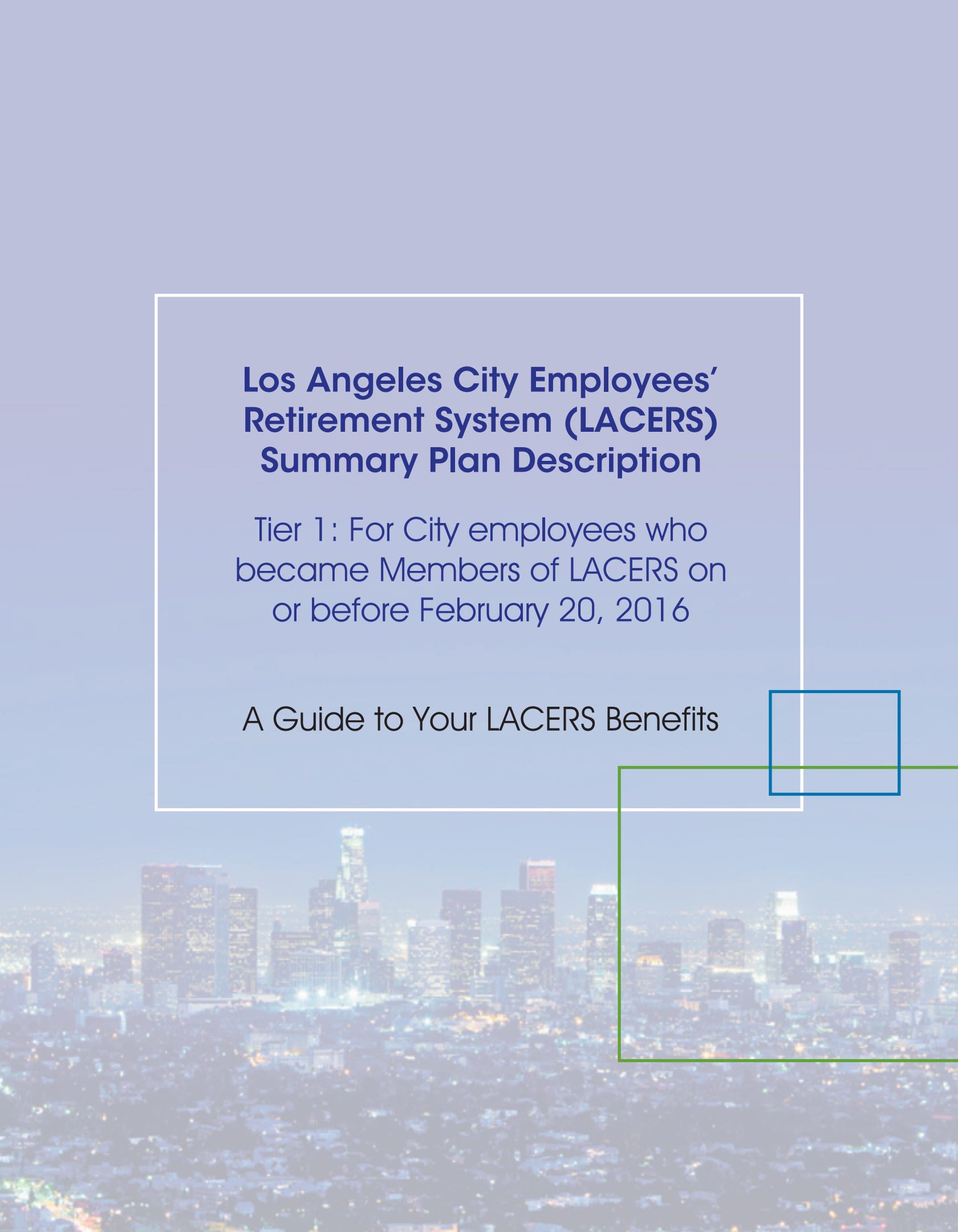


SUMMARY PLAN DESCRIPTION

A Guide to LACERS Tier 1 Benefits

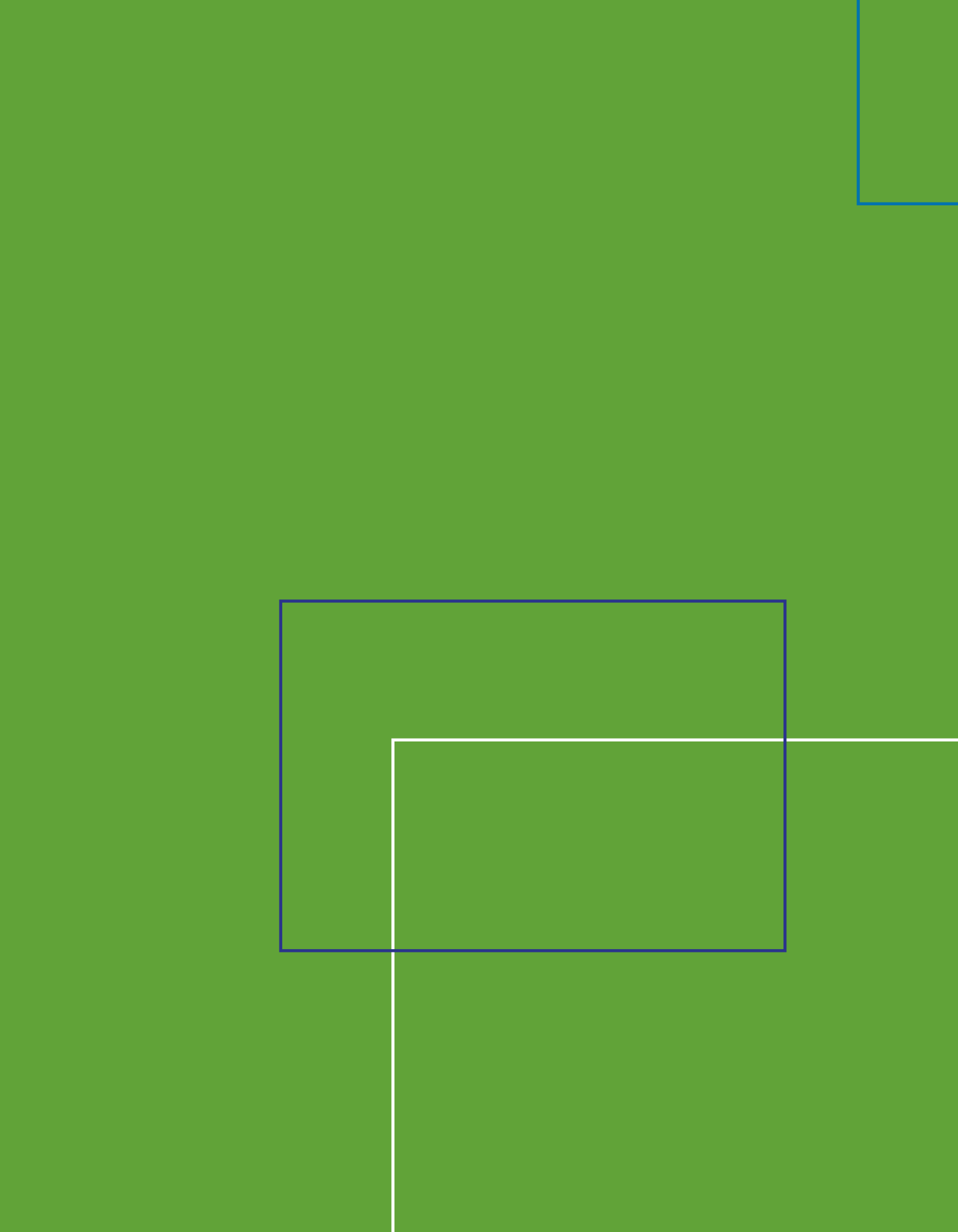


An aerial night view of the Los Angeles skyline, showing numerous illuminated skyscrapers and city lights. The image is overlaid with a semi-transparent blue rectangle containing text.

Los Angeles City Employees' Retirement System (LACERS) Summary Plan Description

Tier 1: For City employees who
became Members of LACERS on
or before February 20, 2016

A Guide to Your LACERS Benefits





Introduction

LACERS aspires to be valued by our Members for excellence in all we do.

LACERS Board and Staff are committed to reflecting these **Guiding Principles** in all we say and do:

- We strive to demonstrate **professionalism** in our work, expert knowledge and skill, and the initiative to share and enhance this body of knowledge.
- We constantly seek **innovation** by imagining new and exciting ideas to aid both our workplace and our Members.
- We treat our Members, co-workers, and others with **respect**. We appreciate and consider everyone's beliefs, experience, knowledge, opinions, and values without judgment, and respond in a manner that facilitates collaboration.
- We perform our work guided by the principle of **kindness and caring** and with it practice patience, listen carefully, and respond to our Members, co-workers, and others in a friendly, open, and considerate manner.
- **Teamwork** is our foundation for effective communication, exchange of ideas, and the success of the organization.

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
202 W. First Street, Suite 500, Los Angeles, CA 90012-4401 (800) 779-8328

Agent for Service of Legal Process: General Manager

Los Angeles City Employees' Retirement System
202 W. First Street, Suite 500, Los Angeles, CA 90012-4401 (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.

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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.





Tier 1 Membership

All City employees who become Members of the Plan on or before February 20, 2016, shall be Members of Tier 1. Certain employees who become Members on or after February 21, 2016, may qualify for membership in Tier 1, rather than Tier 3, based on certain statutory exceptions to Tier 3 membership.

You may designate a beneficiary who will receive your contributions if you die while employed. In addition, you may be able to provide increased financial protection for your family through LACERS' Family Death Benefit Plan (FDBP). For more information, see the *Family Death Benefit Plan* section in the *Survivor Benefits* chapter.

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 pursuant to Los Angeles Administrative Code Sections 4.1002 (b) and (c).

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 the Memorandum of Understanding under which your job classification is covered, if applicable. 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 Tier 1, you must contribute a percentage of your salary to the Plan. All LACERS Members will contribute based on the requirements of the Los Angeles Administrative Code and/or the Memorandum of Understanding under which your job classification is covered.

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 Survivor.

If you do not have an eligible Survivor 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. Information on the contributions and interest earned in your account is available through LACERS website, or upon request.

