

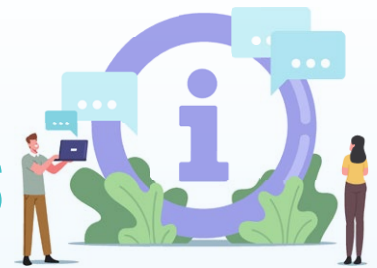
P.S.

# POST SCRIPT

NEWS FOR ACTIVE MEMBERS

SEPTEMBER 2022 • VOL. 33, NO. 3

## STRIVING TO MEET YOUR SERVICE NEEDS



Over the last five years, LACERA has seen a marked increase in the number of members reaching out to Member Services and Retiree Healthcare for assistance with understanding their retirement benefits, planning for retirement, and managing their benefits. We have seen a corresponding continual increase in call volumes, with a dramatic surge in calls over the first six months of 2022. In the first half of the year, we averaged over 16,000 calls per month (with over 21,000 calls in January alone), representing a 50 percent increase over pre-pandemic levels. These are the highest volumes we have experienced in the last two decades. Along with the rise in call volume, we have noted an increase in call duration, primarily driven by an increase in retirement counseling calls as well as a greater variety of questions that members have about their pension and healthcare benefits. Needless to say, these have been some challenging times for staff and members alike.

### Understanding the Challenge

As part of constantly improving our daily and seasonal operations, we measure, track, and report on performance indicators and present monthly statistics to the boards. Behind the scenes, we use data to help us understand everything about the service we provide our members—ranging from the number of calls we receive, when we receive them, what those calls are about, and how well we meet expectations for quality service and information. We also track how long it takes us to process member requests—right down to the individual work level. All this data is used to help us identify common member needs and requests and focus on improving those interactions by eliminating bottlenecks in our processing operations. The same data is used to help us manage our workforce, making sure we have the right resources in the right place at the right time.

Analyzing our most recent spike in call volumes and wait times, our data shows the increases are the

result of a rise in demand for retirement counseling, retiree healthcare-related issues, benefit payment questions, and [My LACERA](#) access assistance. The rise in service demand, coupled with staff promotions, recent retirements, and the unprecedented challenges of the ongoing pandemic (which has delayed recruitment and training of new staff), has strained our capacity to the limit. These challenges extend to our Retiree Healthcare Division, which is seeing similar increases in demand

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**Board of Retirement:**

**WILLIAM R. PRYOR**

Chair  
Alternate Trustee  
Elected by Safety Members

**SHAWN R. KEHOE**

Vice Chair  
Elected by Safety Members

**ALAN J. BERNSTEIN**

Secretary  
Appointed by Board of Supervisors

**ELIZABETH B. GINSBERG**

Chief Deputy County Treasurer  
and Tax Collector  
Acting Ex-Officio Trustee\*

**VIVIAN H. GRAY**

Elected by General Members

**JAMES P. HARRIS**

Alternate Trustee  
Elected by Retired Members

**KEITH KNOX**

County Treasurer and Tax Collector  
Ex-Officio Trustee

**WAYNE MOORE**

Appointed by Board of Supervisors

**LES ROBBINS**

Elected by Retired Members

**ANTONIO SANCHEZ**

Appointed by Board of Supervisors

**HERMAN B. SANTOS**

Elected by General Members

**GINA ZAPANTA**

Appointed by Board of Supervisors

**Board of Investments:**

**HERMAN B. SANTOS**

Chair  
Elected by General Members

**DAVID GREEN**

Vice Chair  
Elected by General Members

**SHAWN R. KEHOE**

Secretary  
Elected by Safety Members

**ELIZABETH B. GINSBERG**

Chief Deputy County Treasurer  
and Tax Collector  
Acting Ex-Officio Trustee\*

**ELIZABETH GREENWOOD**

Appointed by Board of Supervisors

**ONYX JONES**

Appointed by Board of Supervisors

**PATRICK L. JONES**

Appointed by Board of Supervisors

**JOSEPH KELLY**

Elected by Retired Members

**KEITH KNOX**

County Treasurer and Tax Collector  
Ex-Officio Trustee

**GINA V. SANCHEZ**

Appointed by Board of Supervisors

\* When ex-officio trustee is absent

Chief Executive Officer

**SANTOS H. KREIMANN**

Deputy Chief Executive Officer

**LUIS A. LUGO**

Assistant Executive Officers

**LAURA GUGLIELMO**

**JJ POPOWICH**

# FROM THE EXECUTIVE DESK

SANTOS H. KREIMANN CHIEF EXECUTIVE OFFICER



## Charting Our Course Together

Hello, members! I hope you enjoyed your summer. Here we are almost in autumn already and with it back-to-school time and the anticipation of the holiday season. After all the upheaval and changes of the last few years, I find myself looking forward to the comfort of familiar traditions more than ever before.

