

Spotlight on retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION ■ MARCH 2007 VOL. 18 NO 1

2007 Retiree Cost-of-Living Benefit Approved

On February 15th, the Board of Retirement approved a 2007 cost-of-living (COLA) adjustment for retirees and survivors, effective April 1, 2007. Members and eligible beneficiaries of Plans A, B, C, D, and E* will see an increase in their monthly allowances beginning with their April 30th check.

Plan A qualified members and eligible survivors will receive a 3 percent COLA increase. Qualified members and eligible survivors in Plans B, C, D and E will receive a 2 percent increase.*

California Government Code mandates that each year, prior to April 1, the

cont'd on pg. 4

*Plan E COLA increases apply only to service credit earned after June 4, 2002. Plan E members who retired after June 4, 2002 will receive up to a 2 percent COLA increase. The portion of the 2 percent COLA is based upon a ratio defined as the months of service earned after June 4, 2002, divided by the total months of service.

Introducing Our New Board Members: Ms. Antebi and Mr. Hudson

The Board of Supervisors has appointed **Sadonya Antebi** to rejoin the Board of Retirement for a three-year term running from January 1, 2007 to December 31, 2009. Having previously served on the Board three times, most recently from 2003-2006, she brings a great deal of experience and knowledge to her current appointment.

During her career, Ms. Antebi served as Chief of Disaster Planning and Operations for the Los Angeles County Department of Health Sciences and as an instructor at the Los Angeles County School of Nursing. She holds a BA from Brooklyn College and an MA from Cal State, Los Angeles.

Paul C. Hudson has been appointed to the Board of Investments by the Board of Supervisors; his term commenced January 1, 2007 and expires December 31, 2009. Mr. Hudson is Chief Executive Officer of Broadway Federal Bank, the largest and only publicly traded African American bank west of the Mississippi. A native Los Angeleno, he brings a rich background of community service, as well as financial expertise to the Board.

Mr. Hudson is past president of the Los Angeles NAACP and past chairman of the Los Angeles Community Redevelopment Agency. He is also on the boards of the California Bankers Association, Los Angeles Community Design Center, Boy Scouts of America, Los Angeles Universal Preschool, Alliance for College-Ready Public Schools, and Community Build, Inc.

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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

WILLIAM DE LA GARZA

Secretary
Elected by Retired Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

SADONYA ANTEBI

Appointed by the Board of Supervisors

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

Members of the Board of Investments

MICHAEL SCHNEIDER

Chair
Appointed by Board of Supervisors

WILLIAM R. PRYOR

Vice Chair
Elected by Safety Members

SIMON RUSSIN

Secretary
Elected by General Members

MARK J. SALADINO

County Treasurer & Tax Collector
Ex-Officio Member

PAUL C. HUDSON

Appointed by the Board of Supervisors

DIANE A. SANDOVAL

Elected by Retired Members

HERMAN SANTOS

Elected by General Members

ROBERT L. SPARE

Appointed by the Board of Supervisors

ESTEVAN 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



We Continue to EXPAND Our Services

We at LACERA are constantly working to provide our members with top notch customer service. With that in mind, we continue to expand the multitude of services we offer. Our Call Center, Public Counter, and Outreach divisions regularly add service upgrades. Change of beneficiary, change of address, and Direct Deposit enrollment by phone; Saturday appointments at the Public Counter; and Saturday offsite Pre-Retirement Workshops are recent examples of such enhancements.

We are also working to expand the web services we provide. Our goal is to provide you with a secure, user-friendly web site where you can access your personal account information and initiate some of your retirement transactions 24 hours a day, seven days a week. To accomplish that, we update our web site with new content, improved web features, and the latest technology.

I encourage you to register on "My LACERA" now!

One of these web features is "My LACERA." If you haven't already done so, I encourage you to visit it and register. "My LACERA" is your private space on www.lacera.com where all your personal account information is stored. Once you register, your password serves as the key to unlock your information. This online feature displays your account information, retirement plan information, and annual benefit statement. It also tracks your recent interactions with LACERA. And speaking of interactions, I have some exciting news about "My LACERA" to announce! Later this year, after an outside security firm completes a secondary security audit, we'll be launching new interactive features. So, I encourage you to sign-in to "My LACERA" now. You can access this great web feature from the home page of www.lacera.com by clicking on the "My LACERA" icon.

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

2007 Legislative Updates

In the days preceding the February 23rd deadline for the introduction of new bills in the California legislature, bills related to the County Employees Retirement Law of 1937 (CERL) streamed in. These bills address a wide range of issues.