IMPORTANT! *If you make contributions to LACERS while you are married or in a state-registered domestic partnership, and you subsequently legally terminate the relationship or legally separate, the court may award a community property interest in your LACERS benefits to your Spouse/Domestic Partner. LACERS may be required to pay this share directly to your Spouse/Domestic Partner. Once a community property claim is filed with the Plan, LACERS is also required to withhold contested benefits until served with a court order disposing of the community interest. Please refer to LACERS' Community Property Information Guide for further information.*

CITY CONTRIBUTIONS

Each year, the City of Los Angeles also contributes to the Plan at a rate determined by the LACERS Board. As provided by the Los Angeles Administrative Code, this annual contribution is an actuarially determined percentage that, when combined with the Member contribution, is sufficient to fully meet the actuarial funding requirements of the Plan. The City's contributions are not part of your individual account.

INVESTMENTS

LACERS Board of Administration sets the overall investment policy for LACERS with the goal of establishing an optimal investment portfolio from risk and return perspectives. The Board approves LACERS' asset allocation and selects and monitors investment fund managers. LACERS' investment returns are not part of your individual account.

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

Service Credit

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 may increase your Retirement Allowance and health subsidy.

Note: There are certain Internal Revenue Code (IRC) requirements and limitations on service purchases. To comply with the IRC, LACERS will evaluate requests for service purchases to determine whether they comply with federal law limits. A service purchase that does not comply may be disallowed in whole or in part by LACERS.

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 LACERS *Government Service Buyback Information Sheet* and/or *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 LACERS' *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 its 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. For more information, please see LACERS' *Back Contribution Information Sheet*.

For purchases of prior service as a part-time and/or temporary City employee in the Pension Savings Plan, other requirements may apply. Contact LACERS for information.

PUBLIC SERVICE BUYBACKS (PSB)

If you have taken approved leaves without pay from the City (other than maternity leaves, which can be purchased as a 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 PSB program. Your total combined leave time must add up to at least six months. Service Credit purchased through a 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 offer 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)
- 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 LACERS' *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, and establish reciprocity prior to applying for retirement. Reciprocity may take 6 - 12 months, or longer, to establish.*

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 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.

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

LIMITED RECIPROCITY

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 LACERS' *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.

HEALTH RECIPROCITY BETWEEN LACERS AND THE 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 LACERS' *Health Reciprocity Information Sheet*.

RECIPROCITY BETWEEN LACERS AND THE WATER AND POWER EMPLOYEES' RETIREMENT PLAN (WPERP)

Reciprocity between LACERS and WPERP may differ depending on the date of your transfer and certain provisions in the Los Angeles Administrative Code. Contact LACERS for information specific to your situation.

