



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION ■ DECEMBER 2008 ■ VOL. 19 NO. 4

LACERA's Fund is Positioned to Withstand the Current Financial Downturn

Given the current challenges of the U.S. economy and the investment market, LACERA members are concerned about the impact of the market on the financial health of our retirement fund. Despite market volatility, **LACERA remains a financially strong organization** with \$38.7 billion in assets at the fiscal year-end, June 30, 2008. As of the fund's last actuarial valuation on June 30, 2007, LACERA was 94 percent funded.

As a long-term investor, we have structured our investment portfolio to experience bull markets where we have outstanding returns and withstand bear markets where we have negative returns. For example, during the 2001 dot-

com market collapse, we dropped to 82 percent funding. We have since climbed back to 94 percent funding.

LACERA's Board of Investments has always adhered to an Investment Policy that broadly invests (diversifies) the fund's assets to mitigate the risk associated with market volatility. LACERA's Investment staff is carefully monitoring market activities and keeping the Board of Investments apprised of any notable events.

Your retirement benefits are a vested right; upon your retirement, LACERA will pay them as promised. **We will continue to fulfill our mission to produce, protect, and provide the promised benefits.**



IN THIS ISSUE:

- 2 From The Executive Desk
- 3 Legislative Updates
- 4 Looking Inside LACERA
- 5 To Your Health
- 7 Staying Healthy Together
- 11 Adjust Your Withholding Tax
- 13 Edward Blecksmith Joins BOR
- 14 STAR COLA Approved for 2009

Los Angeles County Employees Retirement Association

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Members of the Board of Investments:

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Assistant Executive Officer

ROBERT HILL

Assistant Executive Officer

JANICE GOLDEN

From the **EXECUTIVE DESK**

Gregg Rademacher—CEO, LACERA



Looking Back at 2008

Each year, as December rolls around, I like to reflect back on what we've accomplished during the past 12 months. So, let's review some of LACERA's 2008 accomplishments.

Customer Service: Our focus on personalized customer service remained strong in 2008. We continued to provide excellent service to our members through a multiplicity of methods. Our Retirement Benefits Specialists provided individual one-on-one service at our **Public Counter** and through our **Call Center**. Additionally, our **Outreach** team presented over 750 retirement-related information workshops at LACERA and numerous other locations throughout the County. Customer service continued in force "behind the scenes" at LACERA as well; our **Claims Processing Division** processed 97.77 percent of active member requests within 30 days. If you'd like more "facts and figures" about our accomplishments, **I encourage you to read the enclosed LACERA Popular Annual Financial Report (PAFR) for 2007-2008.**

Enhanced Web Services: We love technology at LACERA! During the year we added an **online Retirement Benefit Estimate** feature to My LACERA. By using personal member data on file at LACERA, this web feature **generates the most accurate estimates members can create on their own.**

It shows you the first date you're eligible to retire and allows you to create your own personalized, preliminary calculation of the benefits you'll be entitled to upon retirement. This interactive tool also lets you enter different data to create different retirement scenarios and generate Retirement Benefit Estimates from the new data.

“ Despite market volatility, LACERA remains financially strong. ”

During the year, we also introduced a **New General Member Interactive Workshop on lacera.com**. The workshop utilizes videos, quizzes, and written content to assist new hires in the selection of a retirement plan.

cont'd on pg. 12

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

2008 Legislative Updates

Due to Governor Schwarzenegger's promise not to sign legislation before a budget deal could be struck, many bills were not signed until just before the deadline. However, much of the key retirement legislation LACERA had been tracking was signed prior to the budget impasse. In fact, all of the bills sponsored by the State Association of County Retirement Systems (SACRS) were signed before the governor's moratorium on enacting legislation.

All of these enacted bills are effective January 1, 2009, unless otherwise indicated.



AB 1844 – FRAUD – Although general anti-fraud provisions existed in California law, this bill sought to make the illegality of fraud against a retirement system explicit. AB 1844 makes it a crime for a person to make or present false material statements and representations in connection with retirement system benefits and applications. The bill also makes it a crime to aid and abet someone perpetrating the same. Further, the bill specifies it is a crime for someone to accept a benefit payment with the knowledge he or she is not entitled to the payment.

AB 1963 – SUPPLEMENTAL DEFINED BENEFIT PLANS – AB 1963 was sponsored by SACRS at the request of the San Bernardino County retirement system as an employee retention tool. This bill adds to the existing bonus authority the option of a deferred bonus, provided through tax qualified plans. Under this statute, county retirement systems have the option to offer a bonus which becomes vested after a stated number of years. During deferral, the bonus could be invested before it is paid out. The bonus would not be subject to certain tax penalties.

AB 2023 – DETERMINING DISABILITY RETIREMENT

This bill confirms current law by specifying that medical opinion used in the determination of a disability retirement case may not be considered unless it is deemed competent. Further this bill clarifies that a disability retirement may not be used as a substitute for proper disciplinary action.

