



# Spotlight on retirement

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION • DECEMBER 2013 • VOL. 24, NO. 4

## LACERA Congratulates Returning Board Members Shawn Kehoe and William Pryor

Congratulations to Shawn R. Kehoe on his reelection to the LACERA Board of Retirement (BOR) and his election to the Board of Investments. Mr. Kehoe is a Sergeant in the Los Angeles County Sheriff's Department, assigned to the Contract Law Enforcement Bureau, where he is responsible for managing more than \$65,000,000 in Law Enforcement Services. For the past three years, Sgt. Kehoe has served as Alternate Member on the BOR, where he brought a special focus in public policy and retiree healthcare. Sgt. Kehoe holds a Master of Public Administration

from the University of Southern California and a bachelor's degree in Business Administration from Walden University.

LACERA also congratulates William R. Pryor on his election to the office of Alternate Member on the BOR. A Captain in the Los Angeles County Fire Department, Mr. Pryor has been sharing his insight and experience with LACERA since his first election to the BOR in 2000. His prior Board experience includes service as the Chair of the Board of Investments and Vice Chair of the BOR.

An active voice in the pension community, he is a member of the Executive Board of the National Conference of Public Employee Retirement Systems (NCPERS) and has testified before state and federal committees in defense of defined benefit pension plans. Captain Pryor is Director of the Los Angeles County Firefighters Local 1014.

Both Sgt. Kehoe and Captain Pryor were elected by Safety Members to serve three-year terms commencing January 1, 2014.

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### Upcoming Holidays

LACERA will be closed on:

- Wednesday, December 25, for Christmas Day
- Wednesday, January 1, for New Year's Day
- Monday, January 20, for the Birthday of Martin Luther King, Jr.
- Monday, February 17, for President's Day



Sorry We're  
**CLOSED**

**Los Angeles County Employees Retirement Association**

**Members of the Board of Retirement:**

**YVES CHERY**

Chair  
Elected by General Members

**MARK J. SALADINO**

Vice Chair  
County Treasurer & Tax Collector  
Ex-Officio Member

**WILLIAM DE LA GARZA**

Secretary  
Elected by Retired Members

**MARVIN ADAMS**

Appointed by the Board of Supervisors

**SADONYA ANTEBI**

Appointed by the Board of Supervisors

**ALAN J. BERNSTEIN**

Appointed by the Board of Supervisors

**VIVIAN GRAY**

Elected by General Members

**SHAWN R. KEHOE**

Alternate Member  
Elected by Safety Members

**EDWARD "ED" C. MORRIS**

Alternate Member  
Elected by Retired Members

**RONALD A. OKUM**

Appointed by the Board of Supervisors

**WILLIAM R. PRYOR**

Elected by Safety Members

**Members of the Board of Investments:**

**HERMAN SANTOS**

Chair  
Elected by General Members

**LEONARD UNGER**

Vice Chair  
Appointed by the Board of Supervisors

**DIANE A. SANDOVAL**

Secretary  
Elected by Retired Members

**MARK J. SALADINO**

County Treasurer & Tax Collector  
Ex-Officio Member

**JOHN M. BARGER**

Appointed by the Board of Supervisors

**DAVID GREEN**

Elected by General Members

**WILLIAM R. PRYOR**

Elected by Safety Members

**MICHAEL S. SCHNEIDER**

Appointed by the Board of Supervisors

**CAROLYN WIDENER**

Appointed by the Board of Supervisors

Chief Executive Officer

**GREGG RADEMACHER**

Assistant Executive Officer

**ROBERT HILL**

Assistant Executive Officer

**JJ Popowich**

From the **Executive Desk**

Gregg Rademacher – CEO, LACERA



# 2013 Was a Busy Year

No less a sage than Dr. Seuss once asked, "How did it get so late so soon?" As I look at the calendar, I'm inclined to wonder the same thing. How is it that 2013 is nearly history? For us at LACERA, 2013 has been a busy year and a year of transition and implementation. As the end of the year approaches, this seems like a good time to reflect on the events that impacted us and the achievements we made.

## PEPRA

The Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect on January 1, brought new regulations for all public retirement systems in California, including LACERA. Although most PEPRA regulations apply to those with LACERA membership dates of January 2013 or later, a few PEPRA rules affect all members, regardless of membership date.

One of those rules prohibits purchases of Additional Retirement Credit (ARC) as of January 1, 2013. As I mentioned in previous columns, this precipitated quite a frenzy of ARC applications in the last quarter of 2012. Many thousands of members submitted ARC applications to us by the PEPRA-imposed deadline of December 31, 2012. PEPRA allows us to process any application received by that date, and due to the tremendous volume, processing of thousands of these requests carried over to this year. In 2013, we processed 7,800 ARC requests! Of those, 4,574 eventually became signed ARC purchase contracts.