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

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 following types of retirement benefits are discussed below:

- Normal Service Retirement
- Early Service Retirement
- Disability Retirement

NORMAL SERVICE RETIREMENT (FULL ALLOWANCE)

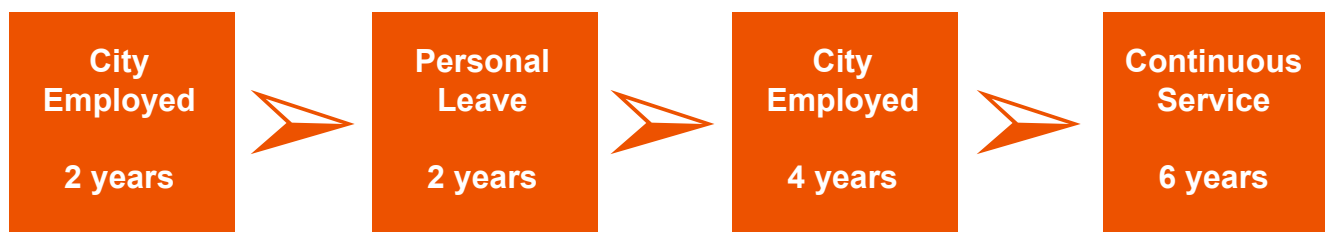
- Age 55 or older with at least 30 years of City Service*
- Age 60 or older with at least 10 years of Continuous Service*
- Age 70 or older regardless of your length of City Service

EARLY SERVICE RETIREMENT (REDUCED ALLOWANCE)

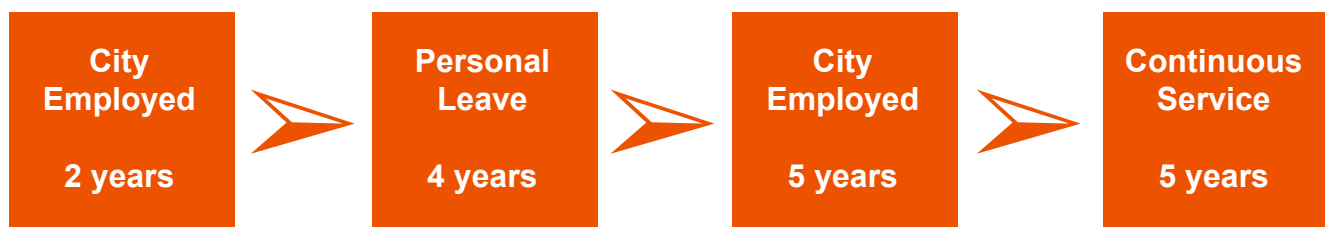
- Age 55 or older with at least 10 years of Continuous Service*
- Less than age 55 with at least 30 years of City Service*

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 two years, then leaves the City for two years, and returns to the City and works four years. The Member has six years of Continuous Service because the break in Service did not exceed three years.



- A Member works for the City for two years, then leaves the City for four years, and returns to the City and works five years. Continuous Service is NOT seven years because the break in Service exceeded three years.



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

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. The 30 to 60 day filing requirement may be waived during a declared fiscal emergency or whenever a Member has received a layoff notice.

REQUIRED DOCUMENTS FOR RETIREMENT

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

- Your and your Spouse's/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)

At least one year before you apply for retirement, your Declaration of Domestic Partnership must be on file with LACERS (or registered with the state) in order to qualify your Domestic Partner for a Continuance. 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.

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.

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

Final Compensation is the monthly average of the last 12 months of compensation earned by your classification (or any other 12 consecutive months you designate), based on the requirements of the Los Angeles Administrative Code and/or the Memorandum of Understanding under which your job classification is covered. 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.

*At least five years of Continuous Service must come from City employment and/or service recognized under full reciprocity. Certain exceptions may apply.

Retirement Benefits (continued)

NORMAL RETIREMENT BENEFIT FORMULA

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

Final Compensation	X	Service Credit	X	Retirement Factor	=	Retirement Allowance
\$4,000		20.25		2.16%		\$1,749.60

EARLY RETIREMENT BENEFIT FORMULA

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

Final Compensation	X	Service Credit	X	Retirement Factor	X	Early Retirement Factor	=	Retirement Allowance
\$4,000		20.25		2.16%		.9250		\$1,618.38

IMPORTANT! Service Credit for a part-time employee will be less than “City Service” because it is prorated on the basis of the actual hours worked in each pay period. For 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”).

DISABILITY RETIREMENT

If you become disabled while an active Member, you may be eligible for a Disability Retirement. Your disabling condition need not be job-related, but it must prevent you from performing your regular job duties. 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.

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.

ELIGIBILITY TO APPLY

You become eligible to apply for a Disability Retirement 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 12 months of your last day on the City payroll or within 12 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.

If it's been less than 12 months since your last day on the City payroll and you think you are disabled, contact LACERS for assistance.

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**

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.

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

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. Please contact a LACERS Disability Counselor for more information.

Signing a Durable Power of Attorney may 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.

Retirement Benefits (continued)

APPROVAL OF YOUR DISABILITY RETIREMENT APPLICATION

After you have been examined by physicians 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 if you did not resign or have your employment terminated, and your Disability Retirement Allowance will cease.

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 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 any unused contributions refunded to a beneficiary. No contributions will be refunded when you and any eligible Survivors die.

DECISION – FOR RETIREES WITH AN ELIGIBLE SPOUSE/DOMESTIC PARTNER: Part of the contributions you pay to LACERS helps fund a lifetime monthly Continuance benefit to your eligible Spouse/Domestic Partner 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, or if your marriage or domestic partnership is terminated.

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 the 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 LACERS' Community Property Information Guide for further information.*

DECISION – FOR RETIREES WITHOUT AN ELIGIBLE SPOUSE/DOMESTIC PARTNER:
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.*

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. You may also be able to provide a monthly Continuance to your minor children or dependent parents. The Plan does not provide any funding for these Continuances. (Internal Revenue Code provisions may limit the percentage of Continuance you may leave to a non-spouse.)

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*
- *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.

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

Retirement Benefits (continued)

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 LACERS' *Tax Information Guide* or consult your tax advisor (LACERS employees are not qualified tax advisors).

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 (\$280,000+ annual salary in 2019). 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 (\$225,000 annual benefit limit in 2019). This supplemental retirement plan, separate from and funded differently than LACERS defined-benefit plan, pays participants the portion of their LACERS benefit that exceeds 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/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 garnish your allowance/benefit payment for collection of taxes
- A court-ordered wage assignment for spousal, child, or family support
- Some Franchise Tax Board attachments

COST OF LIVING ADJUSTMENT (COLA)

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

If you are retired for a whole year, you will receive the full COLA. If you are retired for less than one year, you will 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 pursuant to Los Angeles Administrative Code provisions.

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 (except for Roth IRAs) at the time of your retirement for purposes of funding a larger annuity. For more information, please see LACERS' *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.

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 one year of Service Credit (non-duty-related death)	Refund of contributions
At least one year of Service Credit, but less than five years of Continuous Service (non-duty-related death)	Refund of contributions and possible Limited Pension
Less than five years of Continuous Service (duty-related death)	Possible Disability Retirement Survivorship or refund of contributions and possible Limited Pension
Five years or more of Continuous Service	Possible Deferred or Service Retirement Survivorship or possible Disability Retirement Survivorship or refund of contributions and possible Limited Pension

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

In addition to the monetary benefits contained in this table, survivors 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 die prior to retirement, but were eligible to retire, this option allows your Spouse/Domestic Partner (Plan-registered and/or state-registered) to receive a monthly lifetime benefit based on your retirement eligibility. This survivorship benefit is calculated as if you had retired on the day before you died and selected a 100% Continuance benefit. **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 children or, if none, to your dependent parent(s), 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 Survivor (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 Spouse/Domestic Partner must be eligible to receive all of your contributions to be eligible for this benefit.** 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 parent(s) will NOT be entitled to a limited pension or to benefits under LACERS Family Death Benefit 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.

