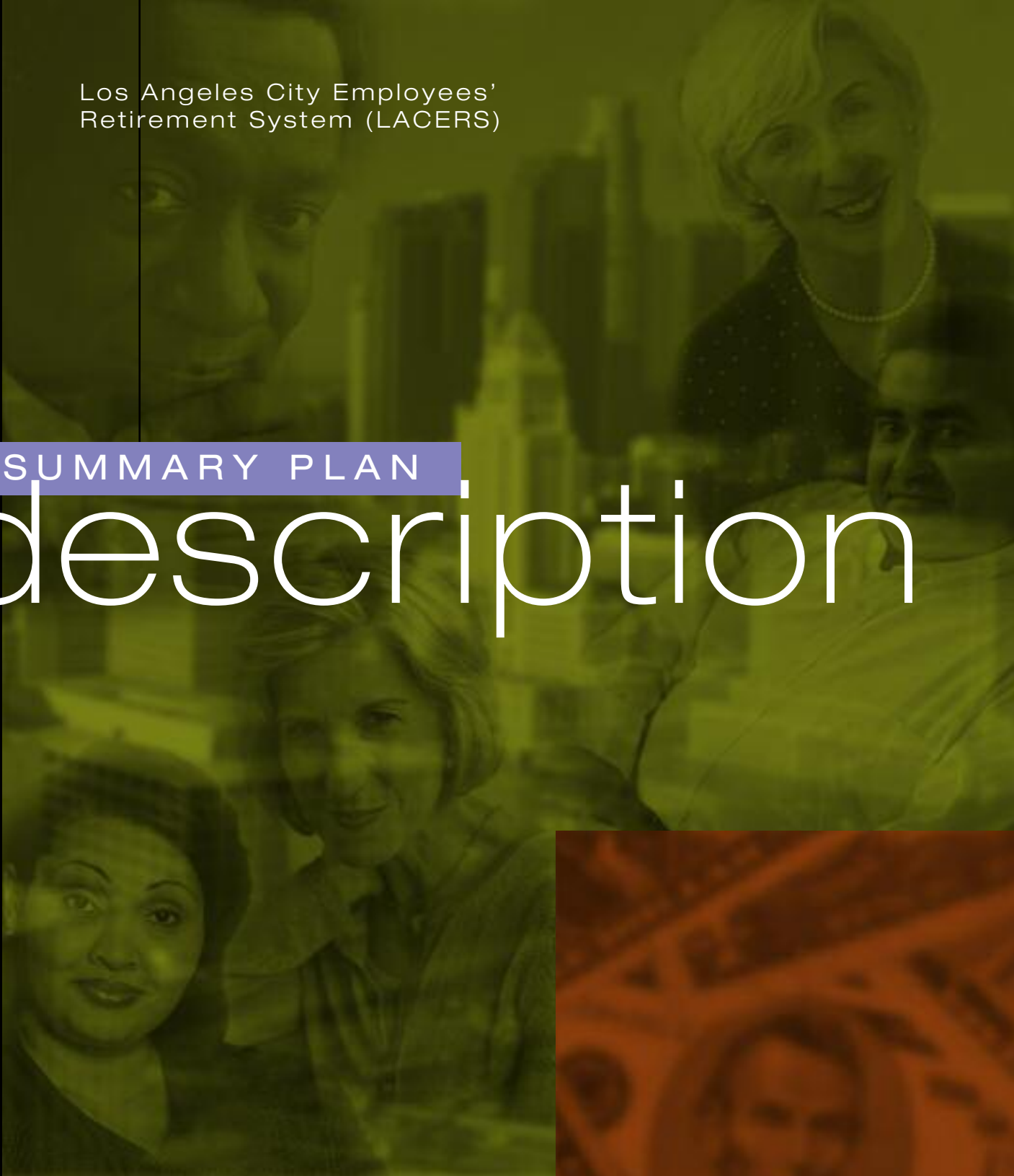
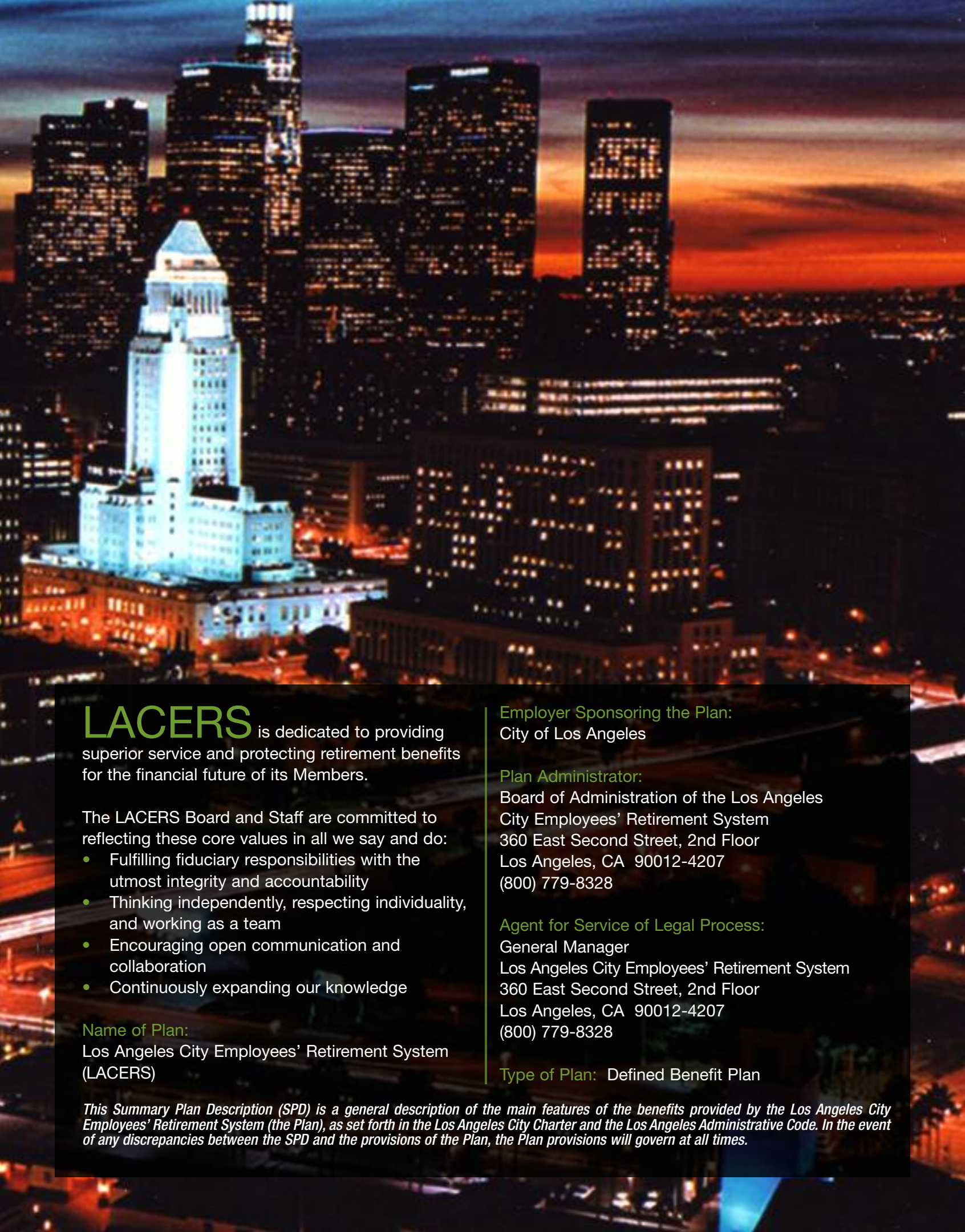


Los Angeles City Employees'
Retirement System (LACERS)

SUMMARY PLAN

description





LACERS is dedicated to providing superior service and protecting retirement benefits for the financial future of its Members.

