

P.S.

# POST SCRIPT

NEWS FOR ACTIVE MEMBERS

DECEMBER 2011 • VOL. 22, NO. 4

## LACERA Congratulates New and Returning Board Members

We congratulate the winners of the August 2, 2011 election for seats on LACERA's boards. Each will serve a three-year term, beginning January 1, 2012.

### Board of Retirement (BOR)

The following individuals were reelected to the BOR. Mr. Chery was elected by active members; retired members elected Mr. de la Garza and Mr. Morris.

**Yves Chery** brings a history of community service to his BOR position. As a Deputy Probation Officer II and an active labor leader, he is dedicated to working with at-risk youth and advocating for working families in Los Angeles County. Mr. Chery is a member of several labor organizations, including the L.A. County Federation of Labor, AFL-CIO, L.A. County Probation Officers' Union, and SEIU Local 721. He is a graduate of California State University, Northridge, holds a masters in fine arts from California Institute of the Arts, and a juris

doctor degree from Southern California Institute of Law.

**William de la Garza** was first elected to the BOR in 2003. During his 35-year career in the Department of Parks and Recreation, he was devoted to serving the leisure and recreational needs of the citizens of Los Angeles. Since retiring in 1993, he has become known for his service as a retiree advocate. Mr. de la Garza is a past chair of the BOR, past president the California Retired County Employees Association (CRCEA) and Retired Employees of Los Angeles County (RELAC), and an honorary member of the Latino Peace Officers Association. He attended El Camino College and the University of Southern California.

Retired after a County career of more than 38 years, **Edward Morris** brings retirement benefit administration and a wealth of other professional experience to the BOR in his position as Alternate Retired Member. He is

the former manager of LACERA's Retirement Benefits Division and also held positions in the Offices of the County Auditor and County Treasurer. Mr. Morris is a board member and past chairman of the Fiscal Credit Union and serves on the Board of Directors of RELAC. He attended Glendale College and UCLA.

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**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

**YVES CHERY**

Secretary  
Elected by General Members

**MARK J. SALADINO**

County Treasurer & Tax Collector  
Ex-Officio Member

**MARVIN ADAMS**

Appointed by the Board of Supervisors

**SADONYA ANTEBI**

Appointed by the Board of Supervisors

**ALAN J. BERNSTEIN**

Appointed by the Board of Supervisors

**WILLIAM DE LA GARZA**

Elected by Retired Members

**SHAWN R. KEHOE**

Alternate Member  
Elected by Safety Members

**EDWARD "ED" C. MORRIS**

Alternate Member  
Elected by Retired Members

**WILLIAM R. PRYOR**

Elected by Safety Members

**Members of the Board of Investments:**

**JOHN M. BARGER**

Chair  
Appointed by the Board of Supervisors

**SIMON S. RUSSIN**

Vice Chair  
Elected by General Members

**HERMAN SANTOS**

Secretary  
Elected by General Members

**MARK J. SALADINO**

County Treasurer & Tax Collector  
Ex-Officio Member

**WILLIAM R. PRYOR**

Elected by Safety Members

**DIANE A. SANDOVAL**

Elected by Retired Members

**MICHAEL S. SCHNEIDER**

Appointed by the Board of Supervisors

**LEONARD UNGER**

Appointed by the Board of Supervisors

**ESTEVEAN R. VALENZUELA**

Appointed by the Board of Supervisors

Chief Executive Officer

**GREGG RADEMACHER**

Assistant Executive Officer

**ROBERT HILL**

Assistant Executive Officer

**JANICE GOLDEN**

From the **Executive Desk**

**Gregg Rademacher – CEO, LACERA**



# Looking Back at 2011

As this year fades away and we look ahead to 2012, I'm reminded of a quote I recently read, *"It is important that you recognize your progress and take pride in your accomplishments."* With that in mind, I think this is a good time to review LACERA's 2011 performance. I'm proud to report LACERA continued to perform well over the past year.