Survivor Benefits (continued)

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.

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.

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 Plan/state-registered Domestic Partner
- 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.*

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.

FAMILY DEATH BENEFIT PLAN (FDBP)

The Family Death Benefit Plan (FDBP) is a **voluntary** supplemental benefit program that may give your family increased financial protection if you die before retirement. For a relatively small cost (\$3.00 per month, as of July 1, 2018), FDBP provides a monthly financial benefit similar to Social Security's survivor benefit. This is an important benefit for new Members whose survivors may not yet be eligible for monthly survivorship benefits under the Plan if the Member should die before being eligible for a service retirement.

The program is open to all LACERS Members who have completed at least 18 months of City Service. After making FDBP payments for an additional 18 months, your survivors may become eligible for some basic family and child benefits. Additional benefits become available for surviving spouses/domestic partners and dependent parents after 120 months of participation. If you were not an FDBP participant and have more than 18 months of City Service, you are allowed to make payments 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 LACERS' *Family Death Benefit Plan Brochure*.

IF YOU DIE AFTER RETIREMENT

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

- Any unused contributions (if applicable)
- A \$2,500 Burial 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.

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
- 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:

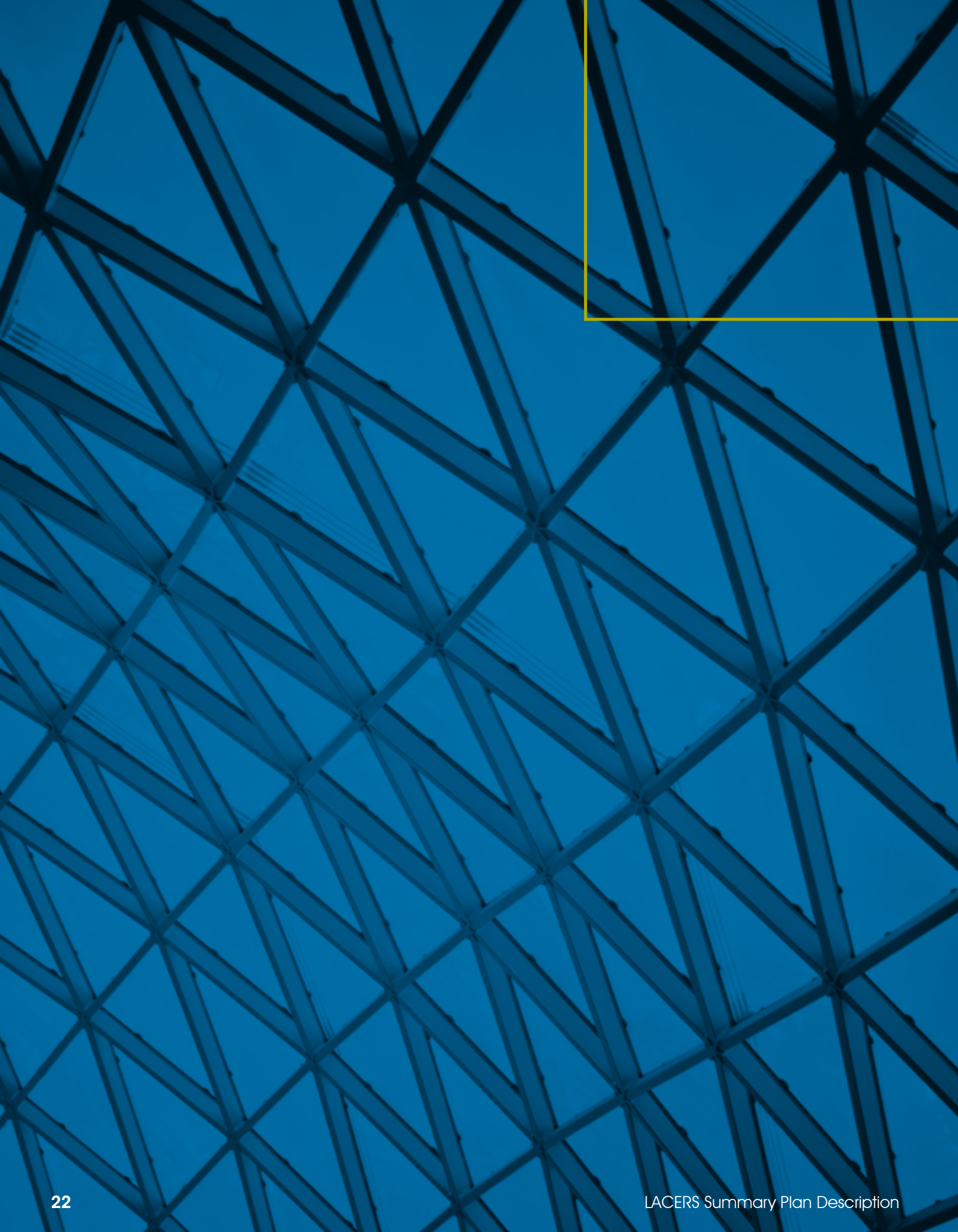
- Your domestic partnership must have been registered either with the State of California or the Plan for at least one year prior to the date of your Service Retirement
- Your Domestic Partner must be your Domestic Partner or Spouse on the date of your retirement
- Your Domestic Partner must be your 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. You may also be able to provide a monthly Continuance to your minor children or dependent parent(s). The Plan does not provide any funding for these Continuances. (Internal Revenue Code provisions may limit the percentage of Continuance you may leave to a non-spouse.)

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*
- *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 120 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.

*Other provisions/restrictions may apply.

Medical & Dental Benefits

You can find details about our medical and dental plans inside LACERS' *Health Benefits Guide*. The guide may be obtained on our website, www.LACERS.org.

ELIGIBILITY FOR ENROLLMENT IN A LACERS MEDICAL OR DENTAL PLAN

You are eligible to enroll yourself and your eligible dependents in LACERS health plans if you are a retired City employee who receives from LACERS a monthly retirement allowance or an Eligible Survivor who receives a Continuance or Survivorship Allowance. Eligible dependents include: spouse, Plan/state-registered domestic partner, children and grandchildren that meet certain qualifying requirements.

LACERS is not subject to the Patient Protection and Affordable Care Act (PPACA) provision requiring coverage of children up to age 26.

