I'm loving it.

Biggest surprise in retirement: and bus trips through the Senior Center.

Occupies her time in retirement with:

Europe, Bahamas, Georgia, and Florida.

Retired from:

Services

Retired in:

2009 with 34+ years

Long Beach

Sharlyn Davis

George Raymond

Phil Lozano

Retired in: 2009 with 30 years

Retired from: General Services

Since retirement, has traveled to:

Jamaica, the Caribbean, Las Vegas, and San Francisco.

Occupies his time in retirement with:

Golfing three times a week, and restoring antique automobiles.

Biggest surprise in retirement:

“I didn’t realize I would have so much time on my hands.”

Services, Harbor, DWP

Retired in:

2007 with 41 years

Huntington Beach

George Raymond

LACERS services@lacers.org • LACERS.health@lacers.org • www.LACERS.org

There’s More Than One Way to Reach Us!

202 W. First Street, Suite 500, Los Angeles, CA 90012-4401 • (800) 779-8328 • TDD (888) 349-3996

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Dale Wong Nguyen, Chief Benefits Analyst

Investment Division
Rodney June, Chief Investment Officer

Retirement Services Division
Karen Freire, Chief Benefits Analyst
Michelle Cooley
Ann Seales

Internal Audit
Rahool “Wally” Oyewole, Departmental Audit Manager

Top row: Sharylon Davis, George Raymond, Phil Lozano

Spring 2014

A Message from Board President Rick Rogers

Recently, we received the news that Mayor Garcetti will be replacing all four appointed Commissioners on our Board. The LACERS Board consists of seven members — four are appointed by the Mayor, one of whom must be a LACERS Retiree; two others are elected by Active Members; and one is elected by our Retirees. This news means that Commissioners Robert Chick, Mike Keeley, Barker Khorasanee, and Ken Simril soon will be leaving our Board. Over the past few years, our Board Members — both appointed and elected — have worked together to enhance the operations at LACERS. Some of our accomplishments are noted in a recent management audit by the City that lauded LACERS for having a strategic planning process that is “exemplary among public funds.” We have made many other strides as well, such as lowering our investment management fees by shifting to more passive investment management and adopting and implementing a stringent investment manager monitoring policy, under which we have let go several investment managers that were not meeting the needs of our pension system.

I would like to take this opportunity to thank Commissioners Chick, Keeley, Khorasanee, and Simril for their service on the LACERS Board. Through their dedication and leadership, LACERS truly is a better pension system now than when they arrived on the Board.

A Message from General Manager Tom Moutes

Many years ago, my parents let me know that they wanted me to be the executor of their estate. For several years after that conversation took place, little more was said about that decision. For most people, it’s not an easy conversation to have. Most children don’t want to think about, much less discuss, their parents’ mortality.

But putting off those types of conversations can be problematic too. If you don’t discuss and document who you want to help you if you need it (such as a Power of Attorney and Health Care Power of Attorney) and how you want your estate to be settled (Trust, Will, etc.), decisions may be made that would not have been the ones you would have made!

Fortunately, my father and I ended up having a conversation and taking action in time for me to help him as things got more challenging for him and, eventually, when he passed away.

If you have been meaning to have a conversation with someone you trust to help you if you need it, maybe you can give them this article and that will help let them know what you need.

One more thing — it apparently is quite common to create a Trust, but not put anything into it, which doesn’t do any good! So once you start down the planning path, stick with it!

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One more thing — it apparently is quite common to create a Trust, but not put anything into it, which doesn’t do any good! So once you start down the planning path, stick with it!
Apply for Direct Deposit to Avoid Delays in Receiving Your Retirement Allowance

Would you like access to your monthly Retirement or Continuance Allowance as soon as it is available? In the event of a natural disaster or other declared emergency, how will you pay your mortgage, rent, medication, food, and/or utility bills if your check is late?

This past January, Members who receive their Retirement Allowance via paper checks experienced an unanticipated delay in the delivery of their checks due to bad weather in other parts of the country. Although our custodian bank in Chicago, Northern Trust, sent the checks as scheduled to the post office on January 27, many checks did not arrive on January 31 but instead took several days to reach their final destination. On the other hand, Members who participate in Direct Deposit received their money on time, although their statements were delayed until the Post Office could overcome the weather challenges.

The good news is LACERS has an easy solution for Retired Members receiving checks: switch to Direct Deposit. In most cases, you will have access to your Retirement Allowance sooner than you can remember, and save a cash-hardy check. You will still receive a monthly Direct Deposit Statement detailing your payment and deductions. You will also receive any other information that LACERS sends to all Retired Members in the form of a payroll flyer when there is information you need to know about your benefits.