The latest COVID BA.4 and BA.5 variant waves hit L.A. County hard, reaching a transmission level that triggered LACERA's emergency telework procedures in mid-July. The infrastructure and established procedures we have put in place over the last couple of years ensured the transition back to remote work was mostly seamless; likewise, we anticipate a smooth shift back to our in-person hybrid schedule, which is set for Monday, August 29.

Despite this temporary setback, we continued to work hard over the summer, closing the books on the fiscal year and making substantial progress in our strategic planning process—all while continuing to perform our daily responsibilities. The strategic planning process has involved taking a deep dive into our internal processes and how we provide services, and we are utilizing the knowledge and creativity of our staff members across the organization to identify areas for improvement and propose immediate and long-term

solutions. See more under my Strategic Planning Update below.

I would be remiss by not addressing some of your ongoing concerns, particularly in the areas of how the economy is affecting the pension fund and how well LACERA is meeting unprecedented demand for member services. An update on our investments is provided on page 3, and as detailed in our cover article, we are addressing—on all fronts—how to handle record high and ever-increasing volumes of service requests. As always, providing you with the service and financial security you deserve is the North Star that guides all of our business objectives and decisions.

### Strategic Planning Update

As of mid-August, we have made steady progress in our strategic planning process, guided by KH Consulting. We have completed discovery, fact-finding, and most of the engagement stage, and have formed seven action planning teams, made up of management and staff from all levels. These action planning teams (APTs) have been meeting over the summer to work on set strategic goals and will present their work in September to the Spark Advisory Team (made up of board trustees, executive officers, divisional managers, and key staff members). Later in the fall, the fourth and final stage of the process will be completing and starting implementation of the final

version of the five-year strategic plan and action plans, which will be considered by the Board of Retirement with input from Board of Investments trustees.

I hope you took part in our member survey—a vitally important part of both our discovery and engagement efforts—which ran from mid-July through mid-August. We conducted significant outreach to garner your and other members' participation, as we wanted to hear from as many of you as possible on how to serve you better! Knowing how, when, and where you want services delivered is key to determining which projects to prioritize and allocate resources to in the coming years. Our APTs are already taking your responses (over 13,700 as of August 5) into account as they workshop ideas for the following member-facing

strategic goals:

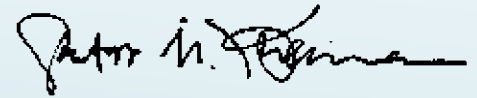
- Improving member service, communication, and education
- Leveraging technology to better serve members and continuously improve internal operations
- Optimizing efficiency, compliance, risk management, and service delivery

Other strategic goals are focused on bolstering our staffing, infrastructure, and work culture. We are all familiar with the adage that an organization is only as good as its people. Fortunately, LACERA's workforce is made up of professionals devoted to our mission, so we are starting in a very strong position for making swift progress toward these goals. At press time, an employee survey

is pending which, in addition to the APTs' findings, will provide useful information for facilitating our internal growth and optimizing our talent. As part of the leadership team, I will help ensure that we are using the strategic plan to provide our dedicated staff with the resources and tools they need to perform at the highest level.

We will post the five-year plan and associated components on [lacera.com](http://lacera.com) as soon as they are completed and approved by the board trustees. I'm excited about the ambitious direction LACERA is heading and sharing the journey with you.

Stay safe and healthy!



## Update From the Chief Investment Officer



Jonathan Grabel

As a long-term investor, LACERA manages its investments to enable us to pay benefits today, tomorrow, and well into the future for current and future Los Angeles County employees and retirees. Over a long time horizon, there will be periods of strong market returns, as well as times of market turmoil.

The current environment poses challenges to growth in the near- and medium-term, including economic and geopolitical uncertainties, a persistent and evolving pandemic, and threats to food and energy supplies globally. LACERA prudently diversifies its total portfolio with underlying investments that respond to varying market conditions. For example, LACERA's Real Assets and Inflation Hedges portfolio provided

strong performance in recent periods which helped mitigate the negative impact to other asset categories due to higher-than-expected inflation and other economic factors. Further, LACERA maintains sufficient liquidity at all times to pay monthly benefits to our members.