ENROLLING IN A MEDICAL OR DENTAL PLAN


MEMBERS

Health coverage is not automatic. You must complete and submit LACERS' health enrollment forms by the enrollment deadlines if you would like to enroll in a LACERS health plan or are enrolled in a LACERS health plan and would like to change your plan. Contact LACERS or visit the LACERS website for the forms.

WHEN TO ENROLL

Generally, you may enroll in a LACERS health plan:

- Within 60 days of your retirement effective date
- During LACERS' annual Open Enrollment period (October 15 – November 15)



You also may enroll or change plans within:

- 60 days of turning age 55
- 60 days of turning age 65 (based on your Medicare eligibility)
- 30 days of a LACERS HMO plan zip code service area becoming available or unavailable
- 30 days of being involuntarily terminated from a non-LACERS medical plan (LACERS requires proof of termination)

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.).

SURVIVING SPOUSES/DOMESTIC PARTNERS

After you die, your Eligible Survivor may enroll in a LACERS health plan if he/she receives a Survivorship or Continuance Allowance. However, when he/she can enroll depends on his/her dependent status at the time of your death:

- If covered as a dependent on your Retiree health plan, your Survivor may continue their coverage by re-enrolling in the same plan within 60 days of your death
- If not covered as a dependent on your Retiree health plan, your Survivor may enroll during LACERS annual Open Enrollment period
- The Eligible Survivor of a deceased Active Member may enroll in a LACERS health plan within 60 days of being added to the retirement payroll, regardless of their dependent status on the Active Member's health plan.

Former spouses/domestic partners who are receiving community property interest in your allowance are not eligible to participate in LACERS medical and dental plans.

Medical & Dental Benefits (continued)

YOUR MEDICAL PLAN PREMIUM SUBSIDY

You may be eligible to receive a monthly medical plan premium subsidy from LACERS. A subsidy is a monthly dollar credit applied to the cost of your medical plan premium.

The medical plan premium is the monthly cost of insurance coverage (medical + vision).

LACERS Board annually determines the maximum monthly subsidy amount that you may receive pursuant to the authority granted to it in the Los Angeles Administrative Code.

Your subsidy may or may not cover the total cost of your monthly premium. If your subsidy is less than your monthly premium, the balance is deducted from your Retirement Allowance. If your monthly net Retirement Allowance is not sufficient to cover any necessary premium deduction, LACERS may provide you with other payment options.

HEALTH SERVICE CREDIT

Your eligibility for medical and dental plan premium subsidies and the calculation of those subsidies are determined by your Health Service Credit. Your Health Service Credit is based on your years of City Service (the number of years you have worked for the City) and Service Credit.

Purchases of DWP service do not count toward Health Service Credit.

Part-time employees should contact LACERS for more information on eligibility and how to calculate their Health Service Credit.

SUBSIDY ELIGIBILITY

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

- Are a Retiree
- Are age 55 or older
- Have a minimum of 10 years of Service
- Are enrolled in a LACERS-sponsored medical plan or a participant in the Medical Premium Reimbursement Program

The eligible Survivor medical plan premium subsidy is based on the deceased Member's eligibility criteria.

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

HOW YOUR MEDICAL PLAN PREMIUM SUBSIDY IS CALCULATED

IMPORTANT! If you retired on or after July 1, 2011, your maximum medical plan subsidy and that of your Eligible Survivor may be dependent upon whether you made additional retirement contributions pursuant to the Los Angeles Administrative Code Section 4.1003(c).

Retirees who have made additional retirement contributions, and their Eligible Survivors, are entitled to increases in their maximum medical plan premium subsidies as stated in Division 4, Chapter 11 of the Los Angeles Administrative Code.

Maximum medical plan premium subsidies are capped at their 2011 levels for some Retirees who have not made additional contributions. Maximum medical plan premium subsidies for the Eligible Survivors of these Members are also capped at their 2011 levels.

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

A minimum of 10 years of Service is required to receive a medical plan premium subsidy. For 10 years of Service, you are eligible to receive 40% of LACERS maximum monthly plan premium subsidy established for Tier 1 Retirees. For each additional whole year of Service Credit in excess of 10 years, you may receive an additional 4% of the maximum monthly medical plan premium subsidy.

To receive the maximum medical subsidy, you must have at least 25 years of Service Credit.

Any unused subsidy cannot be received as cash compensation.

For example:

YEARS OF SERVICE CREDIT	X	PERCENTAGE	=	PORTION OF MAXIMUM SUBSIDY
21		4%		84%

Reciprocity with the Los Angeles County Employees Retirement Association may help you qualify for or enhance your health subsidy. Contact LACERS for more information.

Medical & Dental Benefits (continued)

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

Your maximum monthly subsidy amount will be based on your years of Service Credit and the one-party premium of the LACERS Senior Plan in which you are enrolled.

Years of Service Credit	% of Single-Party Medicare Plan Premium
Less than 15 (with at least 10 years of Service)	75%
At least 15, but less than 20	90%
At least 20	100%

Medical and dental subsidy calculators are available on LACERS' website to help you determine your approximate health plan subsidy amounts.

MEDICAL PREMIUM REIMBURSEMENT PROGRAM (MPRP)

LACERS Medical Premium Reimbursement Program (MPRP) is available to you if you:

- Reside more than three months out of the year (based on your address on file with LACERS) –
 - Outside of California, and within the U.S. & Its Territories; or
 - Within California, but outside the authorized zip code service areas of a LACERS HMO or Medicare Advantage HMO Plan; and
- Have at least 10 years of Service; and
- Are at least age 55 or older; and
- Are not enrolled in a LACERS medical plan.

Under this program, LACERS may reimburse you up to the amount of your monthly medical subsidy for medical premiums you pay to a federally-qualified HMO or state-regulated non-LACERS medical plan. Also, you may be reimbursed for vision insurance and Medicare Part D premiums if they are not part of your non-LACERS medical plan. Premium reimbursements are paid on a quarterly basis upon submission of MPRP claim forms.

If you are not enrolled in a LACERS medical plan, you may enroll in the MPRP at any time. If you currently are enrolled in a LACERS medical plan, you must cancel your coverage by the 10th of the final month of your coverage in order to participate in the MPRP. Contact LACERS for more information.

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

MEDICARE ENROLLMENT REQUIREMENT

By Age 65, You Must Enroll in Medicare Part B, or Medicare Parts A and B

In order to qualify for a LACERS medical plan premium subsidy, the Los Angeles Administrative Code and LACERS' Board Rules requires that Retired Members and dependents enroll in Medicare Part B when they become eligible at age 65, or sooner if eligible for Medicare insurance. Also, they are required to enroll in Medicare Part A if they are eligible to receive it premium free (at no cost) when they turn age 65. LACERS recommends enrollment three months prior to turning age 65 to avoid a lapse in coverage.