The LACERS Board and Staff are committed to reflecting these core values in all we say and do:

- Fulfilling fiduciary responsibilities with the utmost integrity and accountability
- Thinking independently, respecting individuality, and working as a team
- Encouraging open communication and collaboration
- Continuously expanding our knowledge

Name of Plan:

Los Angeles City Employees' Retirement System (LACERS)

Employer Sponsoring the Plan:

City of Los Angeles

Plan Administrator:

Board of Administration of the Los Angeles City Employees' Retirement System
360 East Second Street, 2nd Floor
Los Angeles, CA 90012-4207
(800) 779-8328

Agent for Service of Legal Process:

General Manager
Los Angeles City Employees' Retirement System
360 East Second Street, 2nd Floor
Los Angeles, CA 90012-4207
(800) 779-8328

Type of Plan: Defined Benefit Plan

This Summary Plan Description (SPD) is a general description of the main features of the benefits provided by the Los Angeles City Employees' Retirement System (the Plan), as set forth in the Los Angeles City Charter and the Los Angeles Administrative Code. In the event of any discrepancies between the SPD and the provisions of the Plan, the Plan provisions will govern at all times.

contents

■	Board of Administration	1
■	Membership	2
	• Full-Time Employees	2
	• Part-Time Employees	2
	• Contributions to the Plan	2
■	Service Credit	4
	• Government Service Buybacks (GSB)	4
	• Re-deposits	4
	• Back Contributions	5
	• Public Service Buybacks	5
■	Reciprocal Agreements	6
	• Reciprocity with Certain California Public Retirement Systems	6
	• Health Reciprocity between LACERS and Los Angeles County Employees Retirement Association (LACERA)	7
	• Reciprocal Agreement between LACERS and the Water and Power Employees' Retirement Plan (WPERP)	7
■	Retirement Benefits	8
	• Normal Service Retirement (Full Allowance)	8
	• Early Service Retirement (Reduced Allowance)	8
	• Disability Retirement	9
	• Calculating Your Service Retirement Benefit	10
	• Payment Options for Your Retirement Allowance	12
	• Tax Treatment of Your Monthly Allowance	13
	• Protecting Your Retirement Benefits	14
	• Cost of Living Adjustment (COLA)	15
	• Larger Annuity Program	15
■	Survivor Benefits	16
	• If You Die before Retirement	16
	• If You Die after Retirement	19
■	City Service after Retirement	21

■	Medical & Dental Plans	22
	• Eligibility	22
	• Eligible Dependents	22
	• Enrolling in a Medical or Dental Plan	22
	• Your Medical Plan Premium Subsidy	23
	• Medical Premium Reimbursement Program (MPRP)	24
	• Medicare Requirement	25
	• Your Dental Plan Premium Subsidy	25
■	Terminating City Service	27
	• Leaving Your Contributions on Account	27
	• Taking a Refund and/or Rolling Your Contributions into a Qualified Account	28
	• Deferred Service Retirement	28
■	Appendix	30
■	Glossary of Terms	31

board of administration

The Plan is managed by a Board of Administration (Board) composed of seven Commissioners:

- Four are appointed by the Mayor (at least one LACERS retiree)
- Two are elected by active LACERS Members
- One is elected by retired LACERS Members

Board Members serve five-year terms.

The Board determines general policy and adopts rules and regulations necessary to carry out the operations of the Plan. The General Manager is responsible for implementing the Board's policies and administering the Plan on a day-to-day basis.

The Board usually meets on the second and fourth Tuesdays of each month. All Board and Committee meetings are open to the public.

membership

Full-Time Employees

If you are a permanent full-time employee of the City of Los Angeles or work an approved 72-hour per pay period work schedule, you are eligible to become a Member of the Plan. The exceptions are:

- Department of Water and Power (DWP) employees
- Elected or appointed officials with a fixed term who have opted out of the Plan
- Contract workers, on-call or seasonal employees, including hiring hall employees
- Sworn personnel in the Harbor Department who are members of the Fire and Police Pension Plan
- Sworn personnel and paramedics in the Fire Department
- Sworn personnel in the Police Department
- Persons who will be eligible for membership in the Fire and Police Pension Plan upon completing academy training

Part-Time Employees

If you are a part-time employee, you may become a Member of the Plan if you meet the requirements of the Los Angeles Administrative Code and/or the Memorandum of Understanding under which your job classification is covered. Your department must certify to LACERS that your employment meets all requirements. Membership begins on the date the Plan receives the certification from your department.

Contributions to the Plan

The full cost of the Plan is funded by a combination of Member contributions, City contributions and investment returns.

MEMBER CONTRIBUTIONS

As a Member of the Plan, you must contribute a percentage of your salary to the Plan. Effective July 1, 2011, all LACERS Members will contribute 7%. As a transfer from DWP under reciprocity, your contribution rate may vary.

Contributions are deducted from your paycheck on a pre-tax basis (prior to January 1, 1986, they were post-tax contributions). As a result, your current taxable income will be lower and you are not taxed on your retirement contributions until you receive your retirement benefits or receive a refund of your contributions. Part of your contributions pay for a 50% continuance of your Retirement Allowance to your eligible surviving Spouse/Domestic Partner.

You may designate a beneficiary to receive your contributions if you die while employed. This designation is an important factor in determining if a Surviving Spouse/Domestic Partner will be eligible for a lifetime survivorship as discussed in the Survivor Benefits chapter.

If you have no eligible Spouse/Domestic Partner when you retire, these contributions may be refunded or used to increase your allowance.

Your contributions are recorded in an individual account and earn interest based on the average rates of a five-year U.S. Treasury Note. Interest will be credited to your account each month. Each year you will receive a Member Statement summarizing your contributions and interest earned.

IMPORTANT! Dissolution of Marriage/Domestic Partnership and Community Property

If you make contributions to LACERS while you are married or have a domestic partnership registered with the State of California and you subsequently legally terminate this relationship or legally separate, the court may award part of the community interest in your LACERS benefits to your Spouse/Domestic Partner. LACERS may also be ordered to pay this share directly to your Spouse/Domestic Partner. When a community property claim is filed with LACERS, LACERS is required to withhold contested benefits until served with a court order disposing of the community interest in these benefits. Please refer to the Plan's Dissolution of Marriage Information Guide for further information.

CITY CONTRIBUTIONS

Each year, the City of Los Angeles also contributes to the Plan in an amount determined by LACERS Board. This annual contribution is an actuarially-determined percentage based on the salaries of all LACERS Members as provided by the City Charter. The City's contributions are not part of your individual account.

INVESTMENTS

The LACERS Board of Administration sets the overall investment policy and vision for LACERS with the goal of establishing the most optimal investment portfolio. The Board approves LACERS asset allocation and selects and monitors investment fund managers. LACERS investment returns are not a part of your individual account.

For more information regarding LACERS investments, see www.LACERS.org and/or LACERS *Comprehensive Annual Financial Report*.

service credit

The City of Los Angeles, as plan sponsor in conjunction with bargaining units, negotiates benefits for City employees.

Did you know increasing Service Credit would increase your Retirement Allowance?

Your Retirement Allowance is paid in monthly installments based on your Service Credit, Final Compensation and the Retirement Factor of 2.16%. Service Credit refers to the component of your benefit calculation based on your hours worked. It is used in the calculation of your Service Retirement Allowance. Full-time employees receive 0.03835 years of Service Credit per pay period. The Service Credit for part-time employees will be prorated for each pay period based on the actual hours worked divided by 80 hours.

INCREASING YOUR SERVICE CREDIT

If you are eligible to purchase Service Credit, doing so may count toward your retirement eligibility and increase your Retirement Allowance and health subsidy. Service Credit purchases can include:

- Government Service Buybacks (including uncompensated maternity leaves)
- Re-deposits
- Back Contributions
- Public Service Buybacks

Government Service Buybacks (GSB)

If you are a Member, you may be eligible to purchase GSB Service Credit if:

- You were a full-time employee with a governmental agency within the United States or its territories for at least six months of uninterrupted service and your time is not eligible for Reciprocity **and/or**
- You have taken uncompensated maternity leave of at least one full month while employed by the City

For more information, please see the *Government Service Buyback Information Sheet* and *Reciprocity Information Sheet*.

Re-deposits

If you withdraw your contributions from LACERS and become a LACERS Member again, you can regain the Service Credit you earned during your prior City employment by re-depositing your contributions plus interest. For more information, please see the *Re-deposit Information Sheet*.