AB 2041 – REFUND OF CONTRIBUTIONS UPON DEATH OF PLAN E MEMBER

This legislation provides for the refund of contributions upon the death of an active or former Plan E member who had not yet retired. The provisions of AB 2041 were unnecessary previous to a Plan E member's ability to purchase service. AB 2041 provides that accumulated contributions made by the member for purchases of service, with interest, are to be refunded to the member's beneficiaries.

AB 2673 - DOMESTIC PARTNERSHIP SURVIVOR BENEFITS – The County

Employees Retirement Law currently contains an inconsistency regarding domestic partner survivor benefits. Differing rules apply in Plan E versus the contributory plans.

In the event a retired contributory plan member dies leaving both a domestic partner and a surviving child or children, the survivor's allowance is payable to the child or children until eligibility ceases (until 18 years of age or until married, whichever occurred earlier, or until 22 years of age if enrolled as a full-time student in an accredited educational institution). When the deceased member's surviving dependent child or children are no longer eligible, the survivor's allowance is paid to the domestic partner.

Under Plan E, the survivor's allowance is paid to the surviving domestic partner.

The enactment of Assembly Bill 2673 provides that, effective January 1, 2009, eligible domestic partners will prospectively be treated the same as a spouse in all retirement plans, taking precedence over a dependent child in the event of a member's death.

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Looking Inside LACERA



How is LACERA structured? How many people work there? How many departments do you

have? We often get these types of questions from our members. With that in mind, **we're taking this opportunity to offer an overview of the internal structure and workings of LACERA.**

If you've ever attended a New Member, Mid-Career, or Pre-Retirement workshop or met with a LACERA Retirement Benefits Specialist at our Public Counter, you know LACERA is located in the Gateway Plaza building in Pasadena. What you may not know is the building is owned by the retirement fund; it's part of our investment portfolio. LACERA currently occupies five of its 13 floors and leases the other floors to outside tenants.

Although Pasadena is our home, we also serve members at numerous other locations throughout the County. Our Outreach Specialists regularly "take to the road" to hold

workshops and Benefit Days at other County jobsites and facilities. The team also makes home and hospital visits to provide retirement counseling for terminally ill members.

As the administrator and manager of the retirement fund for the County of Los Angeles, we produce, protect, and provide the promised benefits for over 158,000 members, including more than 52,000 retirees, survivors, and dependents. This is a massive operation requiring expertise in, and coordination of, a broad range of disciplines including legal, financial, administrative, benefits, corporate, communications, and customer service. Currently, approximately 350 employees work for LACERA.

We have been providing retirement, disability, and death benefits to eligible County employees, retirees, and their beneficiaries since 1938. In 1971, we began administering a retiree health care benefits program.

Today LACERA operates 15 internal divisions:

- Financial & Accounting Services
- Administrative Services
- Board Offices
- Claims Processing
- Communications
- Disability Investigation
- Disability Litigation
- Executive
- Human Resources
- Internal Audit
- Investments
- Legal
- Member Services
- Quality Assurance & Metrics
- Retiree Health Care
- Systems

The dedicated professionals working in these divisions are committed to making sure you receive the lifetime benefits promised by your LACERA defined benefit retirement plan. To borrow a phrase, it takes a village to produce, protect, and provide your promised benefit.

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Serving you with 350 employees in 15 divisions.



To Your Health!

In the Staying Healthy Together section of our last *Spotlight*, we explored the connection between mental fitness and physical health. In conjunction with that topic, many of you learned techniques for managing stress at the Staying Healthy Together: Focus on Fitness workshops we held in October. A recap of those workshops appears in the Staying Healthy section of this newsletter.

Speaking of stress, if you're anxious about the state of the economy, we recommend you take a look at the article entitled "Tips for Managing Stress during a Down Economy" on page 8.

Many Fun Activities Also Promote Mental Fitness

The more we explore the realm

of mental fitness, the more we discover that **many activities we find enjoyable in their own right also serve to stimulate our brains and enhance our mental fitness.** Keep that in mind when you tackle the word puzzle page 13; it offers an easy way to enhance your mental fitness and have fun doing it.

A recent study at UCLA found that middle-aged to older adults who regularly search the internet experienced greater stimulation of decision-making and complex reasoning areas of the brain compared to their peers who seldom or never used the internet. In addition, the study found that while reading stimulated the brain, it didn't stimulate the same number of brain areas as surfing the web.

During the study, 24 adults performed two separate tasks: a new

internet search and reading text formatted to resemble a book on a computer monitor; each participant underwent an MRI scan during each activity.

The MRIs revealed that while performing a new internet search, those who said they searched the internet at least once a day showed twice the increase in brain activity as those who said they used the internet once a month or not at all, particularly in the brain areas that control decision making and complex reasoning. The principal investigator in the study concluded the more experienced one is internet searching, the more that individual's brain is engaged.