## Many Members Utilized Online Calculator

The ARC frenzy underscored the value of our online self-service tools. Large numbers of members utilized the ARC Calculator on My LACERA to create their own ARC estimates and decide whether they wanted to pursue a purchase before they contacted us. Without that calculator, I suspect we would have processed thousands more ARC inquiries.

*The total Fund returned a healthy 12.1 percent.*

## Two New Retirement Plans

In January of this year, the Board of Supervisors created two new retirement plans for individuals with 2013 (or later) LACERA membership dates: General Plan G and Safety Plan C. To comply with PEPRA's 50/50 cost-sharing requirement, these plans are structured to ensure the member and the employer evenly split the cost of funding the benefits accrued in the current year. Unlike our previous retirement plans, in which member contributions are based on LACERA entry age, Plan G and Safety Plan C feature member contributions based on flat-rate percentages.

The full implementation of these new plans requires the expertise, collaboration, and dedication of hundreds of LACERA staff members in a variety of professional disciplines. Our Legal Office provided (and is still providing) statute interpretations; our computer analysts programmed new benefit formulas and contribution

## From the Executive Desk cont'd from pg. 2

rates into our systems; our Retirement Benefits Specialists underwent training on PEPRA and the new plans to ensure they had the knowledge necessary to provide accurate answers to member questions; our Communications team created new Plan Books and corresponding web content explaining the elements and eligibility requirements of the new plans, and our Claims Processing staff processed more than 3,000 Sworn Statements and enrolled 60 new members in Safety Plan C and 2,600 new members in Plan G.\* And, all this happened in addition to business as usual. Did I mention it was a busy year? I commend the dedication, diligence, and patience of the entire LACERA staff and the guidance of our boards over the past year.

### Online Appointment and Workshop Reservation System

In February this year, to further enhance our member services, we launched the Appointment and Workshop Reservation System on [lacera.com](http://lacera.com). The online system enables members to visit our website at their convenience to schedule a

private consultation with a LACERA Retirement Benefits Specialist in our Member Service Center or reserve a seat for a Pre-Retirement Workshop. When a visit is scheduled, the system automatically emails a confirmation to the member's email address on file. Traffic on the Appointment and Workshop Reservation System has been growing steadily since it was introduced in February. As I write this, online appointments for one-on-one consultations with a LACERA Retirement Benefits Specialist in the Member Service Center are booked almost two months ahead.

### New Plan Books for Pre-2013 Plans

This year, we also updated the Plan Books for Plans A, B, C, D, E and Safety Plans A, B to include the PEPRA regulations that apply to all members, as well as the rules and/or conditions that changed since the last printing. The new books are available in several formats. Hard copies were printed in August and may be ordered on the Brochures & Forms page of [lacera.com](http://lacera.com) or by calling 800-786-6464. A PDF of each Plan Book is also available for viewing, downloading, or printing on the Brochures & Forms page. In

addition, the full version of each book, along with any post-printing updates, appears electronically in the Plan Book Section on [lacera.com](http://lacera.com).

### Fund Generates 12.1 Percent for Fiscal Year 2012-2013

As you know, LACERA invests and manages the retirement fund (Fund) of the employees of Los Angeles County and outside districts. For the fiscal year ended June 30, 2013, the total Fund generated a healthy 12.1 percent (gross of fees). To find out more about the Fund and the state of LACERA, I encourage you to read LACERA's 2012-2013 Popular Annual Financial Report (PAFR), included with this newsletter.

### Happy Holidays

As we conclude our 75th anniversary year, I can assure you LACERA is well-positioned to produce, protect, and provide the promised benefits for the next 75 years and beyond.

On behalf of LACERA's boards, management, and staff, I wish you all a joyous holiday season and a healthy new year.