Back Contributions

Back Contributions allow City employees, who are LACERS Members, to purchase Service Credit for full-time or part-time regular City employment when they were not LACERS Members or making contributions to LACERS. This may include:

- Periods of part-time and temporary City employment
- Time you worked as a regular employee at DWP before becoming a member of their plan
- Workers' Compensation temporary disability time ("state rate")
- Up to six months of Disability Retirement application processing time (if your application is denied)

It does not include time as a contractor with the City or service as a hiring hall employee. For more information, please see the *Back Contribution Information Sheet*.

You may also be able to purchase Service Credit lost under a Separate Account court order.

Public Service Buyback (PSB)

If you have taken approved leaves without pay from the City (other than maternity leaves, which can be purchased as GSB) or have lost Service Credit due to a Separate Account court order, you may be able to purchase that Service Credit as part of the Plan's Public Service Buyback program. Your total combined leave time must add up to at least six months. Service Credit purchased through PSB will only increase the amount of your Retirement Allowance. It cannot be used for any other purpose.

reciprocal agreements

If you have worked for more than one California governmental agency, the reciprocal agreements that LACERS has in place may allow you some portability of your retirement benefits. The advantages of reciprocity vary depending on the type of reciprocity that you qualify for:

- Reciprocity with certain California public retirement systems
- Health reciprocity with the Los Angeles County Employees Retirement Association (LACERA) and
- Reciprocity with the Water and Power Employees' Retirement Plan (WPERP)

Reciprocity with Certain California Public Retirement Systems

You can have either full or limited reciprocity based on the date that you moved between LACERS and the other qualified California public retirement system. Specific eligibility qualifications apply. If you have worked for another California governmental entity, please see the *Reciprocity Information Sheet*.

IMPORTANT! You may risk your eligibility for reciprocity if you violate the rules of the retirement systems involved. Reciprocity provisions vary. Make sure you know the advantages, disadvantages, and rules regarding reciprocity for each system involved. Be sure to contact each system BEFORE changing employers.

FULL RECIPROCITY

You may qualify for full reciprocity if you moved between LACERS and another reciprocal system on or after July 14, 1997. Under full reciprocity:

- Your combined years of Service* may count toward vesting
- Your combined years of Service* may count toward retirement eligibility

When you retire, you will receive a retirement benefit from each retirement system based on your Service Credit with that system and their benefit formula. Both retirement systems will calculate your benefits based on the highest compensation you received, even if that salary was paid by the other governmental entity.

Vesting is a term commonly used by some retirement systems to describe eligibility.

* Your years of Service with a reciprocal system and LACERS.

LIMITED RECIPROACITY

If you do not qualify for full reciprocity, your employment with another reciprocal entity may qualify you for limited reciprocity (sometimes referred to as final compensation reciprocity). Under limited reciprocity, the only benefit you may be eligible to receive is that both retirement systems will calculate your benefits based on the highest compensation you received, even if that salary was paid by the other governmental entity. If you have worked at another California governmental entity, please see the *Reciprocity Information Sheet*.

Health Reciprocity between LACERS and Los Angeles County Employees Retirement Association (LACERA)

Health reciprocity allows you to combine years of Service with LACERS and LACERA to qualify for and/or increase your retiree health subsidy. To qualify, you must have earned a combined total of 10 or more years of Service with both LACERS and LACERA and be eligible for either full or limited reciprocal retirement benefits from both retirement systems (see the discussion of reciprocity above). For more information, please see the *Health Reciprocity Information Sheet*.

Typically, health reciprocity is not available between public retirement systems. However, LACERS and LACERA have a special agreement that can be applied to help you qualify for and/or increase your retiree health subsidy.

Reciprocal Agreement between LACERS and the Water and Power Employees' Retirement Plan (WPERP)

There is a separate reciprocal agreement that became effective on February 1, 1980 between LACERS and WPERP for employees who transfer between DWP and LACERS-covered employment within seven calendar days. This agreement allows employees who switch between these systems to take all of their Service Credit and contributions to their new retirement system. You may opt out of this reciprocity within seven months of transferring. Contact LACERS for more information.

IMPORTANT! If you have established reciprocity between LACERS and another governmental entity, transferring your funds to WPERP will break your reciprocity between LACERS and the other retirement system.

retirement benefits

If you have previous City employment you may be eligible to qualify for retirement sooner with a *Deferred Service Retirement*. Please review the *Deferred Service Retirement* section in the *Terminating City Service* chapter.

Service and Service Credit are different terms. You should consult LACERS to find out the amount of *Service and Service Credit* that you are entitled to, especially if you have any periods of prior City employment, military time, maternity leave, service with other governmental entities, and/or Workers' Compensation "state rate" time.

The eligibility requirements for the following types of retirement benefits are discussed below:

- Normal Service Retirement
- Early Service Retirement
- Disability Retirement

Normal Service Retirement (Full Allowance)

You can receive Normal Service Retirement benefits if you retire at:

- Age 55 or older with at least 30 years of City Service*
- Age 60 or older with at least 10 years of Continuous Service*
- Age 70 or older regardless of your length of City Service

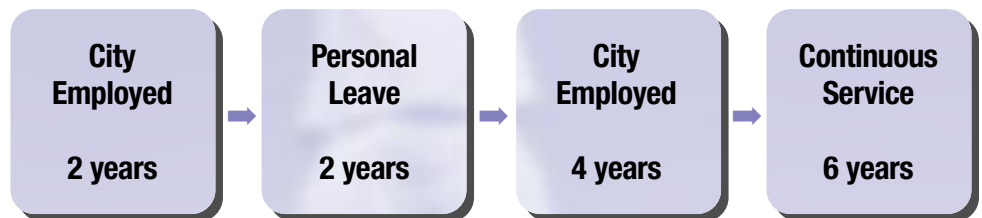
Early Service Retirement (Reduced Allowance)

You can receive Early Service Retirement benefits if you retire at:

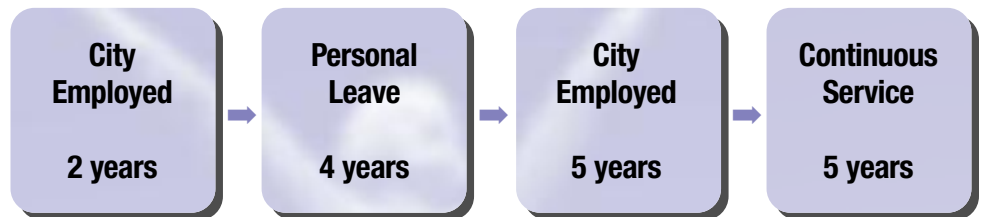
- Age 55 or older and have at least 10 years of Continuous Service*
- Less than age 55 with at least 30 years of City Service*

IMPORTANT: The Los Angeles Administrative Code defines "Continuous Service" as City Service with no more than a three-year break in Service. For example:

- A Member works for the City for 2 years; then leaves the City for 2 years and returns to the City and works 4 years. The Member has 6 years of Continuous Service, because the break in Service did not exceed 3 years.



- A Member works for the City for 2 years; then leaves the City for 4 years and returns to the City and works 5 years. Service is NOT 7 years because the break in Service exceeded 3 years.



* At least 5 years of Continuous Service must come from City employment and/or service recognized under full reciprocity.

WHEN TO APPLY FOR NORMAL OR EARLY RETIREMENT

You must file your application for Service Retirement benefits at least 30 days and no more than 60 days before your desired effective retirement date.

Required Documents for Retirement

At least one year before you apply for retirement, your *Declaration of Domestic Partnership* must be on file with LACERS in order to qualify your Domestic Partner for a continuance, unless your domestic partnership has been registered with the State. Filing domestic partnership forms with other City departments, including the Employee Benefits Office of the Personnel Department, will not qualify your partner for benefits from the Plan.

The following must be provided to LACERS prior to your retirement:

- Your and your Spouse/Domestic Partner's birth certificates, passports, or other acceptable proof of birth dates
- Your marriage certificate, certificate of State-registered domestic partnership, or other proof of marriage or a legal union equivalent to a domestic partnership
- Documents showing the termination of your prior marriages or State-registered domestic partnerships (e.g., a final judgment of dissolution decree or a death certificate)

In order to qualify your Spouse/Domestic Partner for a continuance, you must have been married or your domestic partnership filed with LACERS and/or the State of California at least one year before your retirement date.