Google anyone?

Source: *webmd.com*



Waiting Period Waived on Transfers to Blue Cross III Medicare Supplement Plan

On October 9, 2008, the Board of Retirement approved a permanent waiver of the six-month waiting period that previously applied when transferring to the *Anthem Blue Cross III Medicare Supplement Plan* from the LACERA-administered *Anthem Blue Cross Prudent Buyer Plan*.

If you are and/or your eligible dependent are currently enrolled in the LACERA-administered Anthem Blue Cross Prudent Buyer Plan, are eligible for Medicare Parts A and B, and wish to transfer to the LACERA-administered Anthem Blue Cross III Medicare Supplement Plan, you will not be subject to a six-month waiting

period. All you need to do is complete and submit a Medical Plan New Enrollment/Change/Cancellation Form.

The form is available online in the Brochures & Forms section of lacera.com. It can also be obtained by calling Retiree Health Care at 1-800-786-6464, press 1.

Understanding Your LACERA-Administered Health Care Benefits: Eligibility of Adult Disabled Dependents

The LACERA-administered health care benefits program recognizes **disabled adult children** of LACERA members or their eligible domestic partners as **eligible dependents**, provided the disabled adult child meets **all** of the following requirements:

- Is incapable of self-support due to a physical or mental handicap.
- Became disabled before age 19 or between ages 19-23 while enrolled as a full-time student in an accredited educational institution.

- Is fully dependent on LACERA member or member's eligible domestic partner for financial support.
- Has been continuously covered by a County-sponsored plan, and/or proof the disabled child meets the other above conditions and has been continuously covered by any other group or individual medical insurance plan is provided.
- Medical evidence of total disability, subject to the conditions of both LACERA and your LACERA-

administered health care plan, is provided.

Enrollment and continuation of coverage requirements vary according to the LACERA-administered health care carrier. For a complete listing of each carrier's eligibility requirements and required documentation, **visit the Health Care section of lacera.com** or call Retiree Health Care at 1-800-786-6464, press 1.



FOR MORE INFORMATION ON ADULT DISABLED DEPENDENTS

Go to lacera.com, HEALTH CARE

Tax Consequences: Health Care Coverage for Domestic Partners

The federal government does not recognize domestic partners or dependents of domestic partners as qualified tax dependents. Therefore, certain tax consequences may apply to a LACERA retiree who covers a domestic partner and/or the partner's eligible dependents on his or her LACERA-administered health plan.

Generally, for the purposes of calculating federal taxes, the IRS views the portion of the County contribution that applies to coverage for a domestic partner

and/or the partner's eligible dependents as income.* The IRS calls this *imputed* income.

Each year, LACERA members who cover a domestic partner and/or the partner's dependents on their LACERA-administered health plan will receive a special 1099-R form indicating the amount the County paid toward coverage for the domestic partner and/or the partner's dependents.

For information regarding tax implications for your personal situation, contact a professional advisor; LACERA does not provide tax or legal advice. For questions on



your retirement account, call 1-800-786-6464 to speak with a LACERA Retirement Benefits Specialist.

**Certain exceptions apply.*

STAYING HEALTHY TOGETHER

Vol. 2, Issue #4 • December 2008

Focus on Mental Fitness

Mental fitness was the focus in October at LACERA's Staying Healthy Together retiree workshops at the Torrance Cultural Arts Center and at Descanso Gardens in La Cañada. The half-day educational workshops discussed the interrelationship between mental and physical health and offered ways to promote mental fitness in daily life.

Attendees were treated to healthy snacks while representatives from LACERA-administered health plans gave presentations on mental fitness topics:

Mental Health: *sponsored by Caremark, presented by AccordantCare.*

This seminar covered the basics of mental health and presented daily techniques individuals can use to manage anxiety and combat depression.

Managing Stress: *presented by Anthem Blue Cross.*

In this exploration of the causes and effects of stress, attendees learned the impact stress can have on physical, as well as mental health. Tips for conquering stress and avoiding its effects were also presented.