*\*As of September 30, 2013.*

## Recent IRS Ruling on Same-Sex Marriage

## FAQs

- Q: I understand the IRS and Treasury Department recently announced married same-sex couples will be treated as married for federal tax purposes. Does this ruling also apply to domestic partners?**

**A:** No. The federal government and its agencies do not recognize domestic partners.
- Q: My same-sex partner and I became registered domestic partners several years before I retired and now we plan to marry. Will my LACERA benefits be affected if my partner and I terminate our domestic partnership and then marry each other?**

**A:** Yes, if you elected either the Unmodified or Unmodified+Plus Retirement Option when you retired. To qualify for continuing benefits upon your death under either of those Options, your spouse must have been married to you or in a registered domestic partnership with you at **least one year prior to your retirement date**. If you terminate your domestic partnership prior to marriage, LACERA will apply the date of your marriage to determine spousal eligibility; your domestic partnership will not be considered. In such case, upon termination

# LACERA Welcomes Newly Appointed Board Member

We congratulate Ronald A. Okum on his appointment to the Board of Retirement by the Board of Supervisors on July 16, 2013. He is serving the remainder of the term vacated by John M. Barger, which expires December 31, 2014.

Mr. Okum joins the Board of Retirement with an established career in finance, including more

than 30 years' experience as a life underwriter, a keynote speaker for insurance professionals and executives, and an investment counselor. His long-standing commitment to his local community began with an earlier career as a high school science teacher. Mr. Okum has also served as president of the Pasadena

Tournament of Roses Association, sponsored the Ron and Nan Okum Biology Scholarship at California State University, Los Angeles; and served on the Loyola Marymount University Board of Regents.

He has been married for 49 years, with two daughters and six grandchildren.

## No Retirees Qualify for 2014 STAR COLA Benefits

On September 12, 2013, the Board of Retirement determined that no current retirees or beneficiaries are entitled to additional benefits under the STAR 2014 Program Year.

The Supplemental Targeted Adjustment for Retirees (STAR) is a cost-of-living adjustment program developed to ease the impact of inflation for retirees whose retirement allowance has lost more than 20 percent of its purchasing power since retirement.

Every year, in accordance with the law, the Board of Retirement determines, based on inflation over the course of a LACERA retiree's retirement years, whether a STAR

benefit is due. Inflation is measured by increases in the Los Angeles-Riverside-Orange County, California Consumer Price Index (CPI) over the prior year.

In years in which the change in CPI is greater than the maximum allowable cost-of-living (COLA) percentage increase (3 percent for Plan A and 2 percent for Plans B, C, D, and E), the excess percentage is accumulated annually; this is called the COLA Accumulation.\*

Since the 2.0 percent 2012 COLA adjustment approved by the Board of Retirement does not exceed the maximum allowable cost-of-living percentage increase permitted under

any LACERA retirement plan, no additions were made to COLA Accumulations for 2013.

**At this time, all retirees (and eligible survivors) in Plans A, B, C, and D have COLA Accumulation accounts below the 20 percent threshold for providing additional STAR benefits.** To see the COLA Accumulation chart, visit the Retired Member section of lacera.com.

**Benefits to existing STAR participants are not affected and will continue unchanged.**

*\*Plan E members are not eligible for STAR COLA benefits.*

### Payday Calendar

#### REMINDER:

Your monthly retirement allowance check is payable the last business day of the month.

December 2013	January 2014	February 2014
M: December 30	M: January 30	M: February 27
DD: December 31	DD: January 31	DD: February 28

M = Mailing Date DD = Direct Deposit Date

LACERA's boards, staff, and management wish you warmth, comfort, and good cheer, now and throughout the coming year.



# Same-Sex Marriage and Your LACERA Benefits

In light of the June 26, 2013 Supreme Court Decision on the Defense of Marriage Act (DOMA), the U.S. Department of the Treasury and the Internal Revenue Service (IRS) have ruled legally married same-sex couples will be treated as married for federal tax purposes. The ruling does not apply to registered domestic partners.

On August 29, 2013, the IRS announced same-sex couples lawfully married in jurisdictions that recognize their marriages will be treated as married for federal tax purposes. The ruling applies regardless of whether the couple lives in a jurisdiction that recognizes same-sex marriage or a jurisdiction that does not recognize same-sex marriage.

Under this ruling, same-sex couples will be treated as married for all federal tax purposes where marriage is a factor, including income tax and gift and estate taxes.

## If Domestic Partners Marry

California law permits registered

domestic partners to marry each other without dissolving the domestic partnership. **In such cases, the LACERA benefits of the couple are not impacted.**

However, dissolving a same-sex domestic partnership prior to the partners marrying each other may jeopardize the non-LACERA member's future eligibility for continuing benefits.

## Potential Impact on LACERA Benefits

Under the County Employees Retirement Law of 1937 (CERL), to qualify as a surviving spouse of a retired member and receive continuing benefits under the Unmodified or Unmodified+Plus Retirement Option, a spouse must have been married to the member at least one year prior to the date of the member's retirement. In 2003, the County Board of Supervisors adopted a resolution extending the same survivor benefits and eligibility rules to Registered Domestic Partners.