Plan ahead! It may take longer to obtain these documents than you think. Acquire these items in enough time to avoid delays in processing your retirement application.

Disability Retirement

If you become disabled while an active Member, you may be eligible for a Disability Retirement Allowance. Disabling conditions do not have to be job-related. A Disability Retirement Allowance is generally paid as one-third of your Final Compensation. Your allowance may be larger if you have over 23.3 years of City Service. A Disability Retirement Allowance is not tax-free.

IMPORTANT! A Disability Retirement benefit is determined by a different formula than a Service Retirement.

ELIGIBILITY TO APPLY

You become eligible to apply for a Disability Retirement Allowance after you have five or more years of Continuous Service (City employment and/or full reciprocal service). You must file your Disability Retirement application with LACERS within six months

Not able to work, but don't have enough Service to qualify for Disability Retirement? You may be able to purchase Workers' Compensation time that may be used to increase your years of Continuous Service.

If it's been more than six months since your last day on the City payroll and you think you are disabled, contact LACERS for assistance.

retirement benefits

If you become disabled, but have over 15.4 years of Service Credit and are eligible for a Normal Service Retirement, you may be paid more from a Service Retirement than a Disability Retirement. Please contact a LACERS Disability Counselor to discuss which type of retirement may be best in your situation.

The following may help you become eligible for Disability Retirement if you have not met the five-year Continuous Service requirement:

- *Purchase of Workers' Compensation "state rate" time*
- *Re-deposits*
- *Back contributions*
- *Reciprocity*

of your last day on the City payroll or within six months of the final settlement date for a related Workers' Compensation claim. If you do not apply in time, you lose your eligibility for this benefit.

DISABILITY APPLICATION PROCESSING

It generally takes four to six months to complete the processing of your Disability Retirement application due to the time needed to obtain medical examinations and reports. If you are considering filing a Disability Retirement application, please contact a LACERS Disability Counselor.

LOANS FOR DISABILITY RETIREMENT APPLICANTS

LACERS offers a loan program for eligible Disability Retirement applicants to help with your finances while your application is being processed. The maximum loan amount is equivalent to your gross salary of four pay periods at your last pay rate. Please contact LACERS for more information.

APPROVAL OF YOUR DISABILITY RETIREMENT APPLICATION

After you have been examined by doctors selected and paid for by LACERS, the Board of Administration will review your medical reports and other evidence to determine whether you have become physically or mentally incapacitated and are incapable of performing your duties.

If the Board approves your Disability Retirement application, usually your allowance will be paid retroactively from the day after your last day on payroll.

MEDICAL REVIEW

Disability Retirement Allowances are payable while you remain disabled. After your Retirement Allowance is approved, you may be required to undergo periodic re-examinations. You may also request a medical review if you believe your condition has improved enough to allow you to return to active duty. If you are found to no longer be disabled, you may be returned to active duty and your Disability Retirement Allowance will be terminated.

■ Calculating Your Service Retirement Benefit

Your retirement benefit is determined by your Final Compensation, your Service Credit, LACERS Retirement Factor of 2.16% and, if you take an Early Retirement, a Reduction Factor.

FINAL COMPENSATION

The monthly average of the last 12 months of compensation earned by your classification (or any other 12 consecutive months you designate), including base salary and regularly assigned bonuses and/or premium pay. This does not include other compensation such as overtime, daily and other non-regularly assigned bonuses, reimbursements, car allowances, uniform allowances and payments in lieu of benefits or cash-out of benefits.

NORMAL RETIREMENT BENEFIT FORMULA

For example, if you are age 65, have 20.25 years of Service Credit and your Final Compensation is \$4,000, then your monthly Normal Service Retirement Allowance (before taxes) is:

$$\begin{array}{|c|} \hline \text{FINAL} \\ \text{COMPENSATION} \\ \hline \$4,000 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{SERVICE} \\ \text{CREDIT} \\ \hline 20.25 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{RETIREMENT} \\ \text{FACTOR} \\ \hline 2.16\% \\ \hline \end{array} = \begin{array}{|c|} \hline \text{RETIREMENT} \\ \text{ALLOWANCE} \\ \hline \$1,749.60 \\ \hline \end{array}$$

Service Credit is an important factor in determining your Retirement Allowance. Please review the Service Credit chapter.

EARLY RETIREMENT BENEFIT FORMULA

For example, if you are age 55, have 20.25 years of Service Credit, your Final Compensation is \$4,000, and your Early Retirement Reduction Factor is .9250 (see the Appendix for Reduction Factors), then your monthly Early Service Retirement Allowance (before taxes) is:

$$\begin{array}{|c|} \hline \text{FINAL} \\ \text{COMPENSATION} \\ \hline \$4,000 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{SERVICE} \\ \text{CREDIT} \\ \hline 20.25 \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{RETIREMENT} \\ \text{FACTOR} \\ \hline 2.16\% \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{REDUCTION} \\ \text{FACTOR} \\ \hline .9250 \\ \hline \end{array} = \begin{array}{|c|} \hline \text{RETIREMENT} \\ \text{ALLOWANCE} \\ \hline \$1,618.38 \\ \hline \end{array}$$

IMPORTANT! The Service Credit for a part-time employee will be less than the "City Service" because it is prorated on the basis of the actual hours worked in each pay period. As an example a Member who was a part-time employee for a period of 20 years, and worked exactly 40 hours per pay period (exactly half-time) will have accumulated 20 years of "City Service" and 10 years of "Service Credit" (one half of their "City Service").



Payment Options for Your Retirement Allowance

When you retire, you will need to make decisions that may change the amount of your monthly allowance.

DECISION – ALL RETIREES MUST CHOOSE ONE OF THE FOLLOWING:

Cash Refund Annuity

Under this payment option, any unused contributions remaining after your death and the death of any eligible survivor will be paid to your beneficiary.

Life Annuity

If you choose this payment option, you will receive a slightly larger monthly Retirement Allowance; however, you give up the right to have your unused contributions refunded to a beneficiary. No contributions will be refunded when you and/or your eligible survivor die.

DECISION – FOR RETIREES WITH AN ELIGIBLE SPOUSE/DOMESTIC PARTNER:

Part of the contributions you pay to LACERS helps fund a lifetime monthly survivorship benefit to your eligible Spouse/Domestic Partner (“continuance”) equal to 50% of your Retirement Allowance. You may provide a larger continuance but your monthly Retirement Allowance will be reduced to pay for the increased continuance. If you make this choice, the reduction of your allowance is permanent and cannot be undone even if your Spouse/Domestic Partner dies before you do.

IMPORTANT! If you make contributions to LACERS while you are married or have a domestic partnership registered with the State of California and you subsequently legally terminate this relationship or legally separate, the court may award part of the community interest in your LACERS benefits to your Spouse/Domestic Partner. LACERS may also be ordered to pay this share directly to your Spouse/Domestic Partner. When a community property claim is filed with LACERS, LACERS is required to withhold contested benefits until served with a court order disposing of the community interest in these benefits. Please refer to the Dissolution of Marriage Information Guide for further information.

Signing a Durable Power of Attorney will allow someone you select to take care of your financial affairs, including retirement benefits and health insurance benefits, in the event that you become incapable of managing your own affairs either before or after you retire. Otherwise, it may be necessary to have the court appoint a conservator of your estate, which may be costly.

If you have an eligible Spouse/Domestic Partner, you cannot provide a continuance to anyone else.

DECISION - FOR RETIREES WITHOUT AN ELIGIBLE SPOUSE/DOMESTIC PARTNER:

Do You Want a Refund of Contributions or a Larger Allowance?

You can choose to receive a slightly larger monthly allowance or a refund of the part of your contributions that would have funded your continuance benefit.*

Do You Want to Provide a Continuance to Anyone?

You may choose to provide a monthly continuance that will be paid upon your death to anyone you select for that person's lifetime. This continuance is funded solely by a reduction of your monthly allowance amount. The Plan does not provide any funding for these continuances.