## The Fund

Flourishing amid continued market volatility, the retirement fund (Fund) returned 20.4 percent (gross of fees) during the 2010-2011 fiscal year (July 1-June 30). At fiscal year-end, the Fund's net assets totaled \$39.5 billion, which represents an increase of \$6.1 billion or 18.0 percent over the prior year. Prudently invested in accordance with an Investment Policy established by our Board of Investments, the Fund remains stable and positioned to pay the promised benefits now and throughout the century. As a matter of fact, in a recent investigation of public retirement systems, the Los Angeles County Civil Grand Jury (CGJ) found our *"current asset balances are sufficient to ensure that there is no threat of default on [our] obligations."* For more details about our financial condition, **I recommend you read the enclosed LACERA Popular Annual financial Report (PAFR) for 2010-2011.**

*"The Fund returned 20.4 percent during the 2010-2011 fiscal year."*

## More about CGJ Report

The results of the 2010-2011 CGJ investigation of public pensions in Los Angeles County were released in its June 30, 2011 report.

As public pension systems continue to come under increased public scrutiny and criticism, it was particularly gratifying to see the CGJ's in-depth investigation confirmed what we all know to be true, which is LACERA is prudently and openly administered in strict compliance with the provisions of the County Employees Retirement Law of 1937. Furthermore, the Fund is soundly structured to withstand bear markets and flourish during bull markets, and as the CGJ found, remains

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## Executive Desk cont'd from pg. 2

positioned to pay the promised benefits to current, as well as future recipients.

In fact, the CGJ had many good things to say about LACERA with only a few recommendations. Pronouncing LACERA, *"well run and effective at fulfilling its responsibilities,"* the CGJ went on to state, *"the County has done a good job at moderating pension costs... LACERA's stronger than average financial condition reflects, in part, prudent efforts by the County to manage pension costs through benefit design."*

**You can view the complete CGJ report,** including its recommendations, in the LACERA in the News section of [lacera.com](http://lacera.com).

### Microfiche Conversion

During 2011, we completed the ambitious microfiche conversion project we began in November 2009. The massive undertaking included the review, processing, and conversion of more than 50 years of microfiche records (dating back to our inception in 1938) to electronic image files. By the conclusion of the project, nearly 19.5 million frames of member data had been converted to a digital format with an average accuracy rate of 99.9 percent. This update to our system will streamline our operational efficiency and promote enhanced service to our members.

### Training Program

We recognize it takes knowledgeable personnel to

maintain a quality operation. That's why we provide in-house training for new hires, as well as refresher training for our experienced staff. In 2011, we provided classroom and hands-on "floor" experience to approximately 20 new hires. At the conclusion of the intense year-long program, the graduates were qualified to serve as Retirement Benefits Specialists in both our Call Center and our Claims Processing Division. To keep their knowledge current and their skills sharp, our experienced Retirement Benefits Specialists receive refresher training as needed throughout the year.



### Quality Service

Our dedication to providing top quality service to our members remains strong. Over the past fiscal year, our team of Retirement Benefits Specialists provided one-on-one counseling to 25,129 members. Our experts met with 16,322 of those members at our Public Counter, and answered more than 116,707 member

inquiries through our Call Center. In addition, our Outreach team provided close to 300 retirement workshops at 200+ County locations and provided 191 benefit fairs at County workplaces. Plus, our Correspondence Unit processed and/or replied to some 1,896 member emails and 5,293 letters.

During the 2010-2011 fiscal year, our Claims Processing experts placed 3,033 new retirees and survivors on the retiree payroll, of which 98.25 percent were paid within one payroll cycle. This was accomplished while maintaining a 98 percent accuracy level on overall benefit processing. Seventy-eight percent of active member transactions were processed within 21 days.