The Governor has established the Public Employee Post-Employment Benefits Commission to analyze public pension and health care benefits. In an executive order, he requested the commission, by January 2008, to present recommendations addressing the unfunded retirement health care pension obligations of government retirement plans.

The task and the deadline will present quite a challenge to the commission, particularly in the area of retiree health care. Because of new accounting rules, unfunded liabilities attributed to retiree health care must be reported for the first time beginning next year. Regardless of the commission's recommendations, the Governor has acknowledged the importance of public employee benefits and his belief that continuing to provide them to present members is a promise that must be fulfilled.

Appointments to the commission were formally announced on February 20, 2007. The CERL community will be represented by the following appointees:

- Paul Cappitelli - Commander with the San Bernardino County Sheriff Department and president of the California Peace Officer's Association
- Connie Conway - Tulare County Board of Supervisors

- Ronald Cottingham – Lieutenant with the San Diego Sheriff Department and president of the Peace Officers Research Association of California

Other members of the Committee are: Gerald Parsky; chair, Matthew Barger, John Cogan, Dr. Teresa Ghilarducci, Jim Hard, Leonard Lee Lipps, Dave Low, Curt Pringle, and Robert Walton.

Since it will be next January before the commission concludes its work, the impact of subsequent recommendations will not be felt until 2008. However, we expect a volume of activity with those bills already working through the legislature. LACERA will closely monitor the Commission's activities and provide input as appropriate to demonstrate that California public pension systems are well managed and fiscally strong. We will continue to report to you on related developments as they take place.

Some of the bills we are tracking include:

AB 36 - FRAUD – This bill would make it a crime for any person to make false statements or representations in order to seek or obtain benefits from PERS, STRS or a '37 Act System for themselves or others. "Statement" would include oral or written communications relating to family relationship, injury reports, and medical records. The bill would also make it a crime for someone to knowingly accept a payment from the system with the knowledge he or she is not eligible for the benefit.

Author: Niello
Introduced: December 4, 2006
Sponsor: CalPERS
Status: To Assembly Committee on Public Employment,

Retirement, and Social Security

LACERA Position: Board of Retirement – Support

AB 246 - BOARD MEMBER ACTIVITIES

– This bill would amend the County Employees Retirement Law to prohibit a member or employee of either board, whether directly or indirectly, by himself or herself, or as an agent or partner or employee of others, from selling or providing any investment product that would be considered an asset of the fund, to any public retirement system in the state.

Author: Torrico
Introduced: February 1, 2007
Sponsor: Torrico
Status: In the Assembly
LACERA Position: Insurance, Benefits, and Legislative Committee – Support. Board of Investments – Support

AB 596 – SAFETY MEMBERSHIP FOR COUNTY JAIL AND MENTAL HEALTH PHYSICIANS

- This bill would require, as of January 1, 2008, physicians working in a county jail or county mental health facility in Alameda County or Los Angeles County to be classified as safety members, without a board of supervisors resolution. Additionally, the bill would allow those members to elect not to become safety members.

The bill provides that a qualified member enters safety status and begins paying retirement contributions at the safety member rate on the date the bill

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COLA 2007

cont'd from pg. 1

Board of Retirement will determine whether there has been an increase or decrease in the cost-of-living, as reflected in the Bureau of Labor Statistics Consumer Price Index (CPI).

The law also sets an annual maximum COLA increase for each plan. The maximum allowable increase for Plan A is 3.0 percent, the maximum allowed in Plans B, C, D and E is 2.0 percent.

The Bureau of Labor Statistics indicates the percentage change between the 2005 and 2006 CPI Indexes for All Urban Consumers for the Los Angeles-Anaheim-Riverside area is +3.3 percent. Since this change exceeds each plan's maximum COLA, qualified members and eligible survivors in Plans A, B, C, D and E will receive the maximum COLA increase allowed in their respective plans.

COLA Accumulation

According to the law, the Board must accumulate the difference between the CPI Index percentage change and the maximum percentage allowable in each plan, and use it to supplement a future COLA benefit. The accumulated percentage carryover is known as the COLA accumulation.