Call LACERS at (800) 779-8328 and we will send you a Direct Deposit Authorization form. You may download the form directly at www.LACERS.org. Just complete the form and mail or fax it to:

Mail to:
Los Angeles City Employees’ Retirement System
202 W. First Street, Suite 500
Los Angeles, CA 90012-4401

FAX to: (213) 887-4174

Avoid delays in the delivery of your LACERS check, sign up for Direct Deposit today.

2013 Was a Very Good Year For LACERS Investment Portfolio

The LACERS portfolio was up 18.8%, net of fees.

The LACERS portfolio was up 18.8%, net of fees. Of the 2% premium (net of fees) over the same one-year period. While the LACERS portfolio continues to benefit from strong upward market moves, staff continues to manage investment risk by rebalancing the weights of the broad asset classes back to Board-approved policy targets. While this is good news for the system, it also is important to keep in mind that the rate of return at the end of the fiscal year is the one that is used to help determine the City’s contribution to LACERS.

In 2013, not even the Federal Reserve’s upward momentum of the equity market in 2013 was a very good year for LACERS investment portfolio. The calendar year ended with a “Bang!” interest rates and robust liquidity. The City payroll — the City’s payroll is impacted by salary rates and the number of employees on the payroll. An increase in City payroll will increase the City contribution to LACERS, unless offset by other variables.

For Fiscal Year 2014-2015, the City contribution to LACERS is expected to be approximately $20 million less than had been anticipated due largely to LACERS robust (14.3%) investment return last fiscal year.

Demographics — The actuarial analysis projects the term and amount of the retirement benefit by taking into account the demographics of the active and retired populations, including such things as rate of retirement, rate of termination, rate of disability, life expectancy, and beneficiary patterns.

Board Actuarial Policies — The LACERS Board of Administration establishes policies that impact the methodologies and assumptions used in the actuarial calculations and sets various actuarial assumptions. For more information, please visit www.LACERS.org and click on Actuarial Reports.

This is the third article in a three-part series; the first article appeared in the Spring 2013 edition of LACERS News, “Explanation of June 30, 2012 Funded Ratio”; and the second article appeared in the Fall 2013 edition of LACERS News, “Facts About Member Contributions.”

City Contribution to Your Retirement Benefit

The LACERS Pension Trust Fund is a combination of money from three sources: Member Contributions, City Contributions, and Investment Earnings. Over the past 10 years, all the money entering the Pension Trust Fund has averaged 11% from Employee Contributions, 30% from City Contributions, and 59% from Investment Earnings.

TEN-YEAR AVERAGE ENDED JUNE 30, 2013

30% Employee Contributions
59% City Contributions
11% Investment Earnings

Each year, the City must pay a contribution to the retirement fund, which is an amount necessary to pay for the costs of current benefits as well as the annual costs of any unfunded liability (benefits that have already accrued, but for which the plan does not have sufficient assets to pay). The City of Los Angeles contributed $451,531,275 to the LACERS trust fund on July 15, 2013. This represents the City’s annual contribution for the Fiscal Year 2013-2014. The City contribution rate is calculated each year by the LACERS actuary, who analyzes numerous factors to arrive at a figure expressed as a percentage of the current total civilian payroll. The contribution rates for Fiscal Year 2013-2014 were 25.33% for Tier 1 and 18.32% for Tier 2.

The following are the most significant variables impacting the City contribution:

• Fiscal Year 2014-2015, the City contribution to LACERS is expected to be approximately $20 million less than had been anticipated due largely to LACERS robust (14.3%) investment return last fiscal year.

“Did You Know” is a Regular Feature at www.LACERS.org

The Did You Know? feature on our website highlights facts and events about LACERS. Listed below are some of the Did You Know? topics that have appeared recently:

• February 2014 LACERS is one of the few retirement systems that offers its Retired Members a comprehensive wellness program.

• January 2014 The City’s Fiscal Year 2014-15 contribution to LACERS is expected to be approximately $20 million less than had been anticipated due largely to LACERS robust (14.3%) investment return last fiscal year.

• December 2013 LACERS received the Public Pension Standards Award for Funding and Administration by the Public Pension Coordinating Council — a conference of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR) — in recognition of meeting professional standards for plan funding and administration as set forth in their Public Pension Standards.

• November 2013 The LACERS retirement allowance formula does not allow for the use of overtime, sick time, or vacation payouts to increase retirement benefits.

• October 2013 The LACERS Boardroom has been renamed the Ken Spiker Boardroom. The dedication ceremony took place on September 24, honoring former Commissioner Ken Spiker for his 18 years of service to the Board of Administration as the Elected Retired Member.