After looking back at the year, I feel good about the state of LACERA and our outlook for 2012... and beyond. We are healthy and strong and remain well positioned to continue our lawful mission to produce, protect, and provide the promised benefits to the retirees of Los Angeles County and their beneficiaries. On behalf of the management and staff of LACERA, I wish you and your loved ones joyous holidays and a wonderful 2012!

# LACERA Releases Retiree Data to L.A. Times

After careful review of recent court decisions, the Board of Retirement (BOR) directed LACERA to grant the *Los Angeles Times*' request for certain information regarding **most LACERA retirees who retired on or after January 1, 1995.**\* As many of you may know, a number of "public interest" groups have been successful in bringing lawsuits challenging the confidentiality of retiree information pertaining to public employees. Additionally, **three California appellate courts now agree retiree names and corresponding gross benefit amounts are not protected from public disclosure. Based on these cases, the BOR believes the law requires LACERA to release the information.** The BOR's determination was further supported by a September 22nd court hearing (see below).

## Information Released

On September 23, 2011, LACERA provided the *L.A. Times* with the name, gross pension amount, final compensation at time of retirement, Los Angeles County department retired from, and retirement date of each retiree in the requested group. **LACERA will not release, nor did the *L.A. Times* request, any of our members' contact information or social security numbers.**

However, in accordance with a September 22, 2011 court order,

**LACERA was required to withhold information pertaining to retired Sheriff personnel**, pending further review by the court. The court issued its order in response to a lawsuit filed by the Los Angeles County Professional Peace Officers' Association (PPOA).

## Background of Confidentiality Issue

Prior to these court decisions, LACERA understood Section 31532 of the County Employees Retirement Law of 1937 (CERL) — the law that governs LACERA — to mean all information pertaining to an individual member, including the amount of the member's benefit payments, was confidential.

Section 31532 states "...[the] individual records of members shall be confidential and shall not be disclosed to anyone..."

Based on that understanding, LACERA's policy had always been not to release individual member information. Recent court cases contradict that understanding. **LACERA is bound by those cases.**

Information other than retiree names and corresponding gross benefit amounts originally requested by the *L.A. Times*, and subsequently released by LACERA, has been subject to previous disclosure or has already been released to the public at the time of each member's retirement. This information includes final

compensation, department retired from, and retirement date.

The *L.A. Times* recently filed an additional lawsuit asking the court to require LACERA to release a broader range of retiree data, such as employee ID, plan type, gross monthly medical benefit, service years at retirement, service years purchased, and the formula used to calculate the benefit.

**LACERA is opposing this lawsuit and will keep you informed of any future court rulings.**

## California Public Records Act

The *L.A. Times* made its requests under the California Public Records Act (CPRA). According to California's Constitution, "*the people have the right of access to information concerning the conduct of the people's business.*" Generally speaking, CPRA makes LACERA's records open to public inspection, **with some very important exceptions to protect confidentiality.**

LACERA is open and transparent regarding its operations and records. At the same time, the BOR also believes it has an absolute fiduciary duty to act solely in the best interests of its members, based on the California Constitution and CERL. Speaking to that point, Gregg Rademacher, LACERA Chief Executive Officer, states, "We are committed to

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\*The *L.A. Times* did not request, nor will LACERA release, information regarding any retiree who retired before January 1, 1995.

# 2011 Legislative Update

## Senate Bill 203 Signed By Governor Brown

During the recently concluded legislative session, Governor Brown signed into law Senate Bill 203, sponsored by the California Retired County Employees Association (CRCEA). According to the sponsor, this bill resolves the problem of unfilled vacancies on some retirement system boards. Failure to fill a vacancy in a timely manner can deny the various stakeholders of the retirement system proper representation on the board.

At LACERA, the Board of Retirement (BOR) is comprised of nine members and two alternates. The Board of Investments (BOI) has nine members. The Los Angeles County Board of Supervisors appoints four members to each board. Additionally, the County Treasurer and Tax Collector is required by law to serve on both boards as an ex-officio member.