Proof of Medicare enrollment must be presented to LACERS and Medicare Part B premium payments must remain current. If enrollment in Medicare and Medicare premium payments are not maintained, your medical plan premium subsidy will cease and your existing LACERS medical plan coverage may be terminated. Additionally, the Centers for Medicare and Medicaid Services may charge late enrollment penalties when you or your dependents re-enroll.

The Plan's Board of Administration may require enrollment in other parts of Medicare to ensure the cost-effectiveness of its medical plan offerings.

If you are retired and qualify for Medicare before turning age 65 (people with certain disabilities or End-Stage Renal Disease), contact LACERS to discuss 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.

MEDICARE PART B REIMBURSEMENT

If you are enrolled in Medicare Parts A and B, and are enrolled in a LACERS Senior Plan or participating in the Medical Premium Reimbursement Program, LACERS may reimburse you for the cost of your Medicare Part B basic premium. There is no Medicare Part B premium reimbursement for dependents. Dependents and Survivors are not eligible for Medicare Part B premium reimbursements.

INCOME-RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

As a result of federal legislation in 2007 and 2011, the Social Security Administration now requires higher-income earning Medicare enrollees to pay an Income-Related Monthly Adjustment Amount (IRMAA) in addition to their Medicare Part B and Part D basic premiums. Failure to pay your IRMAAs may result in the termination of your LACERS medical benefits.

LACERS does not apply your medical subsidy toward or reimburse to you any Medicare-related IRMAA costs. To learn more about IRMAAs, contact the Social Security Administration or visit their website at www.ssa.gov.

Medical & Dental Benefits (continued)

YOUR DENTAL PLAN PREMIUM SUBSIDY

You may be eligible to receive a monthly dental premium subsidy from LACERS. A dental subsidy is a monthly dollar credit applied to the cost of your dental plan premium. The dental plan premium is the monthly cost of insurance coverage.

The maximum dental plan premium subsidy is established by LACERS Board each year. The maximum subsidy the Board can adopt is based on the maximum dental subsidy provided to Active Members by the City of Los Angeles. Your subsidy amount is based on your years of Health Service Credit.

Your subsidy may or may not cover the total cost of your monthly premium. If your subsidy is less than your monthly premium, the balance is deducted from your retirement allowance. If your monthly net retirement allowance is not sufficient to cover any necessary premium deduction, LACERS may provide you with other payment options.

SUBSIDY ELIGIBILITY

You are eligible for a dental premium subsidy if you:

- Are a Retiree
- Are age 55 or older
- Have a minimum of 10 years of Service
- Are enrolled in a LACERS-sponsored dental plan

Dependents (e.g. spouses, domestic partners, children) and Survivors of Retired Members are not eligible for a dental plan premium subsidy.

HOW YOUR DENTAL SUBSIDY IS DETERMINED

A minimum of 10 years of Service is required to receive a dental plan premium subsidy.

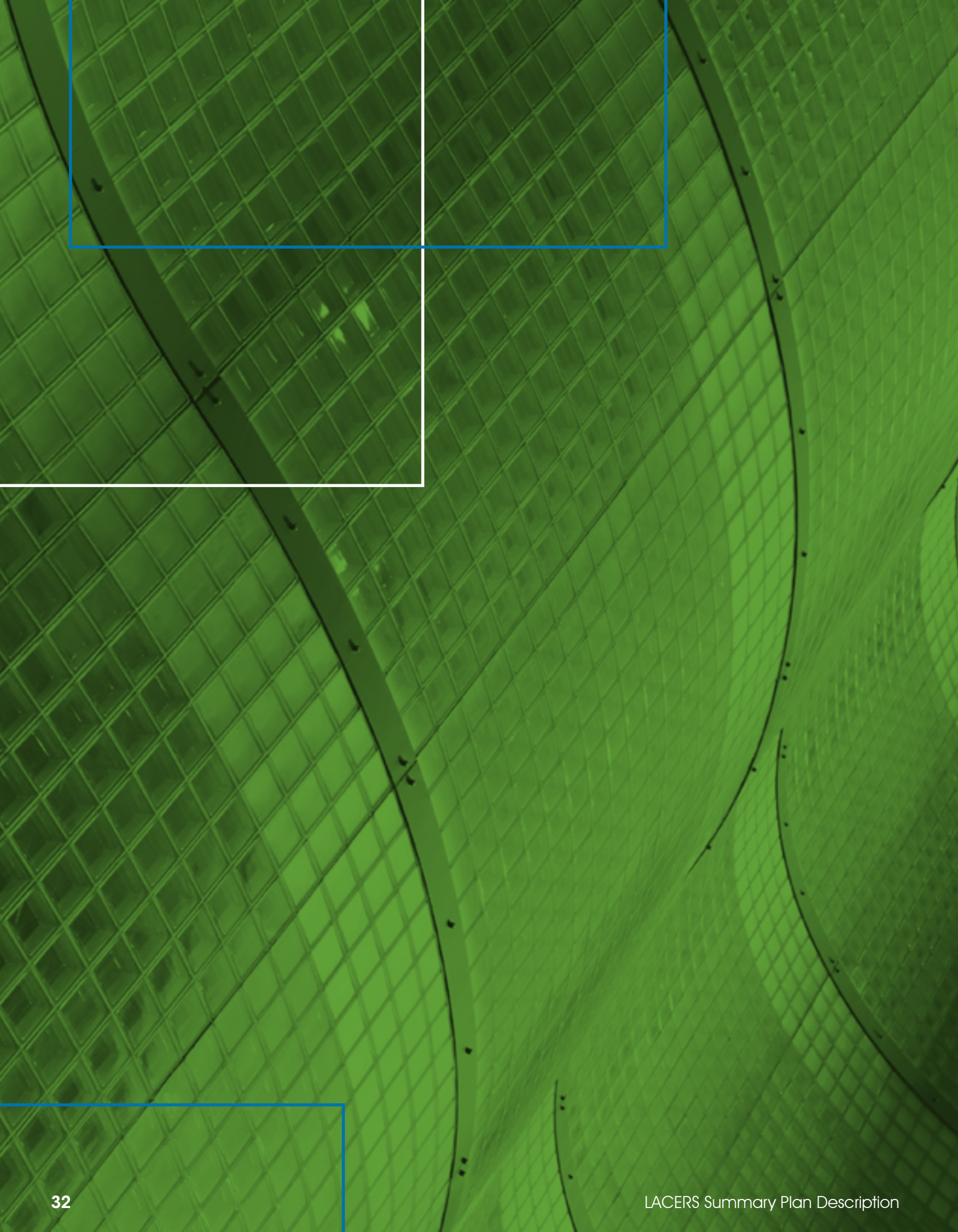
The maximum dental plan premium subsidy available to you will be the lesser of:

- The single-party premium of your LACERS dental plan, or
- The maximum dental plan premium subsidy approved by the LACERS Board

For 10 years of Service, you are eligible to receive 40% of LACERS maximum monthly dental plan premium subsidy established for Tier 1 Retirees. For each each whole year of Service Credit in excess of 10 years, you may receive an additional 4% of the maximum monthly dental plan premium subsidy.