**For the fiscal year ended June 30, 2022, LACERA's fund balance was \$70.4 billion. The portfolio generated a modest gain of 0.1 percent for the fiscal year period, above the benchmark performance of -4.6 percent. Over the five- and 10-year periods, the fund has an annualized rate of return of 8.1 and 8.6 percent, respectively, exceeding the policy benchmarks.**

As we navigate these challenging times, rest assured that we will continue to diligently monitor and adapt to investment risks and be proactive in identifying investment opportunities.



# LACERA ACCOMPLISHMENTS

## LACERA Welcomes New Board of Investments Trustee

In April, LACERA welcomed Trustee Onyx Jones to the Board of Investments (BOI). She was appointed by L.A. County Supervisor Holly J. Mitchell for a term that will run through December 31, 2024. Trustee Jones has over two decades of municipal accounting and finance experience and has served many municipalities throughout Los Angeles County and surrounding areas as Finance Director/ City Treasurer. She is currently the Assistant City Manager for Culver City with duties that include serving on the Government Alliance on Racial Equity team and helping to create a new mobile crisis intervention program.



Onyx Jones

## Investment Officer Quoc Nguyen Recognized by Industry

Quoc Nguyen of LACERA has been included in the NextGen list of *CIO Magazine*. He is one of 16 investors selected as this year's "rising stars."

Quoc works as an investment officer on the Risk Mitigation and Credit team at LACERA, concentrating on illiquid credit and hedge funds. He has been instrumental in developing and transforming these programs to improve LACERA fund's performance in several market scenarios.

To learn more about his investment approach and achievements, visit [www.ai-cio.com/lists/class-of-2022-nextgens/?pid=75468](http://www.ai-cio.com/lists/class-of-2022-nextgens/?pid=75468).



Quoc Nguyen

Congratulations, Quoc!

## Two-Factor Authentication Rolling Out for My LACERA

The next time you log on to [My LACERA](#), you might notice an extra step or two. LACERA's Systems and Information Security Divisions are adding two-factor authentication to [My LACERA](#) as an important security upgrade to help protect your account. Two-factor authentication is a way to ensure it is truly you trying to access your information.

Please make sure you have provided your personal email address and cellphone number on [My LACERA](#) so we have a way to instantly confirm your identity when your account is accessed. To update this information, log into [My LACERA](#) and click "Profile." (The best way to access My LACERA is to visit [lacera.com](http://lacera.com) then click on the green My LACERA button on the upper right of the homepage.) Why is it important to provide your personal (not work) contact info on My LACERA? One, we will instantly confirm your identity when your account is

accessed. Two, once you retire you will no longer have access to your County contact methods.

You should also check your browser settings on your personal device and allow cookies for [My LACERA](#). Permitting cookies allows My LACERA to remember your device so you will not have to use two-factor authentication every time you log on.

Our Systems and Information Security teams want to remind you of the difference between a personal and public device. A personal device only belongs to you, is used at home, and is considered trusted. A public device normally does not belong to you. It is a shared, nontrusted device provided in public spaces such as libraries, hotels, airports, or coffee shops.

while experiencing staffing shortages, causing an increase in wait times.

**Challenge Accepted**

The good news is, this is a temporary situation that has everyone at LACERA striving to turn challenge into opportunity. The team is working hard at developing and completing multiple projects and long-term improvements to make service easier and faster for you. And although our members' experience and quality of service has been consistent, we want to make sure we adapt and expand our capabilities to meet new and future demands.

**Working Together**

To handle the high call volume, we have hired and are training a new class of retirement benefits specialists who will begin serving you as soon as October/November, and we have another class in the works. We take training seriously. Each employee goes through a comprehensive 10-month program, followed by a few months of job shadowing and mentoring. This gives them the knowledge and tools needed to meet our commitment to consistently provide the high quality, personalized service you expect.

In addition, our Human Resources Division has expedited recruiting processes throughout LACERA to reduce the staff vacancy rate, despite being short-staffed itself. It takes a large team with specialized skills to support our members, and our HR professionals are hard at work to make sure we have a fully staffed team trained to focus on your needs.