The other board members are elected as follows:

- General members elect two members to each board.
- Safety members elect one member to each board and an alternate member to the BOR.
- Retired members elect one member to each board and an alternate member to the BOR.

Effective January 1, 2012, when there is a vacancy in the elected member positions on either board and the remaining portion of the current term is six months or less on the date of the election, a single election may be held to fill the vacancy for the remainder of the current term and to fill the position for the succeeding term. (An exception applies to Safety member vacancies on the BOR. These vacancies are filled for the remainder of the current term only.)

The bill also specifies if the retired

member position is vacant on the BOR, the alternate retired member shall fill the vacancy for the remainder of the retired member's term of office. Previously, the alternate retired member would fill the vacancy temporarily until an election was held to fill the vacancy for the remainder of the term.

If there is a vacancy with respect to the alternate retired member, the BOR shall, by majority vote, appoint a replacement alternate member from a list of nominees submitted by a qualified retiree organization. This replacement member shall serve until the expiration of the current term of the current retired member. Previously, except for the initial appointment by the BOR, subsequent alternate retired members were elected.

For more information on the **BOR and BOI**, visit the Boards section of [lacera.com](http://lacera.com).

## Inside lacera.com



Have you visited the newsletter page on lacera.com lately? If you have, you've experienced its clean, new, more user-friendly design. Select the image of either newsletter and you'll be directed to a page with links to the most recent issues.

### Links display:

- Issue highlights
- Link to a PDF of the issue
- Link to the issue's crossword or word search puzzle (when applicable)

Take a look; you'll like what you see. A link to the newsletter page is located on the top of the lacera.com home page.



# WORKSHOP SCHEDULE

## DECEMBER 2011

S	M	T	W	T	F	S
				1	2	3
4	5	S	N	8	9	10
11	12	G	N	15	16	17
18	19	G	N	22	23	24
25	H	G	N	29	30	31

## JANUARY 2012

S	M	T	W	T	F	S
1	H	S	N	5	6	7
8	9	G	N	12	13	14
15	H	G	N	19	20	21
22	23	G	N	26	27	28
29	30	G				

## FEBRUARY 2012

S	M	T	W	T	F	S
			N	2	3	4
5	6	S	N	9	10	11
12	13	G	N	16	17	18
19	H	G	N	23	24	25
26	27	G	N			

G = General Members Pre-Retirement  
 S = Safety Members Pre-Retirement  
 N = New General Member H = Holiday

**Call 1-800-786-6464  
 to Register**

Unless otherwise indicated, workshops are held at LACERA from 8:30 - noon. Most include presentations by Great-West and long-term care providers. New Member workshops run from 3:00 - 4:00 p.m.

## Board Members

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### Board of Investments (BOI)

A member of the BOI since 2006, **Diane Sandoval** was reelected by retired members to serve another term. Prior to her retirement, she held various positions at LACERA, most notably Accounting Division Manager. Active in retiree affairs, Ms. Sandoval is a past president of RELAC and member of its Board of Directors. In addition, she is a member of the California Retired County Employees Association (CRCEA) Executive and Finance Committees, and the Fiscal Credit Union Board of Directors.

Active members elected **David Green** to the BOI. Mr. Green is a children's social worker who

studied economics, investments, and business law and is eager to contribute his guidance and vigilance to the BOI. He is dedicated to ensuring County employees understand how their retirement benefits are determined and administered. Mr. Green is the founder and executive director of the charity Noise for the Needy and holds a masters degree in social work from the University of Southern California.

The LACERA election results were declared official by the Los Angeles County Board of Supervisors at its September 6th meeting.

## L.A. Times

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satisfying our public access obligations while protecting the legitimate privacy interests of our individual members and beneficiaries."