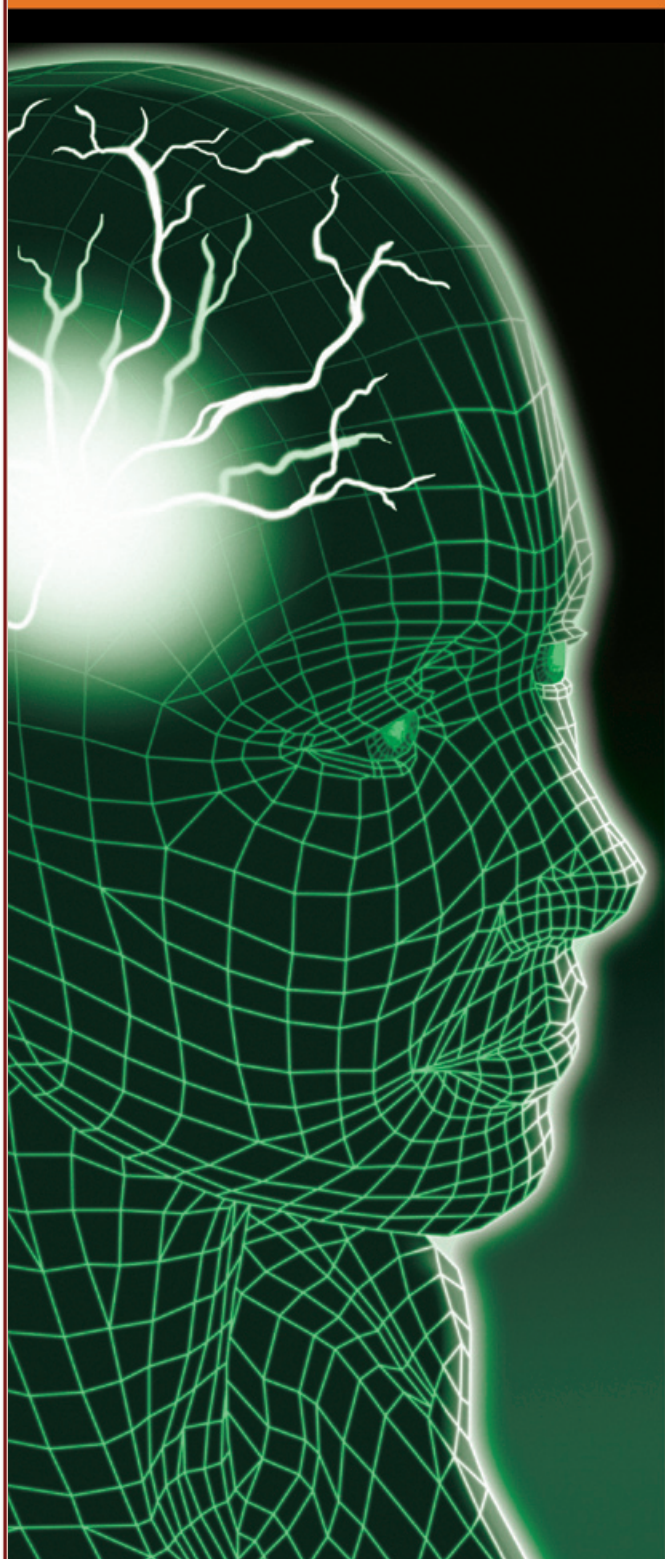
Learning New Things: *presented by CIGNA.*

The importance of keeping the brain stimulated by learning new information and skills was discussed. Attendees were encouraged to let go of old patterns, rigid thinking, and other obstacles that can interfere with one's ability to embrace new experiences.

Boost Your Mood: *presented by Kaiser Permanente.*

Myths and misconceptions about depression, along with tips for improving your daily mood were presented. Factors, such as a healthy diet and exercise, that contribute to strong mental health and help elevate one's mood were identified and discussed.

Representatives from all LACERA-administered health plans were on hand throughout the half-day events to provide information, answer questions, and hand out some fun giveaways.



Mental Fitness: Tips for Managing Stress During a Down Economy

Are you stressed over the state of the economy? You're not alone; 80 percent of those surveyed by the American Psychological Association (APA) in September cited the economy as a significant source of stress. The question is: *what can you do to manage your stress?* Start by resisting the temptation to panic; both psychologists and investment professionals advise against

panicking. **Take comfort in these two important facts: LACERA will continue to pay your promised retirement benefits, regardless of the state of the economy, and the U.S. has experienced recessions and other economic downturns before.**

Experts such as Katherine Nordal, a psychologist and APA Executive Director for Professional Practice,

recommend you monitor your stress level and seek support when you're feeling overwhelmed. Don't hesitate to reach out to family, friends, and trusted advisors; receiving support from others has shown to be effective in managing stress.

Here are some other dos and don'ts for managing stress during this tough economy:

DO

- ✓ Remain calm and stay focused.
- ✓ Make a plan. Determine what if any action is required; decide whether to consult a financial advisor, cut back or delay certain purchases, do nothing at this time, etc.
- ✓ Concentrate on things you can control. You can't control the stock market or rising prices, but you can control your bank account and how you spend your money.
- ✓ Stay healthy. Get enough sleep, eat healthy, exercise, and allow for personal time. Physical and/or emotional exhaustion diminishes your ability to handle stress and anxiety.
- ✓ Talk to someone. If you're feeling overwhelmed, talk to a professional financial advisor and/or a therapist.