Staffing is just one component of the solution. Every division at LACERA is streamlining how we process information, solve problems, and work together to improve the member experience on an ongoing basis. For example, we are currently exploring issuing debit cards to those members still receiving mailed payments to help improve delivery of their benefits and reduce the instances of lost or stolen checks. We are also working hard to streamline our death benefit process to improve our claim issuance timeline.

**Building the Future**

We have dozens of other projects in the pipeline to further build our infrastructure to assist you and to make self-service more convenient. To help us assess your future needs and communications preferences, we conducted a member survey from mid-July to mid-August. We hope you took part, as your input about how we can best serve you is vital to building our strategic plan and designing your and other members' experience.

Using technology and analyzing data, we will continually improve service and reduce wait times. Most importantly, by listening to you and strategically focusing our efforts on fulfilling our mission, we can achieve our vision of helping you wherever you are with whatever service you require and ensuring your experience is optimized now and into the future.

**LACERA Celebrates Heritage Months**

LACERA appreciates the contributions of every member and knows that all of you are uniquely important to our community. In that spirit, we recognize and celebrate National Hispanic Heritage Month from September 15 to October 15 and National Native American and Alaska Native heritage months in November as important times to remember and honor the rich and diverse histories and achievements of these cultures.

In 1988, Congress expanded its recognition of the Independence Days of Costa Rica, Guatemala, Honduras, Nicaragua, and Mexico into a monthlong period celebrating all Hispanic peoples and culture,

highlighting the tremendous importance of their histories, arts, and languages in the development of our communities and nation.

In 1990, President Bush declared November a monthlong celebration of Native American heritage and history. It marks the vital presence and impacts these first nations have had on our history.

**We Also Celebrate**

September: German American Heritage Month

October: National Disability Employment Awareness, Filipino American History, and Italian American Heritage months



## Are You Retiring Soon? Here's What You Need to Know!

For many people, the years just prior to retirement can be a reality check. They discover that they may face a gap between the retirement income they want and the actual income they can expect. If you find yourself in this situation, try not to panic. The County of Los Angeles 457(b) Horizons and/or 401(k) Savings Plans offer some additional ways to increase your savings up to your retirement:

- **Age 50+ catch-up contributions:** In the year you reach age 50, the Internal Revenue Service (IRS) raises the limit on how much you can contribute to your account each year (known as the age 50+ catch-up contribution). If you qualify, you can contribute an additional \$6,500 in 2022.
- **Three-year catch-up contributions:** If you are within three calendar years of normal retirement age, as defined by the Plan, you may be able to contribute even more—up to \$41,000 in 2022—with the three-year catch-up provision. Please note, you cannot take advantage of both types of catch-up contributions in the same calendar year. Three-year catch-up contributions are only available in the 457(b) Horizons Plan.
  - **Application deadline: Apply at least 4 to 6 months in advance of the desired start date. To apply, contact the Pasadena local office at (800) 947-0845.**
- **Contributing your termination pay:** Your final paycheck from the County can add a boost to

your retirement savings. You can contribute the payout of any unused/accrued vacation, sick leave, holiday, and non-elective\* pay to your account, up to the annual limit.

- **Application deadline: Apply for termination pay deferral at least 90 days in advance of the desired retirement date. If your retirement date should change, you must notify Empower immediately to ensure proper processing of termination pay. To apply, contact the Pasadena local office at (800) 947-0845.**

Don't let a retirement income gap discourage your plans for a brighter future. For more information on these tools for increasing your retirement contributions, visit [www.countyla.com](http://www.countyla.com) or schedule a comprehensive account review.

During your comprehensive account review we will answer the following questions:

1. Will my LACERA benefit, along with my 457(b) Horizons and/or 401(k) Savings Plans, be enough to help me become more retirement ready at my desired age?
2. How do all of my retirement funds work together?
3. How do I replace 100% of my pre-retirement income?

- \* MegaFlex participants: Instead of traditional vacation and sick leave days, MegaFlex participants earn Non-Elective Leave (NEL) days. Unused accrued NEL may be contributed to your 457(b) Horizons and/or 401(k) Savings Plan(s). Annual limits apply.



## Adopt-A-Family for the Holiday Season!

The Department of Social Services (DPSS) is gearing up for its annual Adopt-A-Family Program, which runs from October through December. With the holiday season around the corner, everyone is invited to get involved!

This special program provides individuals with the opportunity to sponsor families in need who are currently served by DPSS. Last year, DPSS provided gifts of clothing, toys, food, and other items to over 2,000 families.