CALCULATION OF COLA ACCUMULATION:

2007 CPI percentage change	3.3%
Plans B, C, D, E	- maximum COLA 2.0%
To be added to 2007 COLA accumulation	difference 1.3%

2007 COLA Accumulation

Retirement Dates	Plans	Maximum COLA	CPI Change	April, 2007 Addition to COLA Accumulation	COLA Accumulation As Of April, 2007
Prior to 4/1/81	A	3.0%	3.3%	0.3%	20.3%
4/1/81 – 3/31/82	A	3.0%	3.3%	0.3%	12.5%
4/1/82 – 3/31/83	A	3.0%	3.3%	0.3%	8.4%
4/1/83 – 3/31/84	A	3.0%	3.3%	0.3%	8.3%
4/1/84 – 3/31/85	A	3.0%	3.3%	0.3%	7.0%
4/1/85 – 3/31/86	A	3.0%	3.3%	0.3%	5.5%
4/1/86 – 3/31/87	A	3.0%	3.3%	0.3%	4.7%
4/1/87 – 3/31/88	A	3.0%	3.3%	0.3%	4.6%
4/1/88 – 3/31/05	A	3.0%	3.3%	0.3%	3.2%
4/1/05 – 3/31/06	A	3.0%	3.3%	0.3%	1.8%
4/1/06 – 3/31/07	A	3.0%	3.3%	0.3%	0.3%
4/1/77 – 3/31/88	B, C, D	2.0%	3.3%	1.3%	21.3%
4/1/88 – 3/31/89	B, C, D	2.0%	3.3%	1.3%	21.2%

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2007 COLA Accumulation, cont'd

Retirement Dates	Plans	Maximum COLA	CPI Change	April, 2007 Addition to COLA Accumulation	COLA Accumulation As Of April, 2007
4/1/89 – 3/31/90	B, C, D	2.0%	3.3%	1.3%	18.4%
4/1/90 – 3/31/91	B, C, D	2.0%	3.3%	1.3%	15.2%
4/1/91 – 3/31/92	B, C, D	2.0%	3.3%	1.3%	10.6%
4/1/92 – 3/31/00	B, C, D	2.0%	3.3%	1.3%	10.0%
4/1/00 – 3/31/01	B, C, D	2.0%	3.3%	1.3%	9.7%
4/1/01 – 3/31/02	B, C, D	2.0%	3.3%	1.3%	8.0%
4/1/02 – 3/31/03	B, C, D	2.0%	3.3%	1.3%	7.9%
4/1/03 – 3/31/05	B, C, D	2.0%	3.3%	1.3%	6.2%
4/1/05 – 3/31/06	B, C, D	2.0%	3.3%	1.3%	3.8%
4/1/06 – 3/31/07	B, C, D	2.0%	3.3%	1.3%	1.3%
6/4/02 – 3/31/03	E	2.0%	3.3%	1.3%	7.9%
4/1/03 – 3/31/05	E	2.0%	3.3%	1.3%	6.2%
4/1/05 – 3/31/06	E	2.0%	3.3%	1.3%	3.8%
4/1/06 – 3/31/07	E	2.0%	3.3%	1.3%	1.3%

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- Payday Calendar
- Working After Retirement
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HEALTH CORNER

TO YOUR HEALTH!

A ccording to government statistics, in 2005 42.5 million people were covered by Medicare; of those, 35.8 million were age 65 and older. **If Medicare isn't already a part of your life, it may be in the coming years.**

While it provides substantial assistance by easing the financial burden on skyrocketing health care costs for our seniors, understanding Medicare's various aspects as they relate to your LACERA-administered health care plan, and making informed decisions about coverage options can seem confusing and overwhelming.

LACERA's team of health care benefits specialists is committed to making sure the menu of LACERA-administered health care plans offers options to fit a

wide range of needs and situations. **Our team is also dedicated to providing you with the information you need to make informed choices** about Medicare and your LACERA-administered health care coverage.

We report on the 2007 Medicare Part B Premium Reimbursement Program below. On page 7, we draw your attention to the issue of Part B overpayments, and ask for your cooperation in reporting status changes. Making changes are the subject of FAQs on page 8 and *Original Documents Needed When Adding Dependents to LACERA-Administered Health Care Plans* on page 9.

Analysis continues on the complex provisions of the Pension Protection Act of 2006 (PPA), which was signed

into law in August 2006. We will continue to update you as new information becomes available. A reminder to eligible Public Safety Officers about the procedure required to arrange direct payments on LACERA-sponsored long-term care plans under the health care tax benefit granted under the PPA appears on page 7.

If you've got a question, give one of our Retiree Health Care Benefits Specialists a call at 1-800-786-6464, press 1.

Don't stress... it's not good for your health!

Medicare Part B Premium Reimbursement Program Approved for 2007

On December 19, 2006, the Board of Supervisors approved the Medicare Part B Premium Reimbursement Program for 2007 for LACERA-administered Medicare Plan enrollees.

