

P.S.

POST SCRIPT

NEWS FOR ACTIVE MEMBERS

DECEMBER 2006 VOL. 17 NO. 4

The Process of Retiring

Applying for and ultimately being granted a service retirement doesn't happen overnight; it's a process. Informed choices and careful planning can favorably impact the journey, as well as the destination. With that in mind, we've outlined some tips to help you prepare for and streamline the retirement process.

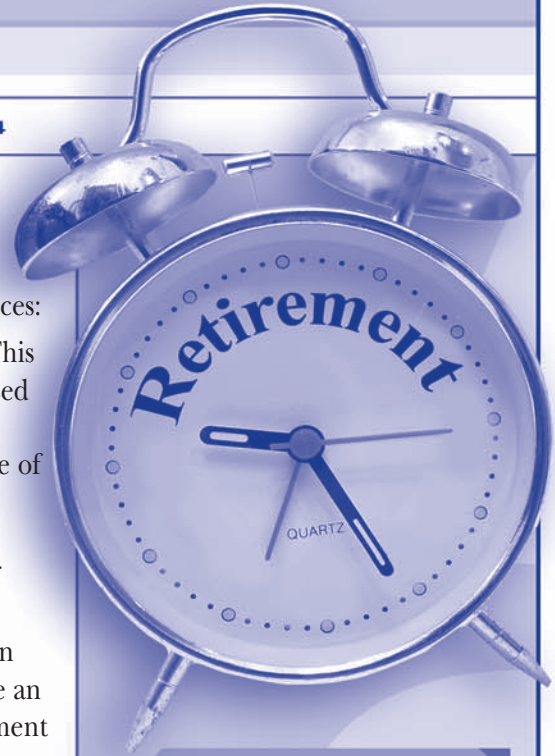
Deciding When You're Ready:

"How can I determine how much money will I receive each month when I retire?" That's the question everyone wants answered. To assist you in determining the answer,

LACERA provides a number of resources:

- **Online Retirement Calculator.** This handy web feature can be accessed by clicking the Quick Links Calculator tab on the home page of lacera.com. The program will prompt you to enter your age at retirement, years and months of service credit, and your final monthly compensation. Based on that information, it will compute an estimate of your monthly retirement

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Russin and Santos Win Seats on LACERA Boards

LACERA congratulates Simon S. Russin and Herman B. Santos on winning the August 8, 2006 election to fill the Third Member seat on LACERA's Boards.

Mr. Russin was elected to the office of the Third Member of the Board of Retirement and Mr. Santos was elected to the office of the Third Member of the Board of Investments. Both terms expire December 31, 2009.

The Los Angeles County Board of



Simon S. Russin **Herman B. Santos**

Supervisors certified the results of the election at its August 29, 2006 meeting.

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Alternative formats available upon request.

Los Angeles County Employees Retirement Association

Members of the Board of Retirement

LES ROBBINS

Chair
Appointed by the Board of Supervisors

SIMON S. RUSSIN

Vice Chair
Elected by General Members

WILLIAM DE LA GARZA

Secretary
Elected by Retired Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

YVES CHERY

Elected by General Members

SI FRUMKIN

Appointed by the Board of Supervisors

ARMANDO MACIAS

Alternate Member
Elected by Safety Members

EDWARD "ED" C. MORRIS

Alternate Member
Elected by Retired Members

WILLIAM R. PRYOR

Elected by Safety Members

WALTA M. SMITH

Appointed by the Board of Supervisors

RICHARD WIRTH

Appointed by the Board of Supervisors

Members of the Board of Investments

ESTEVAN VALENZUELA

Chair
Appointed by Board of Supervisors

HERMAN SANTOS

Vice Chair
Elected by General Members

SIMON RUSSIN

Secretary
Elected by General Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

DIANE A. SANDOVAL

Elected by Retired Members

WILLIAM R. PRYOR

Elected by Safety Members

MICHAEL SCHNEIDER

Appointed by the Board of Supervisors

ROBERT L. SPARE

Appointed by the Board of Supervisors

LEONARD UNGER

Appointed by the Board of Supervisors

Chief Executive Officer

GREGG RADEMACHER

Assistant Executive Officer

ROBERT HILL

Assistant Executive Officer

JANICE GOLDEN

From the

NEW **EXECUTIVE DESK**

Gregg Rademacher—CEO, LACERA



LACERA

Looking to the Future...