IMPORTANT! If the individual you designate for a continuance dies before you do:

- *Your Retirement Allowance will not be increased*
- *You will not be allowed to name another beneficiary to receive a continuance benefit*
- *No continuance payment will be made upon your death*

Tax Treatment of Your Monthly Allowance

The Plan meets Internal Revenue Code requirements (as they apply to government retirement plans). The value of the benefits you earn under the Plan is not taxable to you until you actually receive benefits.

FEDERAL AND STATE INCOME TAXES

Disability and Service Retirement Allowances are considered taxable income under federal law and, if you reside in California, under California state law. However, if any part of your Retirement Allowance is based on post-tax contributions, that part is not taxable. You will receive specific information when you retire.

Unless you instruct LACERS otherwise, federal and state income taxes will be withheld from your monthly Retirement Allowance. For more information, see the *Tax Information Guide* or consult your tax advisor (LACERS staff members are not qualified tax advisors).

** Part of the contributions you have already paid to LACERS helps fund a 50% continuance to an eligible Spouse/Domestic Partner.*

INTERNAL REVENUE SERVICE CODES AFFECTING RETIREMENT BENEFITS

The Plan is considered a qualified plan under federal tax laws, which means that you are not taxed on your retirement benefits until they are paid to you. However, these laws set limits on the amount of benefits you can receive from a qualified plan.

Section 401(a)(17)

LACERS applies a maximum limit on the salary used in benefit computations in compliance with Section 401(a)(17) of the Internal Revenue Code. Currently, this limit applies to very few Plan Members (\$245,000+ annual salary in 2011).

Grandfathering provisions apply, as do limitations on the contributions deducted from these Members.

Section 415(b)

LACERS Members whose benefits are capped by the limitations contained in Section 415(b) and related Sections of the Internal Revenue Code are eligible for the Excess Benefit Plan (\$195,000 annual benefit limit in 2011). This supplemental retirement plan, separate from and funded differently than LACERS defined-benefit plan, pays participants the portion of their LACERS benefit that exceed the 415(b) limit and would otherwise have been restricted.

Protecting Your Retirement Benefits

All of the Plan's assets, the sole source of all LACERS benefit payments, are held in a trust fund. The Board of Administration controls the trust fund. The trust fund is not controlled by the City of Los Angeles nor can creditors of the City of Los Angeles attach to it. Assets in the fund are held exclusively to pay Plan benefits and expenses.

A Member or beneficiary may not assign his or her Plan benefits to anyone else. Benefits payable to a Member or beneficiary are protected from creditors with the following exceptions:

- The Internal Revenue Service may attach your benefits for the collection of your taxes
- A court-ordered wage assignment for spousal, child or family support
- Some Franchise Tax Board attachments

Cost Of Living Adjustment (COLA)

To account for inflation, each year the Board of Administration reviews the Consumer Price Index (CPI) for the Los Angeles area to determine the COLA retirees will receive the following July 1. The Administrative Code limits the annual COLA – it may not exceed 3% annually.

If you were retired for a whole year, you would receive the full COLA. If you were retired for less than one year, you would receive one-twelfth of the COLA amount for each whole month of your retirement.

Any increases in the annual CPI over 3% will be “banked” for you. If the CPI increase in any year is less than 3%, previously banked amounts are used to provide you with a larger increase, up to the 3% maximum for that year.

Periodically upon review, the City Council can grant, at their discretion, an additional cost-of-living adjustment from previously banked COLA amounts.

Larger Annuity Program

If you would like an additional source of income after retirement, you may want to participate in LACERS Larger Annuity Program. Under this program, you contribute funds during your City employment and may convert these funds into a LACERS annuity when you retire. This annuity is based only on your additional contributions plus interest and/or your investment returns. The City does not contribute to the Larger Annuity Program.

You may also rollover funds from Deferred Compensation and/or other qualified retirement plans at the time of your retirement for purposes of funding a larger annuity. For more information, please see the *Larger Annuity Brochure*.

survivor benefits

LACERS provides specialized counseling for Members who have life-threatening conditions. If possible, please contact LACERS before taking any action (such as terminating employment) that might affect your benefits.

You may be able to provide increased financial protection for your family through LACERS Family Death Benefit Insurance Plan (FDBIP). For more information, see the Family Death Benefit Insurance Plan section in this chapter.

In the event of your death, your survivors may be entitled to benefits. The types of survivor benefits will vary depending on these three factors:

- Whether you die before or after retirement
- The survivor's relationship to you
- Your designation of beneficiaries (if any)

If You Die Before Retirement

Depending on your years of Service and Service Credit, your survivors may have different benefit options, which are summarized in the table below. Following the table is an explanation of each type of benefit.

YEARS OF SERVICE/SERVICE CREDIT	SURVIVOR BENEFIT OPTIONS
Less than 1 year (non-duty-related death) of Service Credit	Refund of contributions
At least 1 year of Service Credit, but less than 5 (non-duty-related death) of Continuous Service	Refund of contributions and possible Limited Pension
Less than 5 years (duty-related death) of Continuous Service	Possible Disability Retirement Survivorship or refund of contributions and possible Limited Pension
5+ years of Continuous Service	Possible Deferred or Service Retirement Survivorship or possible Disability Retirement Survivorship or refund of contributions and possible Limited Pension

In addition to the monetary benefits contained in this table, surviving Spouses/Domestic Partners may be eligible for health subsidies. Please see *Surviving Spouses/Domestic Partners* in the *Enrolling in a Medical or Dental Plan* section of the *Medical and Dental Plans* chapter.

Refund of Contributions

This is a refund of your contributions and interest only. It does not include any contributions made by the City to the Plan.

Limited Pension Benefit

This is a monthly benefit equal to one-half of your average monthly salary in the year before your death. The number of payments is

based on the number of whole years you worked. For each year you worked, your Spouse/Domestic Partner (Plan-registered and/or State-registered) may receive two payments – up to a maximum of 12 payments. If you leave no such survivor, this benefit will be paid to your minor children or, if none, to your dependent parent(s).

Service Retirement Survivorship

If you were eligible to retire on the date of your death, this option allows your eligible Spouse/Domestic Partner (Plan-registered and/or State-registered) to receive a monthly benefit for his/her lifetime. This survivorship benefit is calculated as if you had retired on the date of your death. **Your Spouse/Domestic Partner must be eligible to receive all of your contributions to be eligible for this benefit.** If you do not have an eligible Spouse/Domestic Partner, it may be paid to your minor child or, if none, to your dependent parent, provided they are eligible to receive all of your contributions.

If you are not eligible for a Service Retirement on the date of your death, your surviving Spouse/Domestic Partner (Plan-registered or State-registered) may elect to wait and receive benefits from the Plan when you would have been eligible for a Service Retirement. This survivorship benefit would be calculated as if you had stopped working on the date of your death, left your contributions with the Plan, retired when first eligible and selected a 100% continuance benefit to your Spouse/Domestic Partner. Your survivor would not begin receiving this monthly benefit until your earliest retirement date, but would then receive this allowance for the remainder of his/her lifetime.

With either of these options, your surviving Spouse/Domestic Partner, minor children and/or dependent parents will NOT be entitled to benefits under the LACERS Family Death Benefit Insurance Plan.

Disability Retirement Survivorship

This option allows your eligible Spouse/Domestic Partner (Plan-registered and/or State-registered) to receive a monthly benefit for his/her lifetime. This survivorship benefit would be calculated as if you took a Disability Retirement (which is generally one-third of your Final Compensation) and selected a 100% continuance benefit to your Spouse/Domestic Partner. **Your Spouse/Domestic Partner must be eligible to receive all of your contributions to be eligible for this benefit.**

A Survivorship cannot be elected if a refund of contributions or Limited Pension is paid to anyone.

Your selection of a beneficiary is very important because it affects whether your Spouse/Domestic Partner will qualify for a lifetime monthly Survivorship if you die while still employed. Please see the Designating a Beneficiary section in this chapter.

If you designate someone other than your Spouse/ State-registered Domestic Partner as your beneficiary, your designation will not control your Spouse's or State-registered Domestic Partner's community property portion of the contributions unless your Spouse/State-registered Domestic Partner consents to this designation.