The following base rates became effective with the December 31, 2006 pay period for January 2007 coverage.

Number of People on Plan	2007 Reimbursement Base Rate
One Person	\$93.50
Eligible Member and Spouse or Domestic Partner	\$187.00

Reminder for Eligible Retired Public Safety Officers... Contact Long-Term Care Carriers Directly to Arrange Direct Payments for Pension Protection Act \$3,000 Health Care Tax Benefit

The Pension Protection Act of 2006 (PPA), signed into law by President Bush on August 17, permits **eligible** retired Public Safety Officers (PSO) to exclude up to \$3,000 of distributions from their LACERA retirement plan for direct payment of health care premiums. These excluded distributions shall be used by LACERA for direct payment of qualified accident or health and/or long-term care insurance premiums for the public

safety officer, his or her spouse, and/or dependents. This Internal Revenue Service (IRS) tax benefit became effective January 1, 2007.

Pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), eligible PSOs who wish to have LACERA make direct payments to their LACERA-sponsored MetLife and Transamerica long-term care plans **must** contact the carriers directly to authorize the necessary payment agreement.

LACERA does not administer the long-term care program and cannot initiate direct payments on premiums for these plans until the policyholder contacts the carrier and establishes a direct payment arrangement. For information call MetLife at 1-888-565-3761 or Transamerica at 1-800-227-3740.

For information and updates on eligibility requirements as set forth in the PPA, visit www.lacera.com.

Procedures to Prevent and Resolve Overpayments on Medicare Part B Premium Reimbursements

In keeping with our mission to “Produce, Protect, and Provide the Promised Benefit,” as well as our fiduciary responsibility, we conduct periodic audits of the Medicare Part B Premium Reimbursement Program.

To be eligible for the County’s Medicare Part B Premium Reimbursement Program, an individual must meet two conditions:

1. Enrollment in Medicare Part A and Medicare Part B
2. Enrollment in a LACERA-administered Medicare Advantage-Prescription Drug (MA-PD) plan or Medicare supplement plan

Notify LACERA of Status Change. If you or your dependent experiences a Medicare status change that disqualifies

you from receiving the Medicare Part B premium reimbursement, you must immediately notify LACERA in writing.

The following disqualifying conditions apply to changes in *your* or *your dependent’s* status:

- Termination of Medicare Part B
- Rejection of enrollment in a LACERA-administered Medicare Advantage-Prescription Drug (MA-PD) or Medicare Supplement Plan or denial by the Centers for Medicare and Medicaid Services (CMS)
- Voluntary disenrollment from Medicare Part B
- Enrollment in a non-LACERA-administered medical plan
- Payment of Medicare Part B

premium by another agency

- Reimbursement of Medicare Part B premium by another agency or employer

You Are Responsible for All Overpayments. Failure to advise LACERA of a status change will result in you being billed for the total amount of all Medicare Part B premium reimbursements you received while ineligible. In such cases, you will be required to make and fulfill payment arrangements, or the amount can be deducted from your monthly LACERA retirement allowance.

For questions or additional information, call the LACERA Insurance Services Section at 1-800-786-6464 and press 1 to speak with a Retiree Health Care Benefits Specialist.



HEALTH CORNER

FAQs: RETIREE HEALTH CARE

Switching Your LACERA-administered Medical and Dental/Vision Plans

Q: How can I switch my LACERA-administered medical plan?

A: You may switch LACERA-administered plans at any time; coverage remains continuous and no evidence of insurability is required. However, in most cases, a **six-month waiting period** from LACERA's receipt of your signed Medical Change Form applies when changing medical plans. The same rules apply when changing from the Firefighters Local 1014 plan into a LACERA-administered plan.

Q: Are there exceptions to the six-month waiting period?

A: Yes. Exceptions include:

- Moving out of your plan's service area (you must notify LACERA within 30 days)
- Changing from Blue Cross Plan I, Blue Cross Plan II, CIGNA, Blue Cross Prudent Buyer Plan, or Kaiser Permanente to Kaiser Senior Advantage, Secure Horizons, or SCAN
- Changing from Blue Cross I to Blue Cross II
- Changing from Blue Cross I or II to Blue Cross III
- Changing from any LACERA-administered medical plan to SCAN

Q: How can I switch my LACERA-administered dental/vision plan?

A: A one-year waiting period from LACERA's receipt of your signed Dental/Vision Change form generally applies when switching LACERA-administered dental/vision plans. Coverage is continuous and no evidence of insurability is required.

Q: Where do I get a Change Form?