As a result, LACERA applies the date of the Registered Domestic Partnership when determining a domestic partner's eligibility for continuing benefits. **However, if a LACERA retiree in a same-sex Registered Domestic Partnership dissolves his or her partnership prior to marrying the same partner, the continuity of the lawfully recognized relationship is broken.** In such cases, if the couple subsequently marries each other, LACERA will apply the date of the marriage when determining spousal eligibility for continuing benefits; the date of the Registered Domestic Partnership will not be considered. In such a case, since the member's marriage did not occur one year prior to his or her service retirement date, the spouse will not qualify for surviving spouse continuing benefits from LACERA upon the member's death.\*

*\*In a service-connected disability retirement, the one-year requirement does not apply. The marriage or registration of California domestic partnership need only have occurred prior to the member's retirement date.*

cont'd on pg. 9

## Retiree Terminates Same-Sex Partnership Prior to Marriage: Effect on LACERA Benefits

Retirement Option	Effect on Benefits	Reason
Unmodified or Unmodified+Plus	Same-sex partner <b>ineligible</b> for continuing benefits upon member's death	Terminating same-sex partnership breaks continuity of lawfully recognized relationship; survivor does not meet requirement for registered domestic partnership or marriage one year prior to member's retirement. Subsequent marriage is not considered.
Option 1	No effect	No continuing benefits under this Option; lump-sum payment only.
Option 2, 3, or 4	No effect	No requirement for marriage or domestic partnership.

## FAQs: Recent IRS Ruling on Same-Sex Marriage

cont'd from pg. 3

of your same-sex domestic partnership, your same-sex partner (and intended spouse) would become ineligible for continuing benefits upon your death. *If you marry your registered same-sex domestic partner **before** you terminate your domestic partnership, your LACERA benefits are not jeopardized.*

**3. Q: I'm in a registered same-sex domestic partnership and contemplating marriage. I'm just not clear on if or how the latest IRS and Treasury ruling could affect my LACERA benefits. How should I proceed?**

**A:** Call 800-786-6464; one of our Retirement Benefits Specialists will be happy to answer your questions.

800-786-6464

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# STAYING HEALTHY TOGETHER

Vol. 7, Issue #4 • December 2013

## Eat Well and Be Merry — Nutritious Choices for the Holidays

*This material is presented for informational purposes. For nutritional and medical advice regarding your personal situation, consult with a health professional. LACERA does not offer medical and/or other health advice.*

The holiday season with all of its edible treats and temptations can seem challenging if you are making an effort to eat well. However, holiday food doesn't necessarily have to be unhealthy and just being mindful of the choices you make — both when cooking at home and eating out — can help you stay on track with your healthy diet.

Simply substituting an ingredient or two, when preparing holiday meals, can improve the nutritional value of many dishes and have a positive, long-term impact on your overall health. Try these nutritious substitutions:

- **Sweet vs. white potatoes:** Sweet potatoes have a lower glycemic index; they have only a limited effect on your blood sugar level. They also contain beta-carotene and Vitamin A.
- **Olive oil vs. butter:** Unlike butter, olive oil contains monounsaturated fat, which lowers "bad" cholesterol and reduces the risk of heart disease.

You can also make smart choices when it comes to snacks and sweets. Fruits and vegetables are clear nutritious winners, but you don't have to deny yourself every sweet or salty treat on the holiday table — be selective instead.

For example:

- **Dark vs. white chocolate:** Evidence shows that dark chocolate fights high blood pressure and may help remove fatty deposits from arteries. It's also absorbed into the bloodstream more slowly than white chocolate, which makes you feel full and satisfied more quickly.
- **Nuts vs. crackers:** Nuts lower your chance of having a heart attack and reduce "bad" cholesterol. They are high in calories, though, so enjoy them in small amounts.
- **Pumpkin pie vs. pecan pie:** One piece of pumpkin pie has nearly half the fat and calories of one piece of pecan pie. Pumpkin pie also contains less sugar.

In addition to making smart food choices, you can help maintain your healthy diet over the holidays by eating in moderation. Often, having just a small taste of one of your favorite holiday treats can be enough to satisfy a sweet craving. Your healthy holiday eating habits could also pay off in January when you might be able to skip the usual weight-loss resolutions! How satisfying would that be?

One more tip for staying fit over the holidays is to keep moving. For example, take the stairs instead of the elevator, give your house a thorough pre-holiday cleaning, and do your holiday shopping in person rather than online. Every little bit helps, and exercise combined with good eating habits will help you stay healthy through the holidays and beyond.