To receive the maximum dental subsidy, you must have at least 25 years of Service Credit.





Terminating Your City Service

If you withdraw your funds and re-enter City service on or after February 21, 2016, you will become a Member of Tier 3. Please see the Tier 3 Summary Plan Description for applicable benefits.

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

LEAVING 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.

YEARS OF CONTINUOUS SERVICE	OPTIONS
Less than five years of Continuous Service (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.)	Leave your contributions on deposit with the Plan or Take a refund of your Member contributions and/or roll these funds over into another qualified retirement plan
Five or more years of Continuous Service	Leave your contributions on deposit with the Plan until you are eligible for a Deferred Service Retirement or Take a refund of your Member contributions and/or roll these funds over into another qualified retirement plan

IMPORTANT! If you are physically or mentally incapable of working, be sure to contact LACERS before terminating City employment because you may be eligible for a Disability Retirement.

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

LEAVING YOUR CONTRIBUTIONS ON DEPOSIT

Even if you terminate with less than five years of Continuous Service, you can leave your contributions plus interest on deposit with LACERS. Your account will continue to receive interest. If you should return to City employment as a LACERS Member in the future, you would be able to return to membership in Tier 1 if your contributions remain on deposit. If you do not return to City service, you must withdraw your contributions plus interest by the time you reach age 70½, pursuant to Internal Revenue Code provisions/rules.

TAKING A REFUND AND/OR ROLLING YOUR CONTRIBUTIONS INTO A QUALIFIED PLAN

You may take a refund of your Member 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.

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.

TAXES AND 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 LACERS' *Tax Notification Guide* and your tax advisor for more information.

DEFERRED SERVICE RETIREMENT

If you terminate with five 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 55 or older and your first date of membership was at least 10 years prior to your effective retirement date and you have at least five 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 allowance will be \$2,000 if you retired at age 60. If you retire 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 five 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 five 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

If you are a part-time employee, you may also be eligible for retirement if you are:

- Age 70
- Age 60 or older and your first date of membership was 10 years prior

DEFERRED EARLY RETIREMENT ELIGIBILITY FOR PART-TIME EMPLOYEES

- Age 55 or older and your first date of membership was 10 years prior

Deferred Service Retirements are not retroactive to your first date of eligibility.

WHEN TO APPLY FOR YOUR DEFERRED SERVICE RETIREMENT

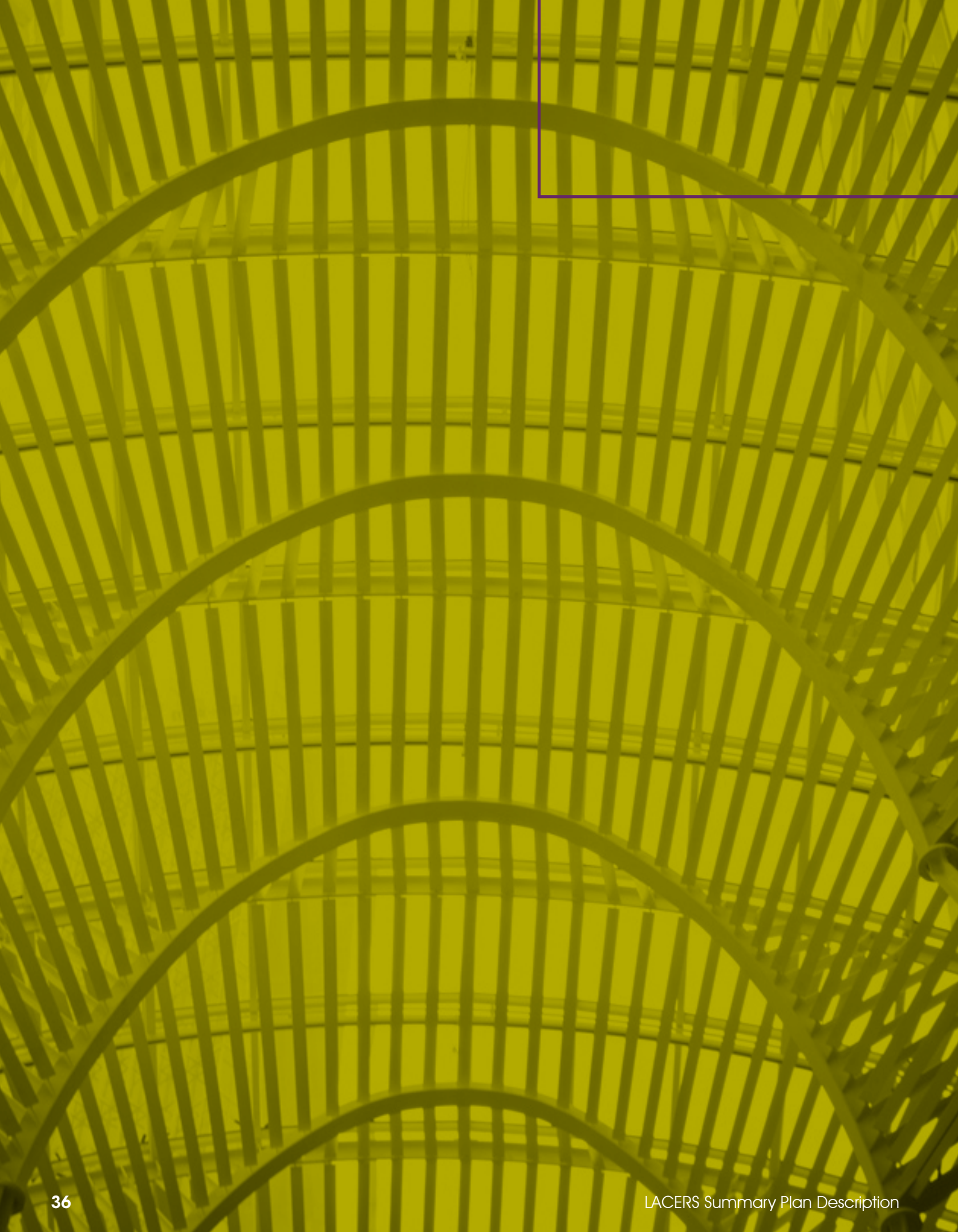
It is best to apply at least four to six weeks before the effective date of your retirement to avoid delays in receiving your benefits. Your retirement effective date will be:

- 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.

If you are a Deferred Vested Member, 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 five 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 Final Compensation by your years of Service Credit, The Retirement Factor, and the Early Retirement Factor that corresponds to your age in the following table.