DESIGNATING A BENEFICIARY

As a Member of the Plan, you may designate a beneficiary to receive your Member contributions if you die before retiring. If you do not designate a beneficiary, the Plan provides that your contributions will be paid in the following order:

- Spouse or State-registered Domestic Partner (your Plan-registered Domestic Partner is not eligible under this provision)
- Children
- Parents
- Estate

You can designate any person or legal entity (such as a living trust) as a beneficiary.

Your selection of a beneficiary is very important because it affects whether your Spouse/Domestic Partner can qualify for a lifetime monthly survivorship benefit if you die while still employed. To be eligible for these lifetime benefits, your Spouse/Domestic Partner must be entitled to receive all of your contributions (please see the *If You Die before Retirement* section in this chapter).

Your Spouse/Domestic Partner will be entitled to receive all of your contributions if:

- You designate him/her as your sole primary beneficiary **or**
- You do not have a designated beneficiary on file with the Plan and are survived by either a Spouse or State-registered Domestic Partner (this option is not available to a Plan-registered Domestic Partner because these partners do not have a right to receive your contributions under the Plan provisions)

***IMPORTANT!** Your beneficiary designation, once made, remains in effect until you change it (with certain statutory exceptions). Make sure that you keep your beneficiary designation up to date so that, in the event of your death, benefits will be paid as you intend. If anyone other than your Spouse/Domestic Partner receives any of your contributions, your Spouse/Domestic Partner is ineligible to elect to receive a lifetime allowance.*

FAMILY DEATH BENEFIT INSURANCE PLAN (FDBIP)

The Family Death Benefit Insurance Plan (FDBIP) is a voluntary insurance program that may give your family increased financial protection if you die before retirement. For a relatively small premium (\$3.70 per month, as of January 1, 2011), FDBIP provides a monthly financial benefit similar to Social Security's

In order for your Domestic Partner to be eligible to receive benefits from the Plan after your death, you must register your domestic partnership with LACERS and/or the State of California at least one year before your effective retirement date. Registration with your employing department or the Personnel Department will not qualify your Domestic Partner for benefits from the Plan.

Survivor Benefit. This is particularly important for new Members whose survivors may not yet be eligible for monthly survivorship benefits under the Plan.

The program is open to all LACERS Members who have completed at least 18 months of City Service. After you pay FDBIP premiums for an additional 18 months, your survivors may become eligible for some basic family and child benefits. Additional benefits become available for widows/widowers and dependent parents after 120 months of participation.

If you were not an FDBIP participant and have more than 18 months of City Service, you are allowed to pay premiums for the missed periods, up to a maximum of 120 months, depending on your City Service. (Note: You cannot purchase your first 18 months of Service).

Some limitations may apply. For more information, please see the *Family Death Benefit Insurance Plan Brochure*.

If You Die After Retirement

In the event of your death, your beneficiary will be entitled to the following survivor benefits:

- A \$2,500 Funeral Expense Allowance
- Any accrued but unpaid Retirement Allowance for the month of your death, up to and including the date of your death

If you do not designate a beneficiary, these benefits will be paid in the order provided by the Plan.

In addition to the above benefits, other benefits may be paid upon your death as outlined in the table below:

MEMBER STATUS	CONTINUANCE OF SOME/ALL OF RETIREMENT ALLOWANCE	UNUSED CONTRIBUTIONS
Eligible beneficiary survives Member	Yes	No
No eligible beneficiary survives Member	No	Yes, if you chose the cash refund option when you retired and still have contributions on account with the Plan.

In addition to the monetary benefits contained in the table above, eligible surviving Spouses/Domestic Partners may be eligible for health subsidies. Please see the *Surviving Spouse/Domestic Partner Medical Premium Subsidy* section in the *Medical & Dental Plans* chapter.

CONTINUANCE OF RETIREMENT ALLOWANCE

At the time of retirement, you will select the continuance benefit options that will apply to your survivors upon your death, as outlined in the *Payment Options for Your Retirement Allowance* section of the *Retirement Benefits* chapter.

In order for your Spouse to be eligible for a continuance benefit, you must have been:

- Married to your Spouse for at least one year prior to the date of your Service Retirement (in the case of a Disability Retirement, the one-year requirement does not apply)
- Married to your Spouse on the date of your retirement
- Married to your Spouse on the date of your death

In order for your Domestic Partner to be eligible for a continuance benefit:

- Your domestic partnership must have been registered either with the State of California or the Plan for at least one year prior to the date of your Service Retirement (in the case of a Disability Retirement, the one-year requirement does not apply)
- Your Domestic Partner must be your Domestic Partner or Spouse on the date of your retirement
- Your Domestic Partner must be your Domestic Partner or Spouse on the date of your death

If you do not have an eligible Spouse/Domestic Partner at the time of your retirement, you may leave a continuance to anyone you select for that person's lifetime. This continuance is funded solely by a reduction of your monthly allowance amount. The Plan does not provide any funding for these continuances.

IMPORTANT! If the individual you designate for a continuance dies before you do:

- *Your Retirement Allowance will not be increased*
- *You will not be allowed to name another beneficiary to receive a continuance benefit*
- *No continuance payment will be made upon your death*

city service after retirement

If you are receiving a Retirement Allowance from the Plan, you cannot be paid for working for the City unless:

- You are an election officer, an elected officer of the City, or a retired Member of the LACERS Board of Administration
- You have the Mayor's approval to work under special circumstances and your period of employment does not exceed 90 days in any fiscal year (see *Exception for Temporary Service* in Section 1164(b) of the City Charter for more details)
- You work as a temporary election employee for no more than 120 days in a calendar year
- You work as a contractor

In these cases, the payment of your Retirement Allowance will continue, but you will not contribute to the Plan or earn additional Service Credit.

medical & dental plans

Former Spouses/Domestic Partners who are receiving community property interest in your allowance are not eligible to participate in LACERS medical and dental plans.

You can find details about our medical and dental plans inside our Health Benefits Guide. The guide may be obtained on our website.

Eligibility

You are eligible to participate in a LACERS medical and/or dental plan if you are receiving from the Plan a monthly Retirement Allowance or a continuance or survivorship allowance (only for eligible Surviving Spouses/Domestic Partners).

Eligible Dependents

Your eligible dependents may also receive coverage under LACERS' health plans. Eligible dependents may include your:

- Spouse
- Domestic Partner (you must be registered with the Plan and/or the State)
- Dependent unmarried children, legally-adopted children, or legally-appointed wards under age 19*
- Dependent children up to age 25 who are full-time students in an accredited college or university*
- Dependent children over age 19, if they are unable to engage in any gainful employment because of a mental or physical disability that occurred before age 18*

IMPORTANT! Health coverage is not automatic. You must complete enrollment forms by the enrollment deadlines to obtain coverage under any LACERS-sponsored medical and/or dental plan.

Enrolling In a Medical or Dental Plan

MEMBERS

To receive coverage from a LACERS medical and/or dental plan, you and your eligible dependents must enroll in a plan within the specified timeframes of the following events:

- If you are age 55 or older when you retire, you may enroll within 60 days of your retirement date or during the Plan's annual open enrollment period
- If you retire before turning age 55, you may enroll within 60 days of your retirement date, during LACERS annual open enrollment period, or within 60 days of turning age 55 (however, you will not be eligible for a health subsidy until you reach age 55)

After retirement, certain qualifying events will require you to re-enroll in another health plan (turning age 65, moving outside an authorized zip code service area, etc.).

* Including the children of your Domestic Partner.

SURVIVING SPOUSES/DOMESTIC PARTNERS

After you die, your eligible Surviving Spouse/Domestic Partner may enroll in a LACERS health plan if he or she receives a survivorship or continuance allowance. However, when he or she can enroll depends on his or her dependent status at the time of your death:

- If covered as a dependent by your health plan, your Surviving Spouse/Domestic Partner may continue their coverage by re-enrolling in the plan within 60 days of your death
- If not covered as a dependent by your health plan, your Surviving Spouse/Domestic Partner may enroll during LACERS annual open enrollment period

Anyone covered by a LACERS medical plan must enroll in those parts of Medicare for which they are eligible (Parts A & B or B only) when they turn age 65 or due to other qualifying events.