**Have a healthy and nutritious 2014!**



**STAYING  
HEALTHY  
TOGETHER**



# November Staying Healthy Together Workshops Focused on Exercise and Nutrition

If you attended the LACERA Fall Workshop in mid-November, we hope you picked up some useful information about healthy aging through exercise and nutrition. A few of the healthy eating topics that were discussed at the workshop are

discussed in this *Spotlight*. In March, we'll focus on exercise.

When it comes to eating well, remember, the more colorful your plate is, the better the food generally is for you. For a balanced,

nutritious meal, load your plate with vegetables and grains, and add smaller portions of protein, fruit and dairy. Apply this simple, colorful diet rule to holiday meals as well and you'll make it through this year's festivities in healthy style!

## Healthful Winter Recipes



Thinking about what to cook for dinner? Before you set the table, consider what you're putting on your plate.

### How much do you need a day?

Getting the recommended servings of each of the four food groups is essential for your overall health.

Every day, aim to eat:

- 2-3 servings of calcium-rich dairy
- 2-4 servings of fiber-rich fruit
- 3-5 servings of vegetables
- 2-3 servings of lean protein (nuts, eggs, beans, and meat)
- 6-11 servings of whole grains (rice, bread, pasta, and cereal)

For a healthier take on holiday cooking, why not give these recipes a try? They taste great but also provide more of the good stuff your body needs.

### Apple Salad with Figs and Almonds

Serves 6

Calories per serving: 89 calories •  
Fat per serving: 1 gram  
(Source: mayoclinic.com)

Figs are a good source of iron, calcium and phosphorus. You can eat figs raw, with or without their peel, or use them in baked goods.

### Ingredients

- 2 large red apples, cored and diced
- 6 dried figs, chopped
- 2 ribs of celery, diced
- 1/2 cup fat-free lemon yogurt
- 2 tablespoons slivered almonds
- 2 carrots, peeled and grated

### Directions

In a small bowl, combine apples, figs and celery. Add yogurt and mix thoroughly. Top with almonds and grated carrots. Serve.

### Low-Fat Eggnog

Serves 6

Calories per serving: 90 calories •  
Fat per serving: 2 grams  
(Source: foodnetwork.com)

### Ingredients

- 2 cups nonfat milk
- 2 large strips orange and/or lemon zest
- 1 vanilla bean

- 2 large eggs plus 1 egg yolk
- 1/3 cup sugar
- 1 teaspoon cornstarch
- Freshly grated nutmeg, for garnish

### Directions

Combine 1-1/2 cups milk and the citrus zest in a medium saucepan. Split the vanilla bean lengthwise and scrape out the seeds; add the seeds and pod to the saucepan and bring to a simmer over medium heat. Meanwhile, whisk the eggs, egg yolk, sugar and cornstarch in a medium bowl until light yellow.

Gradually pour the hot milk mixture into the egg mixture, whisking constantly, then pour back into the pan. Place over medium heat and stir constantly with a wooden spoon in a figure-eight motion until the eggnog begins to thicken, about 8 minutes. Remove from the heat and immediately stir in the remaining 1/2 cup milk to stop the cooking. Transfer the eggnog to a large bowl and place over a larger bowl of ice to cool, then chill until ready to serve. Remove the zest and vanilla

## Healthful Winter Recipes cont'd from pg.7

pod and garnish with nutmeg.  
(Spike the eggnog with liquor, if desired.)

### Stuffed Peppers

Serves 4

Calories per serving: 252 calories •

Fat per serving: 1.5 grams

(Source: heart.org)

#### Ingredients

- 4 bell peppers (any color)
- 3/4 pound lean ground turkey
- 1/2 medium onion, chopped
- 1/2 cup uncooked brown rice
- 1 (14.5 ounce) can diced tomatoes, no salt added

- 1 clove minced garlic (or 1 teaspoon minced from jar)
- 1 teaspoon Italian seasoning
- 1/4 teaspoon pepper
- 1/4 teaspoon crushed red pepper flakes (optional for spiciness)
- 1 (8 ounce) can tomato sauce, no salt added

#### Directions

Preheat oven to 350 degrees. Cook rice to package instructions (omitting salt). While the rice is cooking, in skillet over medium heat, brown the turkey. Add the onion and cook for 3 minutes more (until onion becomes translucent).

Wash the bell peppers and remove the tops, seeds, and membranes. Set peppers in a 9x9 baking dish or line them up in a loaf pan, so they stand upright.