A: Medical and Dental/Vision Change Forms are available in the Brochures & Forms section of www.lacera.com. Or call LACERA at 1-800-786-6464 and press 1 to request a form or get more information.



Quote:

"A true friend is someone who thinks that you are a good egg even though he knows that you are slightly cracked." — Bernard Meltzer

Original Documents Needed When Adding Dependents to LACERA-Administered Health Care Plans

When adding an eligible spouse or domestic partner and/or child(ren) to your LACERA-administered health plan, you are required to submit an original certified

marriage certificate or Certificate of Registered Domestic Partnership and/or original certified birth certificate with your enrollment form. The certificates will be reviewed and returned to you.

For more information, call LACERA's Insurance Services Section at 1-800-786-6464, and press 1 to speak with a Retiree Health Care Benefits Specialist.

Caremark Updates Performance Drug List Quarterly

Caremark has made changes to its Performance Drug List. These changes, which are updated quarterly, apply to members and dependents enrolled in LACERA-administered Blue Cross I, Blue Cross II, and Blue Cross III plans.

Changes include:

- Addition of products with

demonstrated enhanced clinical effectiveness and more convenient dosage forms

- Removal of products with less convenient therapy dosage, more side effects, and reduced cost-effectiveness, compared to options available on Caremark's drug list

To view the most current version of

Caremark's Primary/Preferred Drug List Update, review your prescription drug benefits, request mail order services, or research drug information, visit www.caremark.com. Members of Blue Cross I, II, or III may request a copy of the updated Primary/Preferred Drug List by calling **Caremark at 1-800-450-3755**.

"Feel Good" Facts

Waltzing Back to Heart Health

Italian researchers have discovered that waltzing is an effective way to rehab a damaged heart — and no spandex or fancy gym apparatus is required!

A study at Lancisi Heart Institute in Ancona, Italy divided 110 heart failure patients into three groups: one group was assigned to a supervised 8-week program of cycling and treadmill work three times a week; another group took dance classes in the hospital gym, alternating between slow and fast

waltzes for 21 minutes, three times a week for eight weeks; and the third group did no exercise.

Cardiopulmonary fitness increased at similar rates among those who danced as those who cycled and used the treadmill; fitness was unchanged in the group that didn't exercise.

Although exercise is critical to cardiac rehab, getting patients to stick with it can be a challenge. Dr. Romualdo Belardinelli, Lancisi's director of cardiac rehabilitation, reports as many as 70

percent drop out of traditional rehab programs.

Belardinelli contends dance is effective because in addition to the cardiac benefit, it's fun. The social aspect of dancing also provides an added benefit.

Source: Associated Press



2007 Legislative Updates cont'd from pg. 3

becomes operative. However, in describing the method for calculating the member's retirement allowance, the bill provides that qualifying service worked prior to enactment shall be calculated under the safety member benefit formula.

Author: Dymally
Introduced: February 21, 2007
Sponsor: Union of American Physicians and Dentists
Co-Sponsor: AFSCME
Status: In the Assembly

AB 775 – UNEMPLOYMENT

INSURANCE - The County Employees Retirement Law authorizes a county to employ, without reinstatement from retirement, a retired member in a position requiring special skills or knowledge. Under the law, a retired member may not work more than 90 working days or 720 hours, in a fiscal year or any other designated 12-month period. The law authorizes a board of supervisors to extend that reemployment period to permit a retired member to work up to 120 working days or 960 hours, whichever is greater, in a fiscal year or any other designated 12-month period.

This bill would provide the authorizations described above are inapplicable to a retired member who is employed by an employer under the system and who, within 12 months prior to that employment, received unemployment insurance compensation following the termination of an appointment with the same employer. The bill would require a retired person who accepts an appointment after receiving unemployment insurance compensation to terminate that

employment on the last day of the current pay period and would prohibit reappointment for a period of 12 months.

Author: Niello
Introduced: February 22, 2007
Sponsor: Sacramento County
Status: In the Assembly

AB 1124 – POST-EMPLOYMENT BENEFITS TRUST ACCOUNT, TECHNICAL CLARIFICATIONS -

During the 2006 Legislative session, the State Association of County Retirement Systems (SACRS) sponsored legislation to authorize the board of supervisors to make contributions to a Post-Employment Benefits Trust Account and to enter into an agreement with the retirement association to invest those funds. This bill would make technical clarifications and corrections to the prior legislation.

