you only. Your password serves as the key that unlocks your LACERA personal and financial information, including:

- **Membership Information**
- **Retirement Plan Information**
- **Annual Benefit Statement**
- **Recap of Your Recent LACERA Interactions**

“My LACERA” also allows you to enter a change of password, and update your email address.

To register, log on to [www.lacera.com](http://www.lacera.com) and click on the “register here” bar at the bottom of the “My LACERA” icon. When registering, it will be helpful to have your most recent paycheck stub handy. Once you’re registered, you will only need to enter your email address and password to enter “My LACERA.”

*Your personal information... your secret password...  
your private access. “My LACERA” is all about you!*

## MY LACERA

YOUR OWN PERSONALIZED  
SPACE ON THE LACERA INTERNET  
Los Angeles County Employees Retirement Association

WELCOME TO My LACERA

Please sign in to your “My LACERA” web page

### REGISTERED USERS

If you are a registered member, please enter your Email Address and Password below, then press the Sign In Now button.

You have three attempts to sign-in to your My LACERA account, after that you must call LACERA, and one of our Retirement Specialists will assist you with the process 1-800-786-6464.

Email Address:

Password:

**SIGN IN NOW**

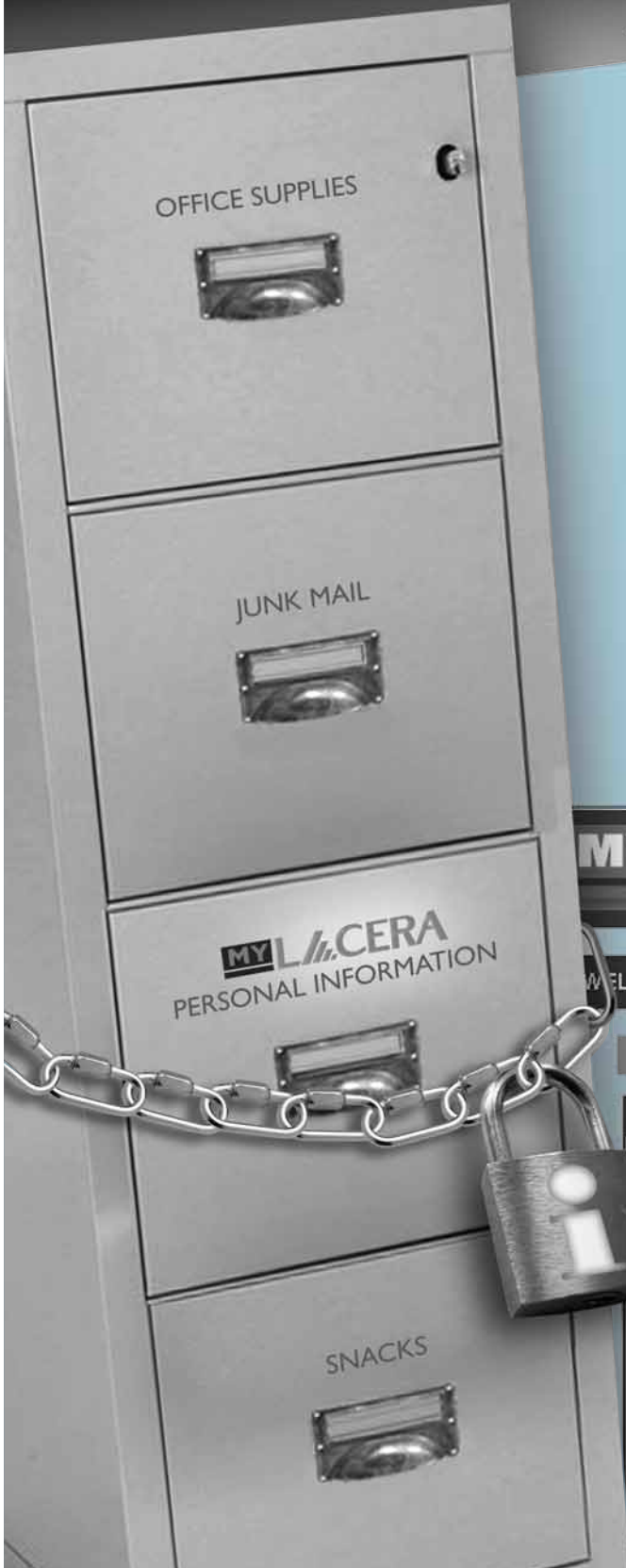
**FORGOT YOUR PASSWORD?**

### NEW USERS

**Welcome!** Register now to access your very own “My LACERA” page.

**FYI:** You will have two attempts to register, after that you must call LACERA, and one of our Retirement Specialists will assist you with the process 1-800-786-6464.

**REGISTER NOW**



**Do you have questions regarding your retirement benefits?**

Call the numbers below and speak with a Retirement Benefits Specialist.

**626-564-6132**  
**1-800-786-6464**

Visit our web site at:  
**www.lacera.com**

Email us: **welcome@lacera.com**  
Fax: **626-564-6155**

**NOTE:** When contacting LACERA your Social Security number is the key to finding your records.

**Editor's Note**

*PostScript* is published by the staff of LACERA. Signed articles represent the opinion of the writers and not necessarily the opinion of LACERA Management, Board of Retirement, or Board of Investments.

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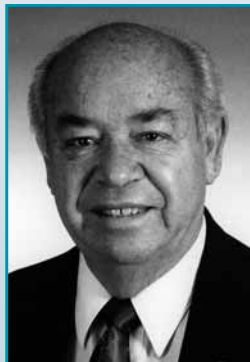