It is with great pleasure that I introduce myself as LACERA's Chief Executive Officer. To begin, I must recognize and thank the Board of Retirement and Investments for their support and the opportunity to lead LACERA. We share a common vision with LACERA as a premier pension service provider focused on our mission to "Produce, Protect and Provide the Promised Benefit". It was my good fortune to work with our former Chief Executive Officer, Marsha Richter, for the better part of ten years as LACERA's Assistant Executive Officer. We focused our time developing a strong organization with a customer service culture to ensure your benefit payments will be paid accurately and timely. I understand LACERA was created to serve the retirement needs of the hard working employees of Los Angeles County and participating agencies and share the LACERA Board's commitment to fulfill our responsibilities ethically, honestly and to act with the highest fiduciary standards.

Today we find LACERA with a seasoned well trained staff committed to servicing our members. Similar to many Los Angeles County Departments, our baby boomer employees are retiring at increasing rates and we are doing our best to attract new employees. We have dedicated education teams providing training programs for our employees to ensure you receive quality service when calling our Call Center, attending an Outreach seminar or corresponding with LACERA. Please be patient with us as we staff up to meet your growing needs!

Looking to the future, LACERA will be expanding ways which you can plan for your retirement and manage your retirement account. We are busy behind the scenes crafting a secure user friendly web site to provide you web access to personalized information and the opportunity to effect retirement transactions 24 hours a day, 7 days a week. Our goal is to provide you the

... LACERA was created to serve the retirement needs of the hard-working employees of L.A. County...

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2006 Legislative Updates

The Governor has completed his signing or vetoing of bills; therefore these enactments of 2006 are final. However, a common hurdle awaits AB 2240, AB 2366, and AB 2863, since enacted retirement legislation for 1937 Act counties often includes a provision stipulating they only become operative "upon a resolution by the Board of Supervisors." In coming months, the applicable boards of supervisors will decide on these bills.

AB 1568 - BOARD MEMBERSHIPS/ETHICS TRAINING

— This bill would have precluded a member or employee of the board from selling or providing any investment product that would be considered an asset of the fund, to any of the twenty counties that operate under the County Employee's Retirement Law. It would have also added provisions to the retirement law requiring all board of retirement and board of investment members to receive at least two hours of general ethics training every two years. This bill was vetoed by Governor Schwarzenegger on September 29.

Author: Torrico
Introduced: February 22, 2006
Sponsor: Author
Status: Vetoed by Governor
Last Amended: May 31, 2006
LACERA Position: Support - Board of Investments, Watch - Board of Retirement

AB 2240 - ADDITIONAL RETIREMENT CREDIT

— Currently the County Employees Retirement Law (CERL) authorizes the Los Angeles and Santa Barbara county boards of supervisors to adopt provisions that allow the counties' noncontributory plan members to

purchase certain types of previous and other service. Under the current provision, the boards of supervisors cannot limit which types of eligible service the member may purchase. If the board wishes to adopt provisions covering one type of service, it must include all other previous service included in the governing provisions.

This bill adds a separate section to the CERL that would authorize Los Angeles and Santa Barbara county boards of supervisors to adopt provisions covering the purchase of Additional Retirement Credit (ARC) only. (This bill covers noncontributory members only (Plan E). AB 55, adopted by the Board of Supervisors effective February 1, 2004, covers LACERA's contributory Plans A, B, C, D.) To receive ARC, the member must pay the full actuarial value of the additional retirement benefit received through the ARC purchase. This bill was signed by the governor, but will only be operative upon a resolution adopted by the Board of Supervisors.

Author: Committee on Public Employees, Retirement and Social Security
Introduced: February 22, 2006
Sponsor: SACRS
Status: Signed by Governor – Chapter #117
LACERA Position: Support - Board of Retirement

AB 2351 - ELECTED

OFFICERS/SERVICE CREDIT — This bill would prohibit any governing body of a city or county from granting credit for service to an elected officer or member for service that the elected officer or member has not performed. The bill would further prohibit these governing bodies from paying contributions for

service credit if an elected officer or member has not performed the service. The bill would permit an elected officer to purchase additional retirement credit at his or her own expense.