Author: Karnette
Introduced: February 23, 2007
Sponsor: SACRS
Status: In the Assembly

AB 1288 – ESTABLISHMENT OF

VISION CARE PLAN - This bill would establish the County Retirement System Vision Care Program for purposes of providing vision care benefits to county and district retirees and their dependents. The bill would allow the program to be administered by the State Department of Personnel Administration or another third party administrator and would establish a fund for the distribution of the vision care benefits.

Author: Hayashi
Introduced: February 23, 2007
Sponsor: SACRS
Status: In the Assembly

AB 1626 – ADDITIONAL RETIREMENT CREDIT FOR PLAN E MEMBERS -

Current law allows the County Board of Supervisors (BOS) to adopt a provision to allow a member of our non-contributory Plan E to purchase service credit for time for which they would not otherwise be eligible. This bill would amend the law to authorize the BOS to specify in its provision what types of service the member may purchase.

Additionally, this bill would prohibit a member of Plan E who receives Additional Retirement Credit (ARC) from counting that credit toward meeting the minimum qualifications for a disability retirement.

Author: Galgiani
Sponsor: SACRS
Introduced: February 23, 2007
Status: In the Assembly

SB 14 - 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 amend the government code to authorize the board to allow a member to receive service credit even though his or her military service is the basis for present or future military retirement pay.

Author: McLeod
Introduced: December 4, 2006
Sponsor: National Guard Association of California
Status: In the Senate.
LACERA Position: Board of Retirement - Watch

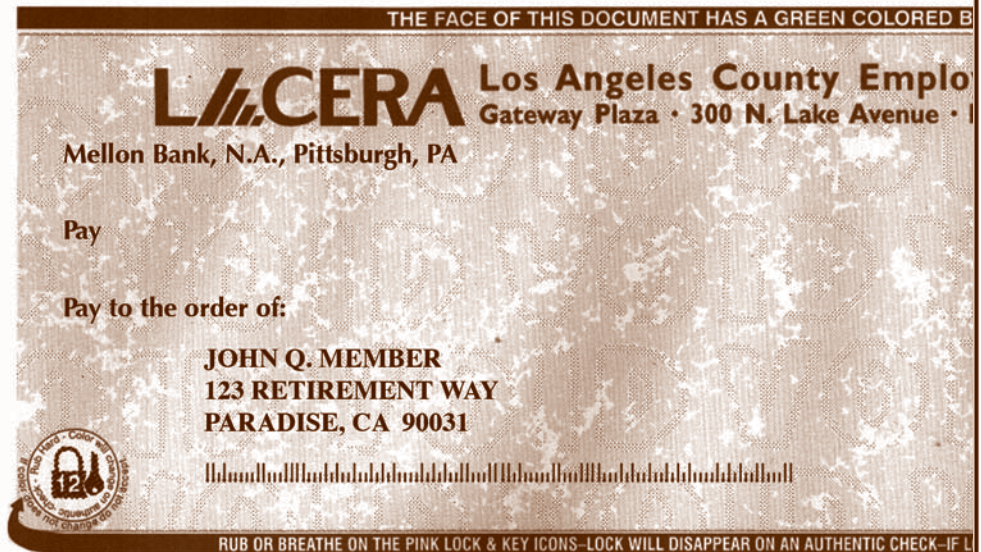
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SECURITY REMAINS A TOP PRIORITY AT LACERA

Protecting the security of internal operations and the privacy of our members and their beneficiaries remains a top priority at LACERA. To that end, we monitor our security procedures and add new features as they become available.

Check This Out!

Beginning April 30th, as part of our ongoing security program, all LACERA checks will include a small circle with a lock and key icon in both bottom corners. The icons are printed with a special ink that changes color when rubbed or breathed upon. The color change will only occur on the original check and cannot be duplicated.



Registering for Direct Deposit is an even better way to protect your monthly LACERA check. With Direct Deposit your monthly retirement allowance is electronically deposited directly in your bank account. To enroll in Direct Deposit or to make changes to your existing account, call 1-800-786-6464.

Call Center Security Procedures

Security safeguards are in place throughout LACERA. Callers to LACERA's Call Center are asked certain questions to verify their identity and LACERA membership before any account information will be divulged. The Call Center Retirement Benefits Specialists will inform the caller, **"For your security, I have a few questions before we discuss your account,"** and will proceed to ask identifying questions, such as "What is your retirement date?"

As an added safeguard, Members who wish to make changes to their account and/or discuss their personal financial issues are asked to answer additional security questions.

To protect our members' security, the Call Center will only provide member account information to the member or the survivor of the member, or to a representative of the member, provided the member is present and able to complete the identification process. Information cannot be provided to a member's spouse, relative, personal representative, or other individual (with the exception of survivors) without the member's permission.