DON'T

- ✗ Overreact or become passive.
- ✗ Make a financial decision in the heat of the moment or during an emotionally charged period.
- ✗ Check online finances every hour.
- ✗ Worry about things that aren't at risk, such as bank deposits insured by the Federal Deposit Insurance Corporation (FDIC).
- ✗ Watch TV news for hours on end, only to see the same information over and over.
- ✗ Turn to unhealthy activities such as smoking, drinking, gambling, or emotional eating.

Source: webmd.com, apahelpcenter.org, adaa.org

Thoughts from Workshop Attendees:

"I've enjoyed the previous workshops on physical health, but most of us talk to our doctors about that stuff anyway. This is an important topic that doesn't get much attention." — Dennis

"It's encouraging to know that you can improve yourself if you just take little steps and keep at it." — Gabriele and Bob

"It was the truth and that's what people need. We have to laugh and we have to turn our stress into laughter." — Hilda

"I like the thought about how mental health and physical health are interrelated, especially as I'm getting older and my body is beginning to ache." — Dale



Remember, It's Called Staying Healthy Together!

Make sure you take advantage of everything this health improvement program provides; read the *Spotlight*, check out Staying Healthy Together on lacera.com, and attend the free workshops!

Add your voice to Staying Healthy Together — complete the online survey! A link to the survey is on the home page of lacera.com. **Your opinion counts!**

2009 Seminar Schedule:

LACERA-Sponsored Long-Term Care Plan Underwritten by MetLife

Seminars will be held on the second Wednesday of each month at 10:30 a.m. in LACERA's first floor Workshop Room. LACERA is located in Gateway Plaza at 300 N. Lake Avenue, Pasadena, CA 91101.

To make a reservation, call 1-800-207-9883.

January 14, 2009

February 11, 2009

March 11, 2009

April 8, 2009

May 13, 2009

June 10, 2009

July 8, 2009

August 12, 2009

September 9, 2009

October 14, 2009

November 18, 2009

December 9, 2009

**Legislative Updates
cont'd from page 3**

Because the change in plan design is prospective only, it does not affect parties who may have fallen under the previous model.

AB 2754 – MRSA SKIN

INFECTIONS – Existing law provides certain safety members—firefighters, county probation officers, or members in active law enforcement—with a rebuttable presumption that a disability retirement is service-connected if the disability is due to development of a blood borne infectious disease. To obtain this presumption, the member was required to have at least five years of service.

The blood borne infectious disease presumption extended for three **calendar months for each full year of service, not to exceed 60 months, commencing with the last day actually worked in the specified capacity.**

AB 2754 eliminates the requirement for five years of service, and provides a similar presumption for disabilities arising from a methicillin-resistant *Staphylococcus aureus* (MRSA) skin infection, but limits the extension to 90 days following the last day worked in the specified position.

AB 3044 – TECHNICAL CLEAN

UP – Assembly Bill 3044 was a SACRS-sponsored bill relating to technical clean-up of the County Employees Retirement Law. The bill codified LACERA's existing

practice of making payment to an ex-spouse's estate if there was no designated beneficiary of the ex-spouse. AB 3044 also clarified that reciprocal time can be counted for purposes of canceling contributions after 30 years of service for LACERA safety members. The bill made other minor technical corrections.

**SB 579 – FIREFIGHTER
REINSTATEMENT** – SB 579

was urgency legislation brought about by the recent elimination of mandatory retirement for Los Angeles County Sheriffs and Firefighters (SB 134 – 2007), when a County physician certifies the safety member is capable of performing his or her duties pursuant to standards set forth by the County. Earlier legislation allowed for reinstatement of Sheriffs who were subject to mandatory retirement, but not for reinstatement of Firefighters under the same circumstances. SB 579 corrects this situation and allows for the reinstatement of Firefighters. In addition, SB 579 repeals mandatory retirement for the Los Angeles County Fire Chief and allows the Board of Supervisors to restrict reinstatements to firefighters who retired due to age after March 31, 2007. (This has been adopted by the Board of Supervisors to be effective June 2, 2008.)

**SB 1123 – PEPEBC
RECOMMENDATIONS** – Similar to AB 1844, this bill addresses

recommendations made by the Public Employee Post-Employment Benefits Commission (PEPEBC). SB 1123 implements recommendations relating to better public disclosure and independent analysis.

This bill provides for a two-week public notice requirement prior to adoption of any proposed change in Other Post-Employment Benefits (OPEB) such as retiree health care. If the costs of the proposed benefit change would exceed a specified amount, an actuary must be present at the public meeting to provide information when the change is adopted. In addition, any retirement or OPEB change cannot be buried into the vote of a consent calendar and the CEO of the entity providing the benefit (the CEO of Los Angeles County in the case of retiree health care) must acknowledge in writing that he or she understands the current and future costs of the benefit as determined by the actuary. The hiring of an actuary would not be required under circumstances of certain federal government mandates or limited increases in insurance premiums.