*PostScript*  
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PO Box 7060  
Pasadena, CA 91109-7060

*Alternate formats are available upon request.*

# LACERA Remembers Jack Thomas and Edgar Twine

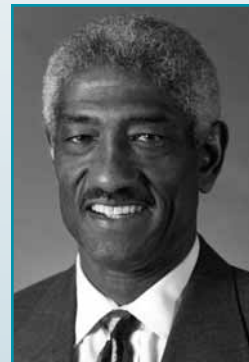
**R**ecently, two of our former Board members passed away. We are grateful for the opportunity that we had to interact with them and for their contribution to our association. They will be missed, but their legacies live on at LACERA.



**Jack M. Thomas**


**Mr. Jack M. Thomas** served on the Board of Retirement for many years between 1989 and 1996. He was elected by members and appointed by

the Board of Supervisors. He also served as Vice Chair of the Board.



**Edgar H. Twine**

**Mr. Edgar H. Twine** was appointed by the Board of Supervisors to LACERA's Board of Retirement and served for many years between 1995 and 2004. He was

elected Vice Chair of the Board in 1999 and 2003. 

## *In fond Remembrance*

# Not Using ICE Can Have Chilling Effects

***Storing In Case of Emergency (ICE) contact info in your cell phone could save your life.***

If you're injured and unresponsive, would emergency workers be able to quickly determine whom to notify? If you are allergic to certain medica-

tions, or have other medical conditions that could affect treatment options, and you are unable to communicate with the rescue workers, would your emergency contact information be fast and easy for your rescuers to locate?

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# LACERA Election Results Declared Official by the Board of Supervisors

The results of the LACERA election (reported in the September issue) have been declared official by the Board of Supervisors, and congratulations are in order. The terms of the following new and re-elected Board members begin on January 1, 2006. Management and staff would like to welcome our newly elected board members and wish them a successful term.

## Board of Retirement

**Yves Chery** has been a LA County Deputy Probation Officer for over 16 years. He is new to our LACERA board, and we look forward to working with him. We will post his bio online in January.

**William "Bill" de la Garza** retired from the Department of Parks and Recreation in 1991, concluding a notable 35-year career.