In a medium mixing bowl, mix turkey, rice, tomato, garlic, Italian seasoning, and pepper. Spoon into each pepper. Spoon tomato sauce evenly over the top of the four peppers. Bake one hour in the oven, until peppers are tender.

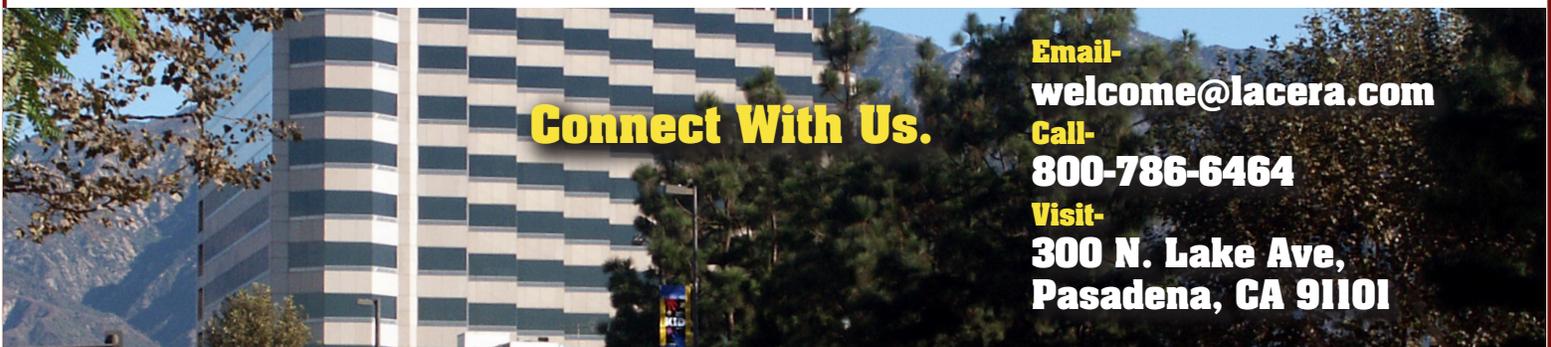
For additional health-conscious recipes, visit  
Staying Healthy Together on [lacera.com](http://lacera.com).

## Your 2013 1099-R Is In the Mail

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

## Access Your 1099-R on My LACERA

Registered users of My LACERA can view and print their current and prior years' 1099-Rs from their accounts. The 2013 1099-Rs will be available on My LACERA in February.



**Connect With Us.**

**Email-**  
[welcome@lacera.com](mailto:welcome@lacera.com)

**Call-**  
**800-786-6464**

**Visit-**  
**300 N. Lake Ave,  
Pasadena, CA 91101**

## Same-Sex Marriage and Your LACERA Benefits cont'd from pg. 5

If same-sex registered domestic partners marry each other and then dissolve their domestic partnership, the non-member's future eligibility for LACERA continuing benefits is not jeopardized.

### Possible Effect on Survivor Eligibility for Healthcare

Terminating your registered same-sex domestic partnership can also jeopardize your partner's

eligibility to enroll in a LACERA-administered health plan after you're gone. To be eligible to enroll in a LACERA-administered health plan following your death, your survivor must be receiving a continuing monthly benefit from LACERA.\*\*

For questions regarding marriage and/or the dissolution of domestic partnerships, consult a professional advisor; LACERA does not offer

legal advice. For questions regarding your retirement benefits, call 800-786-6464 to speak with a LACERA Retirement Benefits Specialist.

*\*\*Survivor must also qualify as a surviving eligible dependent under LACERA's Retiree Healthcare Administrative Guidelines.*

## Notice Regarding The Early Retiree Reinsurance Program

*Attention, all retirees/survivors currently enrolled in a LACERA-administered health plan and their eligible dependents: LACERA is required by the U.S. Department of Health & Human Services to provide you and your eligible dependents with this notice. No action is required on your part.*

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of healthcare benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