## View Court Decisions

To read the **California Courts of Appeal decisions** affecting disclosure of retiree information, visit the LACERA in the News section of [lacera.com](http://lacera.com).

# Did You Know?

### Defined Benefit (DB) Plans

LACERA provides a lifetime benefit

- You will receive your monthly retirement allowance for the rest of your life.

### Defined Contribution (DC) Plans

401(k) and 457 Plans are savings accounts

- Your benefit payments (withdrawals) stop when your money runs out.

# FAQs - Purchasing Service Credit

Frequently Asked Questions

## 1. Q: How do I initiate a service credit purchase?

**A:** Review the details on the various types of service credit and the qualifications for purchase in the brochure entitled Q&A: Purchasing Service Credit and online in the Benefits section of [lacera.com](http://lacera.com). If you believe you qualify, complete an Application to Purchase Retirement Service Credit and return it to LACERA. The brochure and application can be accessed on the Brochures & Form page of [lacera.com](http://lacera.com), or ordered by calling 1-800-786-6464.

## 2. Q: What happens after I submit my purchase application to LACERA?

**A:** After verifying your service and calculating the cost to purchase it, we will send you a Cost Notification Letter, along with a Service Credit Payment Schedule and Payment Contract.

If you are interested in making a service credit purchase, return the completed paperwork to LACERA.

## 3. Q: When do I begin making payments?

**A:** If you select monthly payroll deductions, your deductions begin on the 15th of month, within 60 days of LACERA's receipt of your signed Payment Contract.\* On some contracts (depending on the type of service credit you are purchasing) you may choose the month your deductions begin, provided the month you select is prior to the contract expiration date. For additional information, call 1-800-786-6464 to speak with a LACERA Retirement Benefits Specialist.

On lump-sum payments, you must include your check or money order with your signed Payment Contract. If you use a

rollover or transfer for a lump-sum payment from a Horizons 457 Plan or County 401(k) Plan, you must call Great-West at 1-800-947-0845 to request a rollover/transfer form and send the completed and signed form to LACERA. For rollovers of other before-tax funds, you must sign and complete the member section of a LACERA Rollover/Transfer Certification Form and send the form to your plan administrator to complete, sign, and return to LACERA. We must receive a completed and signed Rollover/Transfer Certification Form directly from the Plan Administrator before your rollover or transfer can be accepted. A Rollover/Transfer Certification Form is available on the Brochures & Forms page of [lacera.com](http://lacera.com).

*\*Processing time may vary.*



**7-Steps to a Successful Retirement**  
**INTRO TO RETIREMENT VIDEO**  
Visit [lacera.com](http://lacera.com), Benefits, Active Member



*“Here’s a toast to the future, a toast to the past, and a toast to our friends, far and near. May the future be pleasant; the past a bright dream; may our friends remain faithful and dear.”* – Anonymous

# Read About LACERA's Financial Condition

Want to learn more about LACERA's financial condition and our overall operation? Then take a few minutes to look over the enclosed 2011 Popular Annual Financial Report (PAFR). This year's PAFR features an attractive member-centric, newsletter-style format. We think you'll find it informative and easy to read. Our full Comprehensive Annual Financial Report will be available on lacera.com in January 2012.



# 3 THINGS

## Impressive statistics on LACERA retirees:

- ◆ 50 are over age 100\*
- ◆ 2,000 are between ages 90 and 100
- ◆ Three have been retired since 1960; *that's over 50 years!*

\*Includes survivors of retirees.

## UPCOMING HOLIDAYS

LACERA will be closed on **Monday, December 26** in observance of Christmas, **Monday, January 2** in observance of New Year's, **Monday, January 16** for Martin Luther King's Birthday, and **Monday, February 20** for Presidents' Day.

## We Send You Holiday Cheer!

The boards, management, and staff of LACERA wish you and your family a joyous holiday season. May the coming year bring you

*Love, Laughter and Good Health!*

DECEMBER  
2011

### 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.

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