SB 1123 also creates the California Actuarial Advisory Panel (CAAP). CAAP is established to provide impartial and independent information on pensions, OPEB, and best practices and will have eight appointed members. The opinions of CAAP are nonbinding and advisory only.

Adjust Your Withholding Tax Election Anytime

You are permitted to adjust your federal or state withholding tax election as often as you wish. If you prefer, you may opt not to have any withholding tax deducted from your retirement allowance.

Changes you elect will take effect by the first of the month that is at least 30 days after LACERA receives your completed W-4P/DE-4P form. Tax forms are available on the Brochures & Forms page of lacera.com.

Reminders of your option to change your withholding election will appear annually in this newsletter, in your Annual Benefit Statement,

CHANGE YOUR WITHHOLDING TAX

Use Form
W-4P/DE-4P

lacera.com

Brochures &
Forms Page



and on your retirement allowance check stub or ADR.

In the Works: Online Tax Election

We are currently working on adding a feature to My LACERA that will allow registered users to make their withholding tax elections online. This is another great reason to register on My LACERA, if you haven't already done so.

For questions regarding legal or tax matters, consult with a professional advisor; LACERA does not offer legal or tax advice. For questions regarding your retirement account, call 1-800-786-6464 to speak with a LACERA Retirement Benefits Specialist.

PUBLIC SERVICE ANNOUNCEMENT

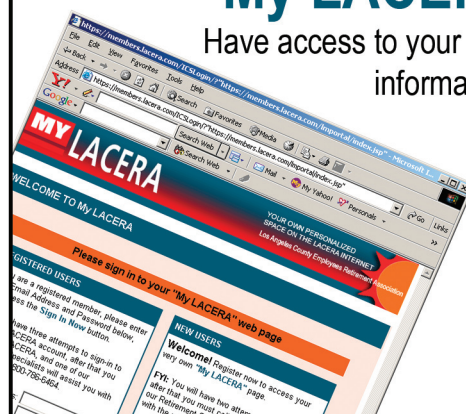
LACMA Seeks Volunteer Docents

Are you interested in learning about art, working with students, and facilitating a positive experience for museum visitors? The Los Angeles County Museum of Art (LACMA) Docent Council is seeking volunteers with those interests to lead tours of the museum's diverse collections. An art background is not required. Email your request for application information to admissions@lacmadocent.org or call (323) 857-6119.

MY LACERA on www.lacera.com

My LACERA

Have access to your personal retirement information online, 24/7



Look for the link on the home page.

Quote:

“Laughter is the shortest distance between two people.”

– Victor Borge



Looking Inside LACERA
cont'd from page 4

Some LACERA divisions have been profiled in previous issues of *Spotlight*; issues containing those articles are available online in the Communications section of lacera.com.

LACERA is governed by two nine-member Boards: the Board of Retirement is responsible for

the overall management of the retirement system; the Board of Investments is responsible for establishing LACERA's investment policy and objectives, exercising authority and control over the investment management of the fund, adopting funding policies, and establishing employer and

employee contribution rates. The day-to-day management and operation of LACERA is delegated to our Chief Executive Officer, Gregg Rademacher.

To find out more about LACERA, visit the About LACERA section of lacera.com.

From the Executive Desk
cont'd from page 2

More about Technology: As I mentioned, technology plays a key role in many of the services we provide. This year we upgraded our system and enhanced our tax-calculating ability. To further safeguard member data stored online, our Systems Division added Safe2Login, an additional security enhancement for users of My LACERA.

Retiree Health Care: Our **Staying Healthy Together: Focus on Wellness** program continues to grow. This multimedia program uses a three-pronged approach to disseminating valuable health information to retirees. The program format includes a regular Staying Healthy Together section in each issue of the *Spotlight* and in the Health Care section of lacera.com, plus a series of free half-day workshops at various County locations.

Financial Strength: No discussion of 2008 would be complete without acknowledging the state of the economy. As news of the investment market dominated the headlines during the latter portion of the

year, LACERA members became concerned about the financial health of the retirement fund.

Despite market volatility, LACERA remains financially strong.