His professional journey began as a part-time recreation leader and pool lifeguard for the LA City Schools and the Recreation Departments of the City and County of Los Angeles, and ultimately ended as Deputy Director of Parks and Recreation. Mr. de la Garza is also a past president of the Retired Employees of Los Angeles County (RELAC). He was first elected to the Board of Retirement in 2003.

**Edward "Ed" C. Morris** brings substantial retirement knowledge and experience to the Board. His 38-year County career includes positions in the Offices of the County Auditor and County Treasurer. He was also a Division Manager at LACERA. Mr. Morris will serve as Alternate Retired Member on the board.

## Board of Investments

**Simon S. Russin** is a Chief Environmental Health Specialist for Los Angeles County. He has served LACERA on the Board of Retirement since 1983 and on the Board of Investments from 1985 through 2003, including elected positions such as Chair, Vice Chair, and Committee Chair (Board of Retirement), and Secretary (Board of Retirement and Board of Investments).

**Diane A. Sandoval** served as Manager of LACERA's Accounting Division and as President of the Retired Employees of Los Angeles County (RELAC). She has a thorough understanding of LACERA's finances and is new to our board.

You can read Board member bios online at [lacera.com](http://lacera.com). 

## Chilling Effects, cont'd from pg. 6

**With ICE, the answer would be yes.**

By adding an ICE (In Case of Emergency) contact to your cell phone directory, a paramedic or other rescuer would quickly know whom to contact, not only to notify them of your condition, but most importantly to discover information about your medical history that could be crucial to saving your life.


It's a simple thing to do. Just add the ICE designation next to the name of the person in your cell phone direc-

tory that you want notified in the event you have an accident or other emergency. If you have more than one contact name, just use ICE1, ICE2, ICE3, etc. The ICE idea, which was originated by a paramedic in the UK, is being promoted by emergency officials and cell phone companies throughout the world.

"It's something that individuals can do for themselves and their families," according to Eric Holdeman, director of King County (Seattle) Office of Emergency Management.

"Without the contact listing, we would be saying, 'Who is this person and whom do we contact?'"

Since so many people fail to carry emergency contact info in their wallets, but almost everyone these days keeps their cell phone handy, using ICE can have life-altering effects.

So, why not ICE up your phone today? Don't forget to advise your contacts of any allergies or other medical conditions you have. It could save your life! 



## Did you know?

## DB/DC Plan Comparison

### Defined Benefit (DB) Plans

LACERA invests the funds and the *employer* bears the risk of adverse investment performance.

- Your retirement benefit is determined by your average pay, years of service credit, and age at retirement. You are NOT affected by the investment performance.

### Defined Contribution (DC) Plans

The *employee* makes the investment decisions and bears the risk of adverse investment performance.

- The employee's benefit amount is determined by the investment performance and amount of money contributed.

### Legislative Updates, cont'd from pg. 4

and the Hybrid Plan would provide death and disability benefits. The cost of these benefits would be paid by the employer. The level of benefits may be determined by a formula that may include age, service credit, or salary.

During a limited time period the measure would permit current participants of a public defined benefit plan to transfer a sum equal to the member's interest in the

defined benefit plan to a defined contribution plan or hybrid plan. The bill does not specify how the "member's interest" is to be determined.

**Retiree Health Benefits:** The bill provides that employees hired on or after July 1, 2007, shall not be eligible for employer-paid retiree health benefits until he or she reaches normal retirement age and is

retired. An exception is made for those who retire for disability.

**We understand that Assemblyman Richman is prepared to take his plan to the voters as an initiative if ACA 23 is not passed by the Legislature.**



*“Knowledge is power.”*

—Sir Francis Bacon

## December 2005 PostScript Highlights

- ✓ Pre-Retirement Workshop
- ✓ “My LACERA” on [www.lacera.com](http://www.lacera.com)
- ✓ Legislative Updates
- ✓ Board Information