Security at Public Counter

Visitors to LACERA's Public Counter will also be asked to **verify their identity** before the staff provides any member account information. This will be done

either by showing a valid California driver's license or ID, or by answering a series of security questions.

Online Security

Our web site features advanced technology to ensure a high level of security. Great measures are taken by LACERA to protect our online network. As an example, prior to launching "My LACERA," we hired an outside security firm to perform a security audit on this special web feature. The firm reported it is one of the safest web applications it had ever come across.

LACERA's commitment to safeguarding member information and protecting the promised benefits remains strong.

2007 Legislative Updates cont'd from pg. 10

SB 134 - MANDATORY RETIREMENT –

This bill would amend the County Employees Retirement Act to exempt safety members of the Sheriffs Department from the requirement to retire by a specific age. The bill further requires that a physician employed by the County certify the member is capable of performing his or her assigned duties. The bill applies to Los Angeles County only and is at the option of the Board of Supervisors.

Author: Cedillo
Introduced: January 25, 2007

Sponsor: Los Angeles County and Los Angeles County Sheriffs

Status: In the Senate

LACERA Position: Insurance, Benefits, and Legislative Committee - Watch

reduce public pension benefits. These provisions are the Government Pension Offset and the Windfall Elimination Provision.

Author: Hernandez
Introduced: February 1, 2007
Status: To Assembly Committee on Public Employment, Retirement, and Social Security

AJR 5 - SOCIAL SECURITY – Requests the President and the Congress of the United States to enact the Social Security Fairness Act, which would repeal two provisions in the Social Security laws that

THE LACERA MEMBER HOME LOAN PROGRAM

A Special Program for Our Members

Getting a home loan or refinancing is a big deal, but with LACERA's Member Home Loan Program (MHLP), it can be a good deal, too!

The MHLP program is for **LACERA members, retirees and beneficiaries** and offers fixed and adjustable loans at competitive rates with attractive terms.*

All MHLP loans are originated, funded, and serviced by GMAC. Apply by phone, fax, or in person at GMAC. For additional information, call GMAC's LACERA-only hotline at **1-800-2-LACERA**.

Check out the MHLP online (lacera.com, under Investments) - loan descriptions, terms, FAQs, the home loan calculator, and the daily interest rates.

*Certain eligibility restrictions apply. Contact a GMAC representative at 1-800-2-LACERA to discuss your individual qualifications.



IT'S COMING...

Be prepared! Sign up now for "My LACERA"

lacera.com homepage • "My LACERA"

Attend a Seminar on the LACERA-Sponsored Long-Term Care Plan Underwritten by MetLife

We're committed to keeping you updated on the variety of LACERA-sponsored health services and benefits available to you. One such benefit, the long-term care plan underwritten by MetLife, can make an important difference in your life should you ever require long-term care. To find out more about this plan, make a reservation to attend one of the monthly seminars.

2007 Seminar Schedule

March 14, 2007
April 11, 2007
May 9, 2007
June 13, 2007
July 11, 2007
August 8, 2007
September 12, 2007
October 10, 2007
November 14, 2007
December 12, 2007

Location:

LACERA Building – Gateway Plaza
300 N. Lake Avenue, Pasadena, CA 91101
First Floor, Workshop Room

Seminar Reservations:

Seminars will be held on the second Wednesday of each month at 10:30 a.m. To make a reservation, call Producers Group at 1-800-207-9883.

From the Executive Desk

cont'd from pg. 2

Next month we're adding a new security feature to all LACERA checks. Your April 30th check will include small lock and key icons in both bottom corners. The icons are printed with special ink that can't be copied or duplicated. To discourage fraud, the ink changes color when you rub or breathe on the icons.

Having well-informed management and Board members is another critical aspect to our ability to provide maximum service to our members. That's why we hold a yearly conference for our Boards and management where we present our fiscal year goals and topics that impact retirement matters. This year, we heard presentations by outside experts in health insurance, legislative trends, fiduciary responsibility, investments, and the global economy. Our Executive team and other members of LACERA management also gave presentations. Holding true to the adage that "knowledge is power," we remain diligent in staying on top of the legal, market, and technological trends that could ultimately impact our members.