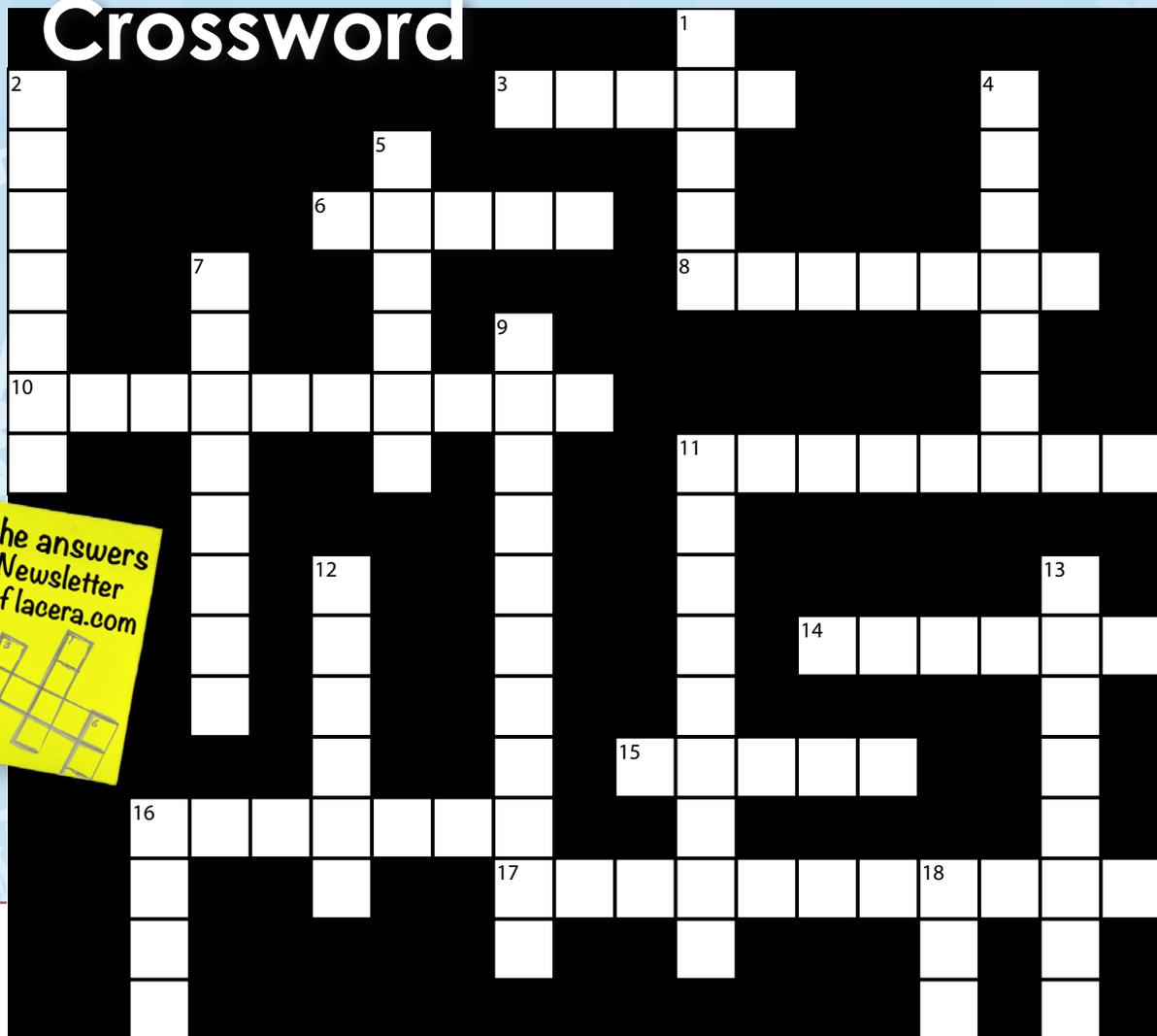
Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also

use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.

Should you have any questions about this notice, call LACERA Retiree Healthcare at (800) 786-6464; press 1 or (626) 564-6132 or email us at [healthcare@lacera.com](mailto:healthcare@lacera.com).

# Wintertime Crossword



View the answers  
in the Newsletter  
section of [lacara.com](http://lacara.com)

## Across

3. "Hazy Shade of Winter" duo \_\_\_\_\_ & Garfunkel.
6. It's recommended you eat two to four daily servings of this.
8. Author who penned A Christmas Carol, Charles \_\_\_\_\_
10. Plant often used in winter floral displays.
11. Sign in here to adjust your tax withholding elections.
14. Sgt. Kehoe and Capt. Pryor were elected to the Board of Retirement by \_\_\_\_\_ members.
15. The boys who made "Little Saint Nick" a hit in 1963.
16. Festival celebrating African-American culture, observed January 26 to December 1.
17. You'll keep yours in 2014, right?

## Down

1. Ronald Okum was appointed to the \_\_\_\_\_ of Retirement.
2. The most famous reindeer of all.
4. Festival celebrated on January 31, 2014, \_\_\_\_\_ New Year.
5. He had a button nose and two eyes made out of coal.
7. The Festival of Lights.
9. Where the ball drops (two words).
11. If you're caught under this, expect a kiss.
12. "\_\_\_\_ Night," a traditional carol
13. Power of \_\_\_\_\_
16. January 20 is the birthday of Dr. Martin Luther \_\_\_\_\_, Jr.
18. This agency announced that married same-sex couples will be treated as married for federal tax purposes.