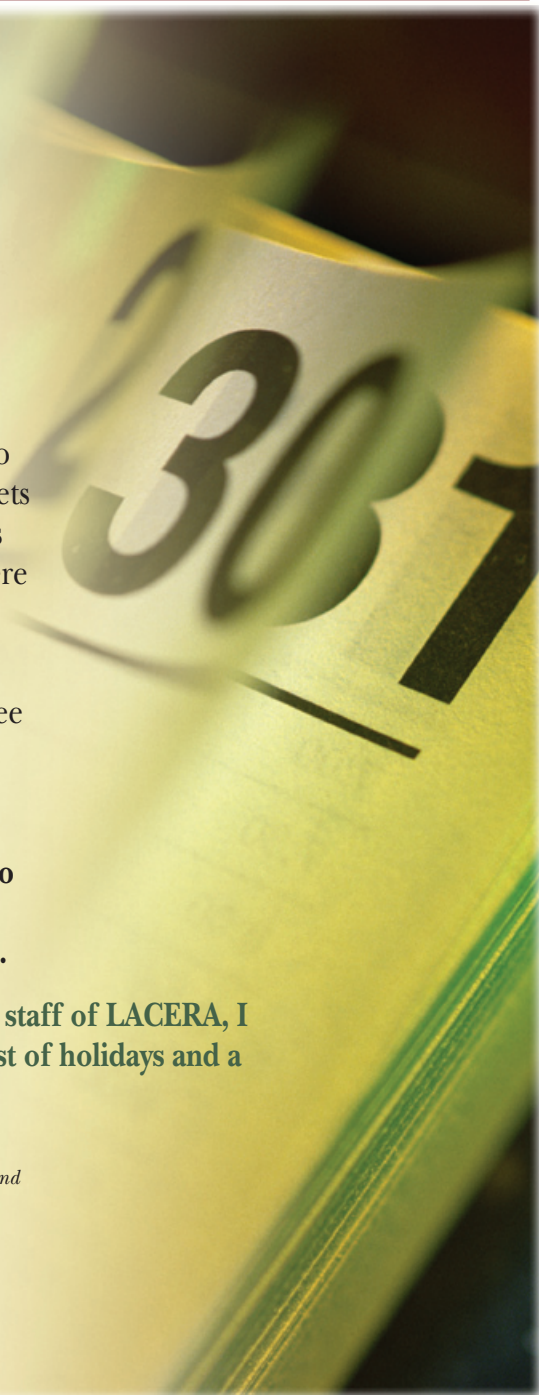
The fund is positioned to withstand the current financial downturn. As a long-term investor, we have structured our investment portfolio to take full advantage of bull markets where we have outstanding returns and to withstand bear markets where we experience negative returns.*

All LACERA retirement plans are defined benefit plans that guarantee you a specified monthly benefit for the rest of your life, without regard to the prevailing economic climate.** **LACERA will continue to produce, protect, and provide the promised benefits to our members.**

On behalf of the management and staff of LACERA, I wish you the happiest and healthiest of holidays and a wonderful 2009!

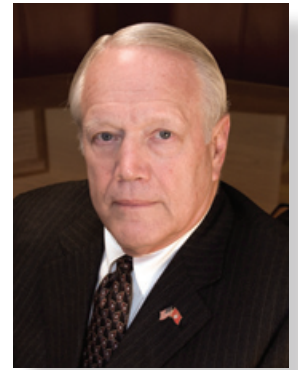
*More information on LACERA's Investment Policy and portfolio is available online in the LACERA In The News section of lacera.com.

**Retirement eligibility rules apply.



Edward Blecksmith Joins Board of Retirement

Edward L. Blecksmith has been appointed by the Board of Supervisors to a two-year term on LACERA's Board of Retirement. Blecksmith is a California native with a broad background in government, business, and athletics.



He was a member of the University of Southern California's 1962 national championship football team and was later drafted by the Los Angeles Rams. Another draft, however, took precedence at that time; Blecksmith joined the Marines in 1966. He went on to become a Platoon Commander in Vietnam and receive two purple hearts. After his release from active duty he returned to USC to earn an MBA. In 1971 he joined the White House staff, serving as Staff Assistant to the Director of Communications for the Executive Branch of the Nixon Administration. Before returning to California in 1993, he also spent time in the Commerce Department and as the Director of Communications for the President's Commission on Olympic Sports.

After leaving government service, he entered the management consulting industry where he held various management and partner positions.

LACERA welcomes Edward Blecksmith to the Board of Retirement.

Your 2008 1099-R Is Coming Soon

In compliance with Internal Revenue Service (IRS) regulations, LACERA will mail all retirees a Form 1099-R by the end of January. The IRS requires LACERA to report retirement fund distributions made to you during the year on Form 1099-R.

Holiday Word Search

Here's a chance to stimulate your brain, enhance your mental fitness, and get in the holiday spirit! Find the hidden words; answers appear horizontally, vertically, diagonally and read in any direction.

RESOLUTION	S	O	T	N	F	T	M	P	O	Y	B
BENEFITS	N	R	N	R	M	A	E	A	R	A	E
RETIREMENT	O	E	E	E	M	R	M	T	I	S	N
SPOTLIGHT	W	T	M	E	L	E	B	I	H	L	E
LACERA	M	A	E	U	E	C	E	R	L	H	F
HOLIDAY	A	R	R	T	U	A	R	A	U	Y	I
DECORATE	N	O	I	T	U	L	O	S	E	R	T
HEALTHY	T	C	T	H	G	I	L	T	O	P	S
FAMILY	R	E	E	T	N	U	L	O	V	L	S
VOLUNTEER	I	D	R	H	O	L	I	D	A	Y	R
MEMBER	H	E	A	L	T	H	Y	A	L	O	C
SNOWMAN											
COLA											

Visit the Staying Healthy Together section of lacera.com to view the word search answers.