Your Medical Plan Premium Subsidy

A medical plan premium subsidy may be available for LACERS Retirees and Surviving Spouses/Domestic Partners to apply to the cost of their monthly premiums.

IMPORTANT! Based on the plan and coverage you choose, your medical subsidy and Retirement Allowance may or may not cover your entire monthly medical premium. If your monthly net Retirement Allowance is not sufficient to cover any necessary premium deduction, contact LACERS for other payment options.

SUBSIDY ELIGIBILITY

You are eligible for a medical plan premium subsidy if you:

- Are retired
- Are age 55 or older
- Have at least 10 years of Service (the subsidy for part-time Members whose LACERS Membership date is after April 22, 1990 is based on Service Credit)
- Are enrolled in a LACERS-sponsored medical plan or a participant in the Medical Premium Reimbursement Program (MPRP)

The eligible Surviving Spouse/Domestic Partner medical plan premium subsidy is based on the deceased Member's eligibility criteria.

“Service” is equivalent to the number of years you worked for the City. “Service Credit” is based on the number of actual hours you worked. The Service Credit for a part-time employee will be prorated for each pay period based on the actual hours worked divided by 80 hours.

medical & dental plans

The subsidy maximums are different for eligible Surviving Spouses/ Domestic Partners. Refer to LACERS Health Benefits Guide for more retiree medical subsidy information.

Reciprocity with LACERA may help you qualify for or enhance your health subsidy. Contact LACERS for more information.

Before you cancel your existing LACERS medical plan coverage to participate in MPRP, contact LACERS to discuss your options.

HOW YOUR MEDICAL SUBSIDY IS DETERMINED

If your premium is greater than your subsidy, the premium balance will be deducted from your Retirement Allowance. Your subsidy may only be applied toward premium costs of a LACERS medical plan.

IMPORTANT! Your health subsidy is based on your years of:

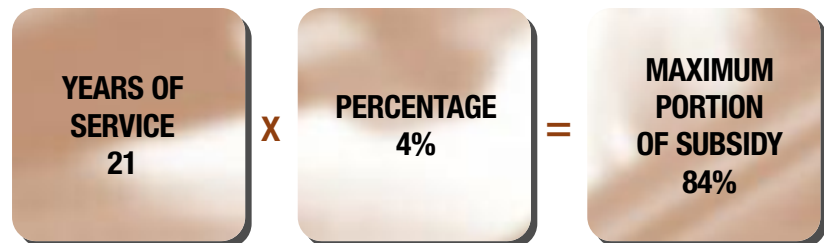
- Service (equivalent to the number of years you worked for the City)
 - If you are a full-time employee **or**
 - If you are a part-time employee who became a LACERS Member on or before April 22, 1990

-or-

- Service Credit (the number of actual hours worked)
 - If you are a part-time employee who became a LACERS Member after April 22, 1990

If You Are Under Age 65 or Over Age 65 with Medicare Part B Only

You will receive 4% of the maximum medical subsidy for each whole year of Service you have – up to 100% of the maximum medical subsidy (part-time Members whose LACERS Membership date is after April 22, 1990 receive 4% of the maximum medical subsidy for each whole year of Service Credit). For example:



If You Are Over Age 65 with Both Medicare Parts A and B

Your medical coverage will be subsidized at a different rate than if you were only enrolled in Medicare Part B. In addition, you will be reimbursed for the cost of your basic Medicare Part B premium.

There is no Medicare Part B premium reimbursement for dependents or Surviving Spouses/Domestic Partners.

Medical Premium Reimbursement Program (MPRP)

If you are not eligible to enroll in a LACERS HMO medical plan because you reside outside a LACERS HMO medical plan service

area, MPRP allows you to receive your medical subsidy as reimbursement of the premium for a qualified medical plan of your choosing. To qualify for the LACERS MPRP, you must:

- Reside more than three months of the year outside of a LACERS HMO authorized zip code service area in California, or outside of California and within the United States or its territories
- Be eligible to receive a LACERS medical subsidy
- Have at least 10 years of Service Credit (retirees with part-time Service may be subject to different rules regarding eligibility for a health subsidy)
- Be age 55 or older
- Not be enrolled in a LACERS-sponsored medical plan

IMPORTANT! Written cancellation of any LACERS medical plan must be received by the 10th to be effective for the following month.

Reimbursement is paid on a quarterly basis. For more information, please see our *Health Benefits Guide* or the *MPRP Information Sheet*.

Medicare Requirement

Upon turning age 65 or another qualifying event, you are required to apply for all parts of Medicare for which you are eligible and assign them to LACERS in order to continue receiving a subsidy and maintain medical coverage: Part A (if you are able to receive it premium free) & Part B (everyone must enroll).

If you and/or your dependent(s) do not provide LACERS with proof of Medicare coverage and assign (if applicable) your Medicare benefits to your LACERS medical plan, then you and/or your dependent(s) will no longer be eligible to receive a medical subsidy and your LACERS coverage will be terminated.

The Plan's Board of Administration may require enrollment in other parts of Medicare to ensure the cost-effectiveness of its health plan offerings. See the *Medicare Guide* for details.

Your Dental Plan Premium Subsidy

A dental plan premium subsidy is provided to eligible LACERS retirees to apply toward the cost of their monthly dental plan premium.

If you are retired and qualify for Medicare before turning age 65 (people with certain disabilities or End Stage Renal Disease), contact LACERS about your medical plan options.

If you have any questions about your City-sponsored health plan and/or Medicare coverage while you are employed by the City, contact the Personnel Department.

medical & dental plans

SUBSIDY ELIGIBILITY

You are eligible for a dental premium subsidy if you:

- Are retired
- Are age 55 or older
- Have at least 10 years of Service (part-time Members whose LACERS Membership date is after April 22, 1990 receive 4% of the maximum dental subsidy for each whole year of Service Credit) and
- Are enrolled in a LACERS-sponsored dental plan

HOW YOUR DENTAL SUBSIDY IS DETERMINED

Your dental premium subsidy is equal to 4% of the maximum dental subsidy for dental benefits for each whole year of Service (part-time Members whose LACERS Membership date is after April 22, 1990 receive 4% of the maximum dental subsidy for each whole year of Service Credit), but no more than your actual single-party dental plan premium.

Only LACERS Retired Members are eligible to receive a Dental Plan Premium Subsidy.

There is no dental subsidy available for dependents or Surviving Spouses/Domestic Partners.

terminating city service

If you are not eligible for a Service Retirement, but are thinking of terminating City Service, you may still be eligible for certain benefits from LACERS. Your eligibility for these benefits will depend on the amount of Continuous Service you have when you leave City Service. Following the table is an explanation of each option.

The following may help you become eligible for retirement if you have not met the five-year Continuous Service requirement:

- Purchase of Workers' Compensation "state rate" time
- Re-deposits
- Back contributions
- Reciprocity

YEARS OF CONTINUOUS SERVICE	OPTIONS
Less than 5 years of continuous service*	<p>Leave your contributions on deposit with the Plan or</p> <p>Take a refund of your Member contributions and/or roll these funds over into another qualified retirement plan.</p>
5 or more years of continuous service	<p>Leave your contributions on deposit with the Plan until you are eligible for a Deferred Service Retirement or</p> <p>Take a refund of your Member contributions and/or roll these funds over into another qualified retirement plan.</p>

IMPORTANT! Be sure to contact LACERS before terminating City employment because if you are physically or mentally incapable of working, you may be eligible for a Disability Retirement. If you don't think you have enough Continuous Service to qualify, you may be able to purchase Workers' Compensation time that may be used to increase your years of Continuous Service.

Leaving Your Contributions on Account

Even if you terminate with less than 5 years of Continuous Service, you can leave your contributions plus interest on deposit with LACERS. Your account will continue to receive interest. You must withdraw your contributions plus interest by the time you reach age 70½ or face taxation on the amount in your account.

* Unless you were a part-time employee while a LACERS Member or are at least 70 years old. Please contact LACERS to confirm your options before terminating City employment.