Author: Maze
Introduced: February 23, 2006
Sponsor: Author
Status: Signed by Governor – Chapter #355
Last Amended: August 7, 2006
LACERA Position: Watch - Board of Retirement

AB 2366 - REINSTATEMENT AFTER RETIREMENT

— This bill permits a retired safety member in Los Angeles County who was required to retire because of age to be reemployed by the county and reinstated to active membership in the same position from which the member retired. Reemployment would occur upon the Board of Retirement's determination that the member is not incapacitated due to age. The member would be reinstated to active status effective the first day of the month following the date of reemployment. This bill permits that safety member to earn an additional retirement benefit for the period of service after reinstatement pursuant to the formula applicable to that member prior to his or her reinstatement. This bill has been signed into law by the governor, but will only be operative upon a resolution adopted by the Board of Supervisors. AB 2863, summarized below, contains a provision that excludes fire fighters from the reinstatement provisions.

Author: Runner
Introduced: February 23, 2006

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Executive Letter

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opportunity to choose how you would like to receive LACERA service.

I am excited and proud to lead the LACERA Team and look forward to a challenging and rewarding future as we continue to improve to meet our membership's needs and protect our defined benefit plan to ensure your benefits are paid accurately and timely for you and your beneficiary.

Thinking About Retirement?
Think LACERA!

- **My LACERA** - Your personal web page
- **Ask LACERA** - Instant answers to general questions
- **LACERA.com** - 1,200 web pages full of retirement goodness

**On the
Horizon...**

Per the Board of Supervisors, regarding AB 2240, Plan E members will be allowed to purchase Additional Retirement Credit (ARC), effective 7-1-07.

Look for an update in our March *PostScript*.

Register Now on "My LACERA"

"My LACERA," is your private place on www.lacera.com where your personal and financial LACERA information is neatly stored, and always accessible... to you, and you only.

To register, log on to www.lacera.com and look for the "My LACERA" icon. Once you're registered, you'll only need to enter your email address and password to access your:

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

"My LACERA" is designed to keep pace with expanding technology, so you can expect to see new features and interactive capabilities added to it as time goes on. It's a resource that will grow with your needs. If you need assistance registering, call 1-800-786-6464.

The screenshot shows a web browser window displaying the My LACERA portal. The page title is "MY LACERA" and the subtitle is "YOUR OWN PERSONALIZED SPACE ON THE LACERA INTERNET Los Angeles County Employees Retirement Association". The main heading is "WELCOME TO My LACERA". Below this, there are two main sections: "REGISTERED USERS" and "NEW USERS". The "REGISTERED USERS" section prompts users to sign in with their email address and password, with a "SIGN IN NOW" button and a "FORGOT YOUR PASSWORD?" link. The "NEW USERS" section welcomes new users and prompts them to register, with a "REGISTER NOW" button. A "FYT" (FYI) note states: "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." The footer includes "© 2004 LACERA" and "Local intranet".

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. Consult with professional advisors regarding legal, tax and/or medical matters; LACERA does not offer legal, tax or medical advice.

Sponsor: Los Angeles County Sheriff's
Status: Signed by Governor – Chapter #120
Last Amended: May 10, 2006
LACERA Position: Oppose - Board of Retirement

LACERA Position: Watch - Board of Investments and Board of Retirement

AB 2570 - ECONOMIC DEVELOPMENT

— Would have required public retirement systems with assets exceeding \$4 billion to include in their financial statements specified information regarding investments obtained on or after January 1, 2007, and held in California and emerging domestic markets within the state. This bill would have required the reporting to cover investments by asset class, fair market value, and percentage of total portfolio. This bill was vetoed by Governor Schwarzenegger on September 30.