We've been busy over the past few months analyzing the impact of the Pension Protection Act of 2006 (PPA) on our policies and procedures. The law, which was signed by President Bush in August 2006, authorizes certain changes to our member benefits and/or their implementation. Pursuant to the PPA, in addition to payroll deductions, we now allow you to pay for plan transfers, service credit, and ARC with proceeds from your County 457, IRA, 401(k), KEOGH, or 403(b) plans, as well as with after-tax dollars. The law also provides a health care tax benefit to eligible retired Public Safety Officers. We are currently implementing that provision, which became effective January 1, 2007.

The PPA is complex and our experts are still reviewing and analyzing its many provisions. We will keep you apprised of any developments surrounding the PPA as they become available. Watch for updates on www.lacera.com.

Rest assured, LACERA remains committed to serving you.

Did You Know?

Defined Benefit (DB) Plans

Offers selection of retirement benefit options

Defined Contribution (DC) Plans

Not applicable

As a LACERA retiree, you have the security that comes with knowing you can never outlive your retirement allowance; **all LACERA plans are Defined Benefit plans.** Therefore, your retirement allowance is a **lifetime allowance** which will be paid to you every month for the rest of your life. For more information on Defined Benefit plans, visit the About LACERA section of lacera.com.

PUBLIC SERVICE ANNOUNCEMENTS

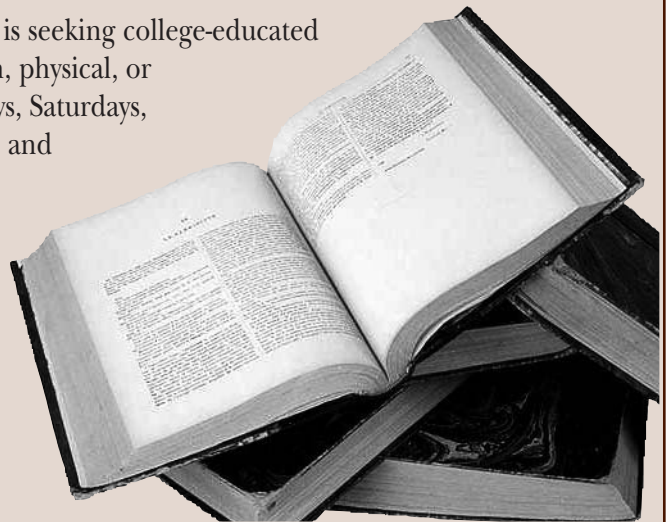
Page Museum Seeks Docents

The Page Museum of the La Brea Tar Pits is recruiting docents to give public tours of the museum and the tar pits on weekday afternoons and weekends. Docents also participate in group social events and special educational opportunities. No prior teaching experience is required. The museum's spring training class begins in April. For more info call (323) 857-6300, extension 140.

Volunteers Needed to Record Textbooks for the Blind

Recording for the Blind & Dyslexic-Los Angeles (RFB&D-LA) is seeking college-educated volunteers to record audio textbooks for students with vision, physical, or learning disabilities. Recording sessions are held on weekdays, Saturdays, and some evenings at the organization's studios in Hollywood, Reseda, and Redondo Beach. Training includes all aspects of producing audio textbooks. Volunteers are asked to commit two hours per week for at least six months. To schedule an orientation tour, call (323) 664-5525, extension 13 or visit www.rfbd.org/LA.

RFB&D-LA is a non-profit organization with a national library of more than 109,000 audio textbooks covering the spectrum of school subjects for students of all ages. The group serves close to 3,000 students in the L.A. area.



HEALTH CARE INFORMATION



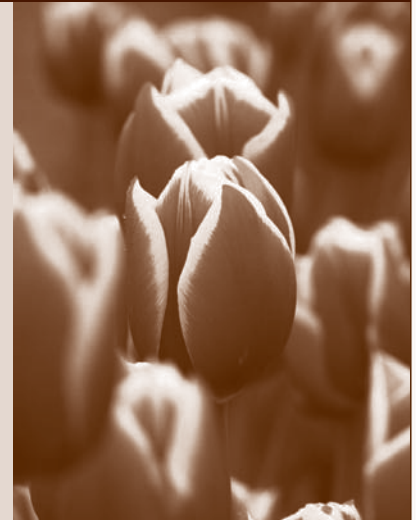
www.lacera.com

For information about LACERA-administered health care plans, go to lacera.com/health_care.html



March 2007 Spotlight Highlights

- 2007 Cost-of-Living Benefit • Security for Our Members
- Health Care:
 - Switching Your Medical/Dental/Vision Plans
 - Medicare Part B Reimbursement Approved



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Editor's Note:

Spotlight on Retirement is created 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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“Ask LACERA” — Get instant answers to general questions. Find it on lacera.com’s home page.