For more complete information, refer to LACERS' Termination Guide.

terminating city service

If you take a refund of your contributions or roll the funds over, you give up your right to any other benefits from the Plan, such as a Disability Retirement or a Deferred Service Retirement.

Taking a Refund and/or Rolling Your Contributions into a Qualified Account

You may take a refund of the contributions plus interest in your account, subject to the taxation provisions below, and/or roll these funds over into another qualified retirement plan. You are not entitled to the City's contributions because they are not part of your individual account.

TAXATION OF YOUR REFUND

LACERS is required to withhold taxes on any amount you receive as a refund for which you have not paid taxes unless your money is rolled over into another qualified retirement plan. Based on your age at the time your contributions are withdrawn, you may be subject to additional taxes and/or penalties. Please consult the *Tax Information Guide* and your tax advisor for more information.

Deferred Service Retirement

If you terminate with 5 or more years of City Service or were a part-time employee while a LACERS Member, you may leave your contributions on deposit and take a Deferred Service Retirement upon reaching eligibility.

DEFERRED EARLY RETIREMENT ELIGIBILITY — REDUCED ALLOWANCE

You can start receiving your Deferred Service Retirement allowance when you are age 55 or older and:

- You have at least 10 years of Continuous Service or
- Your first date of Membership was at least 10 years prior to your effective retirement date and you have at least 5 years of Continuous Service*

IMPORTANT! Unlike Social Security, delaying your Deferred Retirement once you are eligible won't increase your benefits. While there is an Early Retirement reduction to your Retirement Allowance, it is usually more than offset by the additional monthly benefits and the annual cost of living adjustments that you receive when you retire early. For example, let's assume that your monthly

Financially, it is usually in your best interest to retire when you are first eligible UNLESS you plan to return to City employment or plan to work for an agency that has reciprocity with LACERS.

* At least 5 years of Continuous Service must come from City employment and/or service recognized under full reciprocity.

allowance would be \$2,000 if you retired at age 60. If you retired at age 55, your allowance would start at \$1,850, but would grow to approximately \$2,145 by age 60 (assuming a maximum annual cost-of-living adjustment of 3%). Also, by retiring at age 55, you would have received five additional years of allowance (worth about \$120,000).

DEFERRED NORMAL RETIREMENT ELIGIBILITY — FULL ALLOWANCE

You can start receiving your Deferred Normal Retirement Allowance when:

- You are age 70 or older and have 5 or more years of Continuous Service*, **or**
- You are age 60 or older, your first date of Membership was at least 10 years prior to your effective retirement date and you have at least 5 years of Continuous Service*, **or**
- You are age 55 or older and you have 30 or more years of Service

DEFERRED RETIREMENT ELIGIBILITY FOR PART-TIME EMPLOYEES

Part-time employees may also be eligible for retirement. If you are:

- Age 70 (Full allowance)
- Age 60 or older and your first date of Membership was 10 years prior (Full allowance)
- Age 55 or older and your first date of Membership was 10 years prior (Reduced allowance)

WHEN TO APPLY FOR YOUR DEFERRED SERVICE RETIREMENT

It is best to apply at least 4 to 6 weeks before the effective date of your retirement to avoid delays in receiving your benefits. Your retirement effective date will be:

- The date you first become eligible for retirement (if your application is received on or before this date) **or**
- The date your signed application is received by LACERS (if your application is received after you are eligible for retirement)

Benefits cannot be paid for any period prior to the date your application is received. Be sure to apply on or before the date you first become eligible to retire or you will lose benefits for which you were otherwise eligible.

** At least 5 years of Continuous Service must come from City employment and/or service recognized under full reciprocity.*

appendix

If you elect Early Retirement, your Service Retirement Allowance will be calculated by multiplying your Normal Service Retirement Allowance by the Reduction Factor that corresponds to your age in the following table.

EARLY RETIREMENT REDUCTION FACTORS*

AGE	FACTOR	AGE	FACTOR
45	0.6250	52 ³ / ₄	0.8575
45 ¹ / ₄	0.6325	53	0.8650
45 ¹ / ₂	0.6400	53 ¹ / ₄	0.8725
45 ³ / ₄	0.6475	53 ¹ / ₂	0.8800
46	0.6550	53 ³ / ₄	0.8875
46 ¹ / ₄	0.6625	54	0.8950
46 ¹ / ₂	0.6700	54 ¹ / ₄	0.9025
46 ³ / ₄	0.6775	54 ¹ / ₂	0.9100
47	0.6850	54 ³ / ₄	0.9175
47 ¹ / ₄	0.6925	55	0.9250
47 ¹ / ₂	0.7000	55 ¹ / ₄	0.92875
47 ³ / ₄	0.7075	55 ¹ / ₂	0.93250
48	0.7150	55 ³ / ₄	0.93625
48 ¹ / ₄	0.7225	56	0.94000
48 ¹ / ₂	0.7300	56 ¹ / ₄	0.94375
48 ³ / ₄	0.7375	56 ¹ / ₂	0.94750
49	0.7450	56 ³ / ₄	0.95125
49 ¹ / ₄	0.7525	57	0.95500
49 ¹ / ₂	0.7600	57 ¹ / ₄	0.95875
49 ³ / ₄	0.7675	57 ¹ / ₂	0.96250
50	0.7750	57 ³ / ₄	0.96625
50 ¹ / ₄	0.7825	58	0.97000
50 ¹ / ₂	0.7900	58 ¹ / ₄	0.97375
50 ³ / ₄	0.7975	58 ¹ / ₂	0.97750
51	0.8050	58 ³ / ₄	0.98125
51 ¹ / ₄	0.8125	59	0.98500
51 ¹ / ₂	0.8200	59 ¹ / ₄	0.98875
51 ³ / ₄	0.8275	59 ¹ / ₂	0.99250
52	0.8350	59 ³ / ₄	0.99625
52 ¹ / ₄	0.8425	60 +	1.00
52 ¹ / ₂	0.8500		

* Reduction Factors are subject to change by ordinance of the City Council.

glossary of terms

Some of the terms listed may not contain a definition but will refer you to a particular page because those terms are better defined within the context of the specific benefit.*

Allowance/Retirement Allowance *Your lifetime monthly monetary benefit that is determined by your Final Compensation multiplied by your Service Credit multiplied by the Retirement Factor.*

Back Contributions *see page 5.*

Beneficiary *Any person or legal entity entitled to receive a benefit provided by the Plan.*

Benefit *Monies and/or subsidies provided pursuant to the Plan provisions.*

Continuance *A lifetime monthly benefit provided to a qualified beneficiary as the result of the death of a retired Member.*

Continuous Service *see page 8.*

Health Subsidy *A retirement benefit for Full-time employees or Part-time employees that can only be applied to a medical and/or dental plan.*

Medicare *Federal health programs administered by the Social Security Administration.*

Plan *The Los Angeles City Employees' Retirement System (LACERS).*

Plan-Registered Domestic Partnership *see page 9.*

Reciprocity *see page 6.*

Re-deposits *see page 4.*

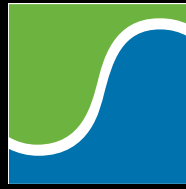
Service *Only those periods during which you were a Member of the Plan and 1) received compensation from the City as an employee or 2) received temporary disability Workers' Compensation benefits and also paid contributions to the Plan.*

Service Credit *The component of your benefit calculation based on your hours worked. Full-time employees receive 0.03835 years of Service Credit per pay period. The Service Credit for part-time employees will be prorated for each pay period based on the actual hours worked divided by 80 hours.*

State-Registered Domestic Partnership *see page 9.*

Survivorship *A lifetime monthly benefit provided to a qualified beneficiary as the result of the death of a Member prior to retiring.*

*Legal definitions can be found in the Los Angeles Administrative Code (LAAC) as approved by the City Council.



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

360 East Second Street, 2nd Floor
Los Angeles, CA 90012-4207
(800) 779-8328
(888) 349-3996 TDD • (213) 687-4174 Fax
www.LACERS.org
lacers.services@lacity.org
lacers.health@lacity.org



As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and upon request will provide reasonable accommodation to ensure equal access to its programs, services, and activities.