Author: Arambula
Introduced: February 23, 2006
Sponsor: Author
Status: Vetoed by Governor
Last Amended: August 7, 2006

AB 2632 - MILITARY SERVICE

— Existing law authorizes a board of supervisors to allow a member to receive credit for time while absent from service and serving in the armed forces if, among other things, the military service is not the basis for present or future military retirement pay. This bill would have amended the government code to authorize the board of supervisors to allow a member to receive service credit whether his or her military service is the basis for present or future military retirement pay.

Author: Negrete-McLeod
Introduced: February 24, 2006
Sponsor: National Guard Association of California
Status: Bill Failed
Last Amended: June 20, 2006
LACERA Position: Watch - Insurance, Benefits and Legislative Committee

AB 2863 - POST-EMPLOYMENT BENEFIT TRUST ACCOUNT

— Recasts provisions regarding payments toward group health insurance. It would permit a county board of supervisors to contribute to a Post-Employment Benefit Trust Account to provide for payments toward group health, life, welfare and other insurance benefits for specified members and their beneficiaries. This bill allows the board of supervisors to contract with the board of retirement or another third party to administer and invest the trust account funds. AB 2863 also contains a provision excluding fire fighters from the newly established reinstatement benefits provided for in AB 2366.

Author: Karnette
Introduced: February 24, 2006
Sponsor: SACRS
Status: Signed by Governor – Chapter #846
Last Amended: June 27, 2006
LACERA Position: Watch - Board of Retirement



LACERA

- 300 N. Lake Avenue, Pasadena, CA 91101
- Public Counter Hours
7 AM - 5 PM, Monday - Friday
- Call Center Hours
7 AM - 5:30 PM, Monday - Friday
1-800-786-6464

Quote: "You must be the change you wish to see in the world." ~ Gandhi

The Pension Protection Act (PPA) of 2006

The Pension Protection Act of 2006 (PPA) was signed into law by President Bush on August 17. It is a voluminous and wide-ranging statute, and experts

are still in the process of determining its impact. Once the full ramifications of the law are settled, LACERA will determine how to best make these features accessible

to our members. Updates regarding the details and implementation procedures of these or other provisions will follow as they unfold.

PPA Allows Use of 457 Funds on Service Credit Purchases

On September 7, 2006, in accordance with the PPA, LACERA began accepting 457 monies for the purchase of service credit. The PPA **allows LACERA to accept a direct transfer of 457 Plan funds for the purchase of service credit** in Plan E to D transfers, the conversion of General to Safety service credit, and the purchase of Additional Retirement Credit (ARC).

You may also purchase and convert service credit using before-tax dollars by:

- Authorizing payroll deductions
- Rolling over funds from your 401(k) or 403(b)
- Rolling over funds from a traditional IRA
- Rolling over funds from a qualified plan

The PPA also allows LACERA to accept after-tax dollars.

If you are interested in purchasing or converting service credit, using 457 funds or after-tax dollars, call 1-800-786-6464 and speak with a LACERA Retirement Benefits Specialist to obtain additional information.

We will continue to communicate PPA updates to you!

Under the Pension Protection Act of 2006 ANY of These Services Can Now Be Purchased Using ANY of These Payment Types

SERVICES	ALLOWABLE PAYMENT
• Redeposit of Withdrawn Contributions	• Payroll Deductions
• Plan Transfer	• Qualified Plans: 401(k)/KEOGH
• Temporary Time	• 457 Plans In-Service
• Sick Without Pay (SWOP)	• 457 Plans After Termination
• Military Service	• IRAs: Non-Roth/Non-After Tax
• Federal Service	• 403(b)
• Other Public Agency (OPA)	• After-tax Dollars
• Plan E to D transfers	
• General to Safety Conversion	
• Additional Retirement Credit (ARC)	
• Plan E Elective COLA	

HAPPY HOLIDAYS FROM LACERA!

We wish you and your family a joyous holiday season and a prosperous new year filled with love, laughter, and good health.



"Ask LACERA" – We've Got Answers

New Web Feature Provides Instant Answers to General Questions

Introducing our newest interactive web feature, "Ask LACERA," an easy-to-use tool that helps you find answers to general retirement questions in a flash!

Here's How It Works:

- Go to lacera.com
- Click on the "Ask LACERA" icon
- Click on the "Ask LACERA Q&A" link

Once you access the **Q&A page** you will see a list of the top twenty questions. Click on a question to reveal the answer.