STAR COLA Approved for 2009

On October 9, 2008 the Board of Retirement voted unanimously to approve funding for 2009 STAR COLA benefits for eligible retirees. The Supplemental Targeted Adjustment for Retirees (STAR) Program is designed to ease the effects of inflation for a retiree whose retirement allowance has lost more than 20 percent of its purchasing power since retirement. Therefore, only a small number of retirees are eligible to receive the 2009 STAR COLA.

The chart below shows eligible retirees based on plan and retirement date:

Plan	Retirement Date	Percentage Increase
A	On or before 3/31/1981	1.2%
B, C, D	4/1/1977 through 3/31/1988	2.2%
B, C, D	4/1/1988 through 3/31/1989	0.6%



**FOR MORE INFORMATION
ON STAR COLA**
Go to lacera.com, BENEFITS

NOTE: Plan E members are not eligible for the STAR Program.

Eligible retirees will see the increase reflected on their January 31, 2009 checks. The 2009 STAR COLA is a permanent increase, which means this increase becomes part of the retiree's allowance for life. As such, this increase is included in the base allowance used to calculate future April 1st cost-of-living adjustments (COLA).

Each year, the Board of Retirement determines whether a STAR benefit is due to any LACERA retirees based on inflation experienced over their retirement years. Inflation is measured by increases in the Los Angeles-Riverside-Orange County, California Consumer Price Index (CPI). The Board also determines whether the benefit should be an ad-hoc benefit (paid for one year only) or a permanent benefit (added to the base retirement allowance for the member's life). The total projected cost of the permanent 2009 STAR Program is approximately \$15.1 million.



Answers to the “Refine Your Mind” Crossword Puzzle

Here are the answers to the crossword puzzle that appeared in the September issue of *Spotlight*.

Lack of Sleep Could Compromise Your Health

The lack of a good night’s sleep can leave you with more than a bad disposition. According to research at Northwestern University Feinberg School of Medicine, the absence of enough rest can negatively impact your immune system and make you more susceptible to colds, infections, and serious conditions such as diabetes.

Here are a few tips experts recommend to help improve your sleeping habits:

- Eliminate clutter from the bedroom
- Hang blackout shades
- Don’t allow pets in bed with you
- Set your thermostat between 60° F and 65° F

Research has also shown that getting more quality sleep will improve your ability to remember things and process information.

Source: www.prevention.com



Beans, Beans, Good for the Heart...

Leaving the rest of the childhood verse aside, beans are lean, loaded with protein, and contain substances that help keep your arteries clear. Yes, beans really are good for your heart!

Beans contain potent antioxidants called polyphenols that researchers believe may reduce the risk of heart disease. In a study conducted by the Agricultural Research Service, volunteers who ate a half cup of cooked dry pinto beans daily for 12 weeks experienced a drop in total and LDL (bad) cholesterol. (High cholesterol is one of the factors associated with cardiovascular disease.) Beans rated highest in antioxidants include red, kidney, pinto, and black. In addition, the fiber contained in beans has been shown to have a lowering effect on blood pressure. As if that weren’t enough, dried beans have also been shown to promote colon health. And... according to John La Puma, MD, author of *ChefMD’s Big Book of Culinary Medicine*, **bean eaters weigh as much as 6.6 pounds less on average than non-bean eaters!**

Source: USDA Agricultural Research Service, health.com, health.yahoo.com, realage.com



Helpful Tip: **Keep Your December Stub or ADR Handy**

It’s a good idea to hold on to your December check stub or Automatic Deposit Receipt (ADR) for recordkeeping purposes. Both the stub and the ADR list the total amount of your health care deductions for 2008. This will come in handy if you need that information before your 1099-R arrives.

Did You Know?

Defined Benefit (DB) Plans

Your retirement benefit amount is determined by your average final compensation, years of service, and age at retirement.

Defined Contribution (DC) Plans

The benefit amount is determined by investment performance and amount of contributions.



Want To Know More About LACERA's Fiscal Year? Read all about it in the 2008 PAFR.

The enclosed Popular Annual Financial Report (PAFR) summarizes LACERA's 2008 fiscal year financial and service achievements. If you'd like to see more, our full Comprehensive Annual Financial Report will be available for online viewing on lacera.com in January.

LACERA Wishes You Happy Holidays!

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



December 2008 Spotlight Highlights

- Looking Back at 2008
- Staying Healthy Together: Focus on Mental Fitness
- STAR COLA Approved for 2009
- Looking Inside LACERA
- Edward Blecksmith Joins BOR



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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.