Sponsoring a family is a wonderful way to celebrate the true spirit of giving during the holidays. It is a

great project for families, co-workers, organizations, clubs, and schools. Sponsors and groups can choose the family size, general location, and number of families they would like to sponsor, and there is no limit.

Once a sponsor is matched, they can review the family's wish list and decide what and how to give. Make a difference in the community and support this worthwhile program.

If you or your organization is interested in adopting a family, visit <https://dpss.lacounty.gov/en/community/volunteer.html> for more information.



# 3 THINGS:

Hot on the heels of September's National Italian Cheese Month, October is both Italian American Heritage Month and National Pasta Month. From lasagna to spaghetti to penne, pasta is one of the world's most popular foods—so let's dig into some fun facts about this international staple.



Sources: [www.lifeinitaly.com](http://www.lifeinitaly.com),  
[www.italymagazine.com](http://www.italymagazine.com),  
[www.italianmade.com](http://www.italianmade.com),  
[www.smithsonianmag.com](http://www.smithsonianmag.com)

**1** Basic dried Italian pasta is made from only two ingredients: semolina flour (made from durum wheat) and water, while most handmade pasta recipes include flour, eggs, and salt.

**2** There are about 350 different types of Italian pasta in all shapes and sizes—long noodles, sheets, short tubes, corkscrews, bowties, disks, shells, and grain-like cuts. There are more than 600 different shapes of pasta throughout the world!

**3** The popular dish of spaghetti and meatballs was actually invented by Italian American immigrants. Using available ingredients, they supersized the traditional small meatballs called polpettes and served them over spaghetti and red sauce made from canned tomatoes.

## What Are the WEP and GPO?

You probably know that County employees do not pay into Social Security, and it is not available for most government employees. However, if you have earned enough credits to receive Social Security retirement benefits from prior employment, you should know that your Social Security is subject to the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).

The WEP, enacted by Congress in 1983, reduces the Social Security benefit for workers who receive a government pension from employment that is not covered by Social Security.

The GPO reduction applies to Social Security benefits that you may receive as a spouse, widow, or widower while you are also receiving a government pension.

For more information, visit [www.lacera.com/retirement-planning/social-security-reductions](http://www.lacera.com/retirement-planning/social-security-reductions).

LACERA and other public pension associations have supported numerous bills in Congress to replace or repeal penalties for some or all public employees. However, until legislation is successful, you should be aware of the impact of a WEP/GPO reduction on your retirement income and plan accordingly.

### How to Take Action

Visit the following links to contact your member of Congress and urge them to repeal the WEP/GPO:

- [www.house.gov/representatives/find-your-representative](http://www.house.gov/representatives/find-your-representative)
- [www.senate.gov/general/contact\\_information/senators\\_cfm.cfm](http://www.senate.gov/general/contact_information/senators_cfm.cfm)

## LACERA.com Quick Clicks

Welcome to LACERA  
The Los Angeles County Employees Retirement Association

## How to Find Pre-Retirement Resources

In every issue, we provide navigation tips to help you find what you are looking for on our website, fast.

Thinking about retiring in 2023? Get started now with the Retirement Planning section on [lacera.com](http://lacera.com).

- Go to [lacera.com](http://lacera.com) and click on the Active Members tab. From the dropdown menu, click on Retirement Planning.
- On the Retirement Planning page, click on the Steps to Prepare tile for a variety of tools and links to help you get started, including a timeline for the years and months before your retirement, 7-Step Reference Card, and available workshops. You will also find info about the six different retirement options, how to designate beneficiaries, and more.

# GOT DOCS? DROP 'EM OFF OR LOAD 'EM UP!



Need to submit a document or form to LACERA? Many documents are not required to be submitted in-person. You have a couple additional options. You can securely upload and share vital info, documents, and forms directly through [My LACERA](#), or you can use our contact-free drop box, located to the right side of the main lobby at our offices (300 N. Lake Ave. in Pasadena). All drop box submissions are collected twice a day to ensure your documents are processed as quickly as possible.



## Upcoming Holidays

LACERA will be closed on:

- **Monday, September 5**  
For Labor Day
- **Monday, October 10**  
For Indigenous Peoples Day
- **Friday, November 11**  
For Veterans Day
- **Thursday, November 24 and Friday, November 25**  
For Thanksgiving

### Editor's Note:

*PostScript* is published by the staff of LACERA. Consult with professional advisors regarding legal, tax, and/or medical matters; LACERA does not offer legal, tax, or medical advice.

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