• September 2013 LACERS has been able to control costs for our Members and the City by having average medical plan premium increases of just 4.0% over the last 10 years compared with the 9.7% rate which was assumed during that period.

• August 2013 Since 1998, Registered Domestic Partners of LACERS Members have been eligible for the same benefits as legally married spouses of Members. These benefits may include Retiree Health Benefits and Survivor Benefits.

Protect Yourself From Identity Theft

In 2012, there were 12.6 million victims of identity theft in the United States. The cost to the average victim was approximately $350 and 12 hours to deal with the issue and clear up problems.

By taking the few simple actions listed below, you may limit the chances of becoming a victim of identity theft:

1. Protect your account numbers. This would include Social Security numbers, bank account numbers, and credit card numbers. Do not give them out to unsolicited phone, mail, or email inquiries.

2. Practice good password and PIN number habits. Strong passwords generally have eight or more characters, mixing numbers, letters, and symbols. Changing passwords and PIN numbers routinely is also a good practice.

3. Protect your mail, both incoming and outgoing. Secured mailboxes at home protect your delivered mail. Taking your outgoing mail to the Post Office or dropping it in a Post Office mailbox is generally more secure than leaving it for pick-up in your home mailbox.

Also, avoid overstuffed Post Office mailboxes.

4. Shred unnecessary documents that contain personal and financial information. This includes billing statement stubs, bank statements, and unsolicited bank and credit card offers.

5. Secure your Social Security Card and Medicare Card. Don’t routinely carry them in your wallet or purse. Keep them secured elsewhere, but have them accessible for your occasional doctor’s visits and other appointments.

6. Check your credit report. It’s free to do this once a year at www.annualcreditreport.com.

Health Advocate’s Corner: Medicare

When do I apply for Medicare? Do I wait until my 65th birthday to sign up for Medicare?

No. You do not have to wait until you turn 65 to sign up for Medicare. Three months before your 65th birthday, LACERS will send you an “Age-in” packet with information on Medicare enrollment requirements. You can sign up for Medicare Part A and/or Part B during the Initial Enrollment Period when you are first eligible, which begins three months before the month you turn 65, and ends three months after the month you turn 65, for a total of seven months.

To prevent a delay in Medicare coverage, LACERS recommends that you sign up for Medicare during the three months before your 65th birthday. This way your Medicare coverage will start the first day of your birthday month. LACERS requires that you enroll in Medicare Part B. You are also required to enroll in Medicare Part A, but only if it is at no cost to you (premium-free).

If you didn’t sign up for Medicare when you were first eligible, you can sign up during the General Enrollment Period, which occurs during January through March every year. However, your Medicare coverage will not be in effect until July 1 of that year. You may also have to pay late enrollment and ongoing penalties.

Again, we recommend you contact the Social Security Administration three months before you turn 65 at (800) 772-1213, or www.socialsecurity.gov to enroll in Medicare. For more information, call us at (800) 779-8328, or contact us at lacers.health@lacers.org.
Securing Your Retirement: Internal Audit

To increase transparency and accountability, the Board has long held a strategic initiative to establish an internal audit function at LACERS. In July 2013, LACERS hired a Departmental Audit Manager. In November, the Board adopted an Internal Audit Charter and Audit Committee Charter to formally establish an internal audit function.

Internal auditing is a cornerstone of good governance and bridges the gap between the Board’s awareness, and assessment capabilities.

- Assessing the reliability and accuracy of financial and operating information.
- Evaluating the efficiency and effectiveness of controls over retirement and health benefit operations, investments, fiscal, and systems.
- Testing the adequacy of controls for preventing waste and safeguarding assets and investments.
- Verifying compliance with City policies, Board rules, procedures, and other regulations.
- Providing employees with ways to increase internal control knowledge, awareness, and assessment capabilities.

To Do List: Keep Your Address and Phone Number up to Date

It is important to notify the LACERS Member Processing Unit (MPU) when you change your address and/or phone number. Our ability to provide you with services depends on accurate information on file with LACERS.

Please note that LACERS requires all plan members to have a physical address on file. Pursuant to Internal Revenue Service (IRS) Publication 575, failure to provide a physical address will result in the charging of your Federal Tax Withholding to married with three withholding exemptions.

So that we can provide you with the best possible service, be sure to update your new address and/or phone number by completing and submitting a Change of Address Request Form (available online at www.LACERS.org, or mail or fax it to):

Los Angeles City Employees’ Retirement System
202 W. First Street, Suite 500
Los Angeles, CA 90012-4401
Attr: Membership Processing Unit
FAX to: (213) 687-4174 – Attr: Membership Processing Unit

Making the Most of Your Dental Benefits

Do you remember the saying, “An ounce of prevention is worth a pound of cure”? Make sure you take the following steps so you can enjoy the most of your dental benefits.