# Things to Keep in Mind about Healthcare Reform

In previous print and web communications, we presented introductory information about the Patient Protection and Affordable Care Act of 2010 (ACA) and how it may affect your LACERA-administered health plan.

As implementation and media coverage of the ACA intensifies, here are some facts to keep in mind:

- Healthcare reform was intended for people with no health insurance.
- **You have access to subsidized health coverage through your LACERA-administered group health plan, and those plans meet or exceed the government-mandated affordability and coverage requirements.**

Things to know when considering medical coverage through the Health Insurance Marketplace:

- Generally, you will save money on medical coverage from the Health Insurance Marketplace only if your employer-provided group plan doesn't meet certain standards or if your employer doesn't offer health insurance.
- If you decide to disenroll from the LACERA-administered group plans, and later reenroll, you will be subject to a six-month waiting period.

If you are under age 65, you will be able to enroll for medical coverage through a state or federal exchange (not all states will offer an exchange). California has a health benefit exchange, called Covered California. For more information, visit [CoveredCA.com](http://CoveredCA.com) or call 888-975-1142 or 800-300-1506.

To find out if your state is establishing a healthcare marketplace, or if the federal healthcare marketplace will be offered instead, visit [kff.org/state-health-exchange-profiles/](http://kff.org/state-health-exchange-profiles/).

**Before making any changes to your current group plan coverage, it's important educate to yourself on the choices available.** We will continue to provide you with updates on how the healthcare reform may affect your LACERA-administered health plan. To check on updates, visit [lacera.com](http://lacera.com). For information regarding LACERA-administered group health plans, call LACERA Retiree Healthcare at (800) 786-6464; press 1 or (626) 564-6132.

## Inside My LACERA



### **It's quick and easy — use My LACERA to adjust your tax withholding elections at your convenience.**

Here's all you have to do:

1. Sign in to My LACERA.
2. Select Tax Info from the Navigation Bar
3. Select the Adjust button.
4. Complete and submit Form W-4P to adjust your federal tax elections.
5. Complete and submit Form DE-4P to adjust your California tax elections.

You can adjust both your federal and state tax elections, or just your federal tax elections, or just your state tax elections — it's entirely up to you.

# Imputed Income Applies to Registered Domestic Partners Covered on Your LACERA-administered Healthcare Plan

If your registered domestic partner is a covered dependent on your LACERA-administered healthcare plan, the amount of the County subsidy provided for your domestic partner may be subject to federal tax.

The federal government does not recognize a domestic partner as a legal dependent. Therefore, the IRS considers the amount the County pays toward your domestic partner's health benefits to be imputed income (a non-cash, employer-provided benefit for any person who is not qualified as your tax dependent, except your legal spouse).

## Reported on a Separate Form 1099-R

The IRS requires LACERA to report, on a separate Form 1099-R, the annual imputed income of any member who covers a registered domestic partner on his or her LACERA-administered health plan. If you cover a registered domestic partner, LACERA will mail two Form 1099-Rs to you by the end of January: one reporting your

imputed income and one reporting your annual retirement fund distributions.

The recent IRS decision to treat legally married same-sex couples as married for federal tax purposes does not apply to registered domestic partners.

## Public Service Announcement

# DPSS Seeks Volunteers

The Los Angeles County Department of Public Social Services Volunteer Services Section (DPSS) is seeking volunteers to provide clerical support on a variety of short or long-term assignments. The time required each week generally ranges from 20-40 hours. Volunteers

must complete fingerprinting. DPSS serves an ethnically and culturally diverse community through programs designed to alleviate hardship and promote health, personal responsibility, and economic independence. The Department provides benefits and services — including temporary

financial assistance, free and low-cost healthcare insurance, and food benefits for families — to low-income residents of Los Angeles County. For more information, contact Erica Moya, DPSS Volunteer Coordinator at 213-744-4348 or [ericamoya@dpss.lacounty.gov](mailto:ericamoya@dpss.lacounty.gov).

# Find Out What We've Been Doing This Year; Read the Enclosed PAFR



*What's a PAFR, you say?* It's short for a Popular Annual Financial Report. This year's PAFR, which reports on our financial condition and accomplishments for fiscal year 2012-2013, is enclosed for your review. We encourage you to take a few minutes to look it over. Our full Comprehensive Annual Financial Report will be available on [lacera.com](http://lacera.com) in January 2014.

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

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