EARLY RETIREMENT FACTORS*

AGE	FACTOR	AGE	FACTOR
45.00	0.6250	52.75	0.8575
45.25	0.6325	53.00	0.8650
45.50	0.6400	53.25	0.8725
45.75	0.6475	53.50	0.8800
46.00	0.6550	53.75	0.8875
46.25	0.6625	54.00	0.8950
46.50	0.6700	54.25	0.9025
46.75	0.6775	54.50	0.9100
47.00	0.6850	54.75	0.9175
47.25	0.6925	55.00	0.9250
47.50	0.7000	55.25	0.92875
47.75	0.7075	55.50	0.93250
48.00	0.7150	55.75	0.93625
48.25	0.7225	56.00	0.94000
48.50	0.7300	56.25	0.94375
48.75	0.7375	56.50	0.94750
49.00	0.7450	56.75	0.95125
49.25	0.7525	57.00	0.95500
49.50	0.7600	57.25	0.95875
49.75	0.7675	57.50	0.96250
50.00	0.7750	57.75	0.96625
50.25	0.7825	58.00	0.97000
50.50	0.7900	58.25	0.97375
50.75	0.7975	58.50	0.97750
51.00	0.8050	58.75	0.98125
51.25	0.8125	59.00	0.98500
51.50	0.8200	59.25	0.98875
51.75	0.8275	59.50	0.99250
52.00	0.8350	59.75	0.99625
52.25	0.8425	60 +	1.00
52.50	0.8500		

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



Glossary 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.*

Actuarial Reduction: A reduction in the benefit, or other figure, which is calculated by an actuary.

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 Service Credit: Accounts for the hours you have worked as an Active LACERS Member to qualify for health benefits. A minimum of 10 years of Service is required to become eligible for a health subsidy as a Retired Member.

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 premium.

Medicare: Federal health programs administered by the Centers for Medicare and Medicaid Services.

Member Contribution: see page 3.

Normal Cost: The amount of contributions required to fund the benefit allocated to the current year of service.



Original Emergency Appointment, Certified: Employees entering City service on an emergency appointment are eligible for membership if the appointing authority certifies that it intends the employment to be regular and continuous for at least one year.

Original Emergency Appointment, Non-Certified: Employees entering City service on an emergency appointment status whose employment has not been certified to be regular and continuous for at least one year.

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

Reciprocity: see page 6.

Re-deposits: see page 5.

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.

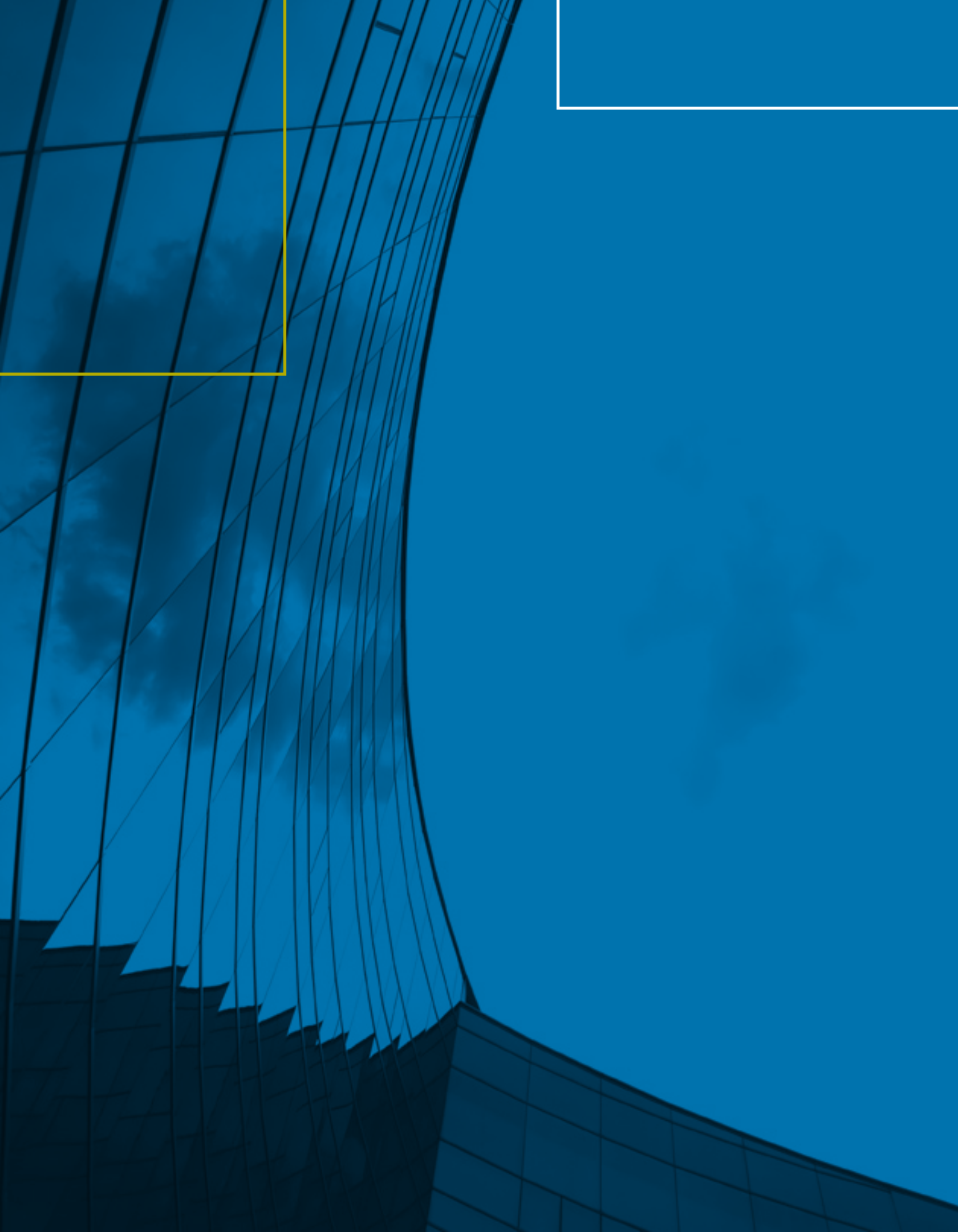
Service Credit: The component of your benefit calculation based on your hours worked. Full-time employees receive 0.03835 years of Service Credit per pay period. The Service Credit for part-time employees will be prorated for each pay period based on the actual hours worked divided by 80 hours.

Survivor: Generally, the beneficiary of survivor benefits, such as the spouse or domestic partner of a deceased Member, who may or may not be eligible for benefits upon the death of the Member. Eligibility for survivor benefits depends on the tier of benefits the Member was eligible to receive, decisions made by the Member at the time of retirement, and/or the survivor meeting certain eligibility criteria.

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

Unfunded Liability (a.k.a. "Unfunded Actuarial Accrued Liability" or "UAAL"): The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. It is calculated by subtracting the Actuarial Value of Assets from the Actuarial Accrued Liability.

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



notes



Securing Your Tomorrows

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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.

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