First prevention step – Acquaint yourself with your dental plan and benefits.
- MetLife PPO Dental plan – Check if your dentist is In-Network, as that will save you money.

Second prevention step – Schedule your two semi-annual basic cleanings. As long as you go to your assigned SafeGuard HMO dentist or to a MetLife PPO In-Network dentist, the cleanings are free.

Now for the pound of cure (and the way to know your share of costs) – Before you have any work done, insist that your dentist submit a claim to your plan (MetLife or SafeGuard) detailing the services to be performed by ADA code and the amount the dentist will charge. By confirming your level of dental coverage and costs associated with services, you can avoid any surprises related to your dental care and continue to maintain good oral health.

Become a LACERS Well Champion

Do you have an interest, hobby, or activity that you would like to share with others? LACERS is seeking Retired Members who would like to become LACERS Well Champions.

As a LACERS Well Champion, you will lead other LACERS Members in a regularly scheduled activity of your choice such as meditation, walking, gardening, cooking, golf, or reading. Not only is this a great way to meet other LACERS retirees in your area, but you will be helping LACERS Members stay well.

If you are interested, please visit the LACERS Well web page at www.LACERS.org/lacerswell and complete the LACERS Well Champion application or complete the following information and return it to LACERS:

First and Last Name: Phone Number: Email Address: Home Address: Activity you are interested in leading:

Thank you for your interest. We look forward to working with you to bring wellness to all of our Members.

LACERS Well Program for 2014

In 2013, the Find Your Balance campaign promoted the importance of balancing physical activity and nutrition through two wellness workshops, two online health and fitness programs, three seminars, three webinars, and 54 fitness classes. We are grateful for all the support and positive feedback we have received from those Members who participated in the different LACERS Well programs and events. At the same time, we had hoped to have greater participation. So, before launching a new campaign for 2014, we decided to conduct research to develop a plan that better meets the needs of our Retired Members.

In January, we mailed an extensive survey to a randomly-selected stratified sample of 5,000 Retired Members. The survey asked Members questions about our wellness program, types of activities that they enjoy, what might motivate them to pursue wellness activities, obstacles to pursuing activities, the frequency of doctor visits, obstacles to medical care/treatment, and more. The surveys were due back by the end of January and the results are currently being reviewed to assess the interests and needs of our Members. Our goal is to build a wellness program that will generate more interest and participation.

To help us meet our goal, Anthem Blue Cross has agreed to fund a wellness coordinator position to assist LACERS in reaching out to our Retired Members. This coordinator will inform Members about health and wellness programs available through their medical plans, the importance of regular doctor visits and compliance with treatments, community resources in their surrounding area that can provide support, and different activities available to them near their home.

In addition, we will be seeking Retired Member volunteers to become LACERS Well Champions. These champions would lead other LACERS Members in regular social and physical activities that they enjoy such as a walking group, book club, or gardening club. If you are interested in becoming a LACERS Well Champion, see the related article in this issue of LACERS News.

While we continue to build the new LACERS Well program, be sure to visit the LACERS Well web page at www.LACERS.org/lacerswell for information, resources, and tools to help you stay healthy. If you haven’t already registered for LACERS Well, be sure to do so. Registered Members are eligible for program rewards and receive monthly updates and wellness tips.

We look forward to launching the new LACERS Well program in the near future.

Silver Sneakers Now Offered by 3 LACERS Health Plans

For 2014, LACERS negotiated the addition of the Silver Sneakers Fitness Program to the Anthem Blue Cross Life and Health Medicare Supplement plan and the Senior Care Action Network (SCAN) plan. This program was available to Members enrolled in LACERS’ United HealthCare plan (UHC) prior to 2014.

Silver Sneakers is a fitness and wellness program designed to help older adults live healthy and active lifestyles by encouraging physical activity and offering social events. Silver Sneakers offers a wide range of resources, such as fitness center memberships; customized classes designed for older adults who want to improve strength, flexibility, balance, and endurance; and online support to help Members lose weight, quit smoking, or reduce stress.

LACERS encourages its eligible Members to take advantage of this fantastic program. To learn more about enrolling in this program, please contact your health insurance provider (Anthem Blue Cross, SCAN, or UHC) and ask about registering in the Silver Sneakers Fitness Program. You may also inquire about Silver Sneakers Fitness by calling (888) 423-4632 (TTY: 711), or by visiting www.silversneakers.com.