Options:

- You may type a question or keyword in the "Search Text" box and then click "Search"
 - A list of related questions will appear

- Click on a question to read the answer
- You may search by category
 - Select your topic from the "Category" drop down menu box
 - A list of related questions will appear
- Click on a question to read the answer

Can't Find Your Answer?

Submit your question, we will find an answer and email it back to you.

Follow these simple instructions:

- Look at the top of the page for the tab "Can't find Your Answer?"
- Enter your email address in "Identification" box
- Type your question in the "Question Data" box

- Select a category from the "Additional Information" box and click on "Search"
- A new box will pop up asking you to type in your name; this will create your account

Your name and email address are all that are required to set up an "Ask LACERA" account. Once you do that, we can email your answers and updates to you.

Please keep in mind "Ask LACERA" is intended for questions of a general nature. If you have a specific question regarding your personal data, email us at welcomel@lacera.com.

Take a moment and give "Ask LACERA" a try, you may just find the answer you're seeking. The program has lots of options, so go ahead and explore!

The Process of Retiring

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allowance. To obtain a variety of estimates, enter different ages, salaries, or years of service credit. Check your "My LACERA" page for your current years of service credit and other important information.

- **Pre-Retirement Workshop.** If you'd like a personalized, preliminary calculation of your benefits, along with recommended retirement dates, register to attend a Pre-Retirement Workshop. These workshops also present valuable information on retirement-related topics, Additional Retirement

Credit (ARC), tax information, legislative changes that impact retirement planning, LACERA-administered health plans, etc. Plus, the LACERA Retirement Benefits Specialist presenting the workshop will be available to answer your questions one-on-one.

- **Pre-Retirement Workbook.** Each Pre-Retirement Workshop attendee also receives a companion workbook that recaps the information presented in the workshop.
- **One-on-One Consultations** at the Public Counter with a LACERA Retirement Benefits Specialist. No

appointment is required. The Public Counter, located in the lobby of the LACERA's Pasadena office, is open from 7:00 a.m. - 5:00 p.m. Monday – Friday.

When You're Ready:

When you're ready to apply for retirement, follow these tips to streamline the process:

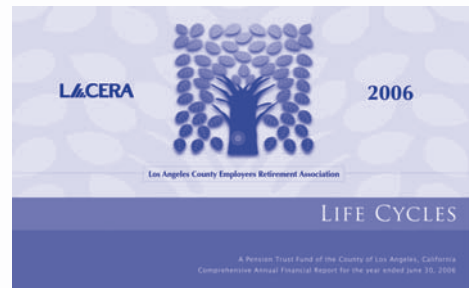
- Six months before your retirement date, call LACERA at 1-800-786-6464 to request an Election to Retire form.
- If you apply in person, bring your completed Election to

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Want To Know What We've Been Up To? Read the 2006 PAFR.

Did you know the value of the retirement fund increased by more than \$3 billion over the past fiscal year? Want to know what else we've accomplished? Then take a look at the enclosed 2006 Popular Annual Financial Report (PAFR) included with this issue of

PostScript. The PAFR summarizes LACERA's financial and service achievements from fiscal year 2006. For an expanded view, check out the full Comprehensive Annual Financial Report, available online in January at lacera.com.



The Process of Retiring

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Retire form to the Public Counter, along with the following:

- Your *original certified* marriage license or Certificate of Registered Domestic Partnership
- Photo ID

- Your beneficiary's *original certified* birth certificate
- A voided check from your checking account (for direct deposit)

Completing your Election to Retire form ahead of time, and submitting it

with all the other required documents will save you valuable time, and keep your retirement plans on track!

Ease into Retirement!

December 2006 LACERA *PostScript* Highlights

- The Process of Retiring
- Pension Protection Act of 2006
- NEW! "Ask LACERA" — We've Got Answers



Did You Know?

Defined Benefit (DB) Plans

Pays \$5,000 lump-sum death benefit for retirees

Defined Contribution (DC) Plans

Not applicable

For more comparisons on Defined Benefit and Defined Contributions plans, visit the *About LACERA* section of www.lacera.com.

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