

RECIPROCITY INFORMATION SHEET

Effective July 14, 1997, the Los Angeles City Employees' Retirement System (LACERS) established a reciprocal agreement with the California Public Employees' Retirement System (CalPERS) that enables Members to benefit by retiring from certain other reciprocal California government entities and the City of Los Angeles at the same time. Benefits due to reciprocity include:

- Both retirement systems will calculate your benefits based upon the highest salary you received, even if that salary was paid by the other government entity.
- Your reciprocal service is considered for vesting with the other government entity.

Here is how the reciprocal agreement works:

- You must move from one reciprocal government entity to another within a period of six months.
- You must leave your contributions and interest on deposit with each retirement system.
- You must apply for reciprocity and both retirement systems must agree that reciprocity exists.
- You must retire from both entities at the same time.

Upon retirement, you will receive a retirement benefit from each entity based on the service credit you acquired with that entity and the benefit formula by that retirement system. However, both retirement systems will use the highest salary you received from either entity.

IMPORTANT: Because reciprocity is an agreement between retirement systems and retirement benefit provisions vary, you should make sure that you know the potential advantages and disadvantages of requesting reciprocity before you change employers.

Questions you might want to ask before moving to a reciprocal retirement system include, but are not limited to:

- *Is this a retirement system that has reciprocity with LACERS?*

LACERS has reciprocity with CalPERS and all the agencies that have full reciprocity with CalPERS. A list of these systems is available on our web site at www.lacers.org.

- ***How do the two retirement systems handle overlapping service, if there is any?***

Overlapping service may occur for various reasons, including if you are physically working for two employers at the same time or working for one employer while exhausting vacation time with another. Retirement systems treat overlapping service in different ways. Some refuse to grant reciprocity if there is any overlapping service, regardless of the reason. LACERS allows for overlapping service as long as you are not physically working for both employers at the same time. Make sure you know how the other retirement system handles overlapping service so that you don't accidentally violate their rules.

- ***How will reciprocity affect potential retiree health care benefits? Will the benefits, if any, come from your final employer or the employer you were with the longest?***

Reciprocity typically does not apply to retiree health care benefits. Some employers believe that your health care benefit should be provided by your final employer prior to retirement. LACERS' retiree health plan subsidy is provided for by the Los Angeles Administrative Code. If you meet the requirements in the Administrative Code, you will be eligible for a subsidy, regardless of who your final employer is or which employer you were with the longest. You should check with the other retirement system so that you know how their retiree health care benefits work.

- ***If you request reciprocity and it is confirmed by both retirement systems, are you guaranteed that reciprocity will apply when you retire?***

Even if you request reciprocity and both retirement systems confirm that reciprocity exists, reciprocity at the time you retire is not guaranteed. This is because you may do something along the way to violate and invalidate the reciprocity, such as not retiring from both reciprocal employers at the same time, not leaving your contributions on account with each agency, or not working long enough total time for a retirement benefit to be due to you.

- ***If you transfer from LACERS to the Department of Water & Power (DWP), how will that effect your CalPERS reciprocity?***

The retirement contributions of most LACERS members who transfer to the Department of Water & Power (DWP) are forwarded to DWP's retirement system. **If your contributions are transferred to DWP, the reciprocity between LACERS and the previous government entity for which you worked will be broken.** Please contact the LACERS' staff for further information if you have reciprocity and are considering a transfer to DWP.

If you have any questions regarding reciprocity or you would like to apply for reciprocity, please contact LACERS at (800) 779-8328 or (213) 473-7200; TDD (888) 349-3996.

Reciprocity is governed by the Los Angeles City Administrative Code and the Rules of LACERS' Board of Administration. These Codes and Rules are subject to change. If there are any discrepancies between those governing authorities and the information in this sheet, the governing authorities have precedence.