

LACERS NEWS

**ACTIVE MEMBERS
FALL 2025**



IN THIS ISSUE



**LACERS
NEWS**

Board President Message – Annie Chao

As we step into the last quarter of the calendar year, I'm reminded that my fellow Board members and I have been busy doing the work we enjoy for our LACERS Members.



We ended the fiscal year on a high note—LACERS' investment portfolio earned a 10.96% net return for the year ending June 30, 2025. This not only beats our 7% actuarial target but also strengthens our funded status, which has been steadily climbing year after year. This progress reflects the board's commitment to delivering long-term security for our Members.

Looking ahead, LACERS is preparing for the future—and for the future of technology. At our recent Board meeting, staff shared the technology roadmap, which now includes plans to thoughtfully incorporate artificial intelligence (AI). While AI may seem like something far away for many government agencies, LACERS is actively preparing to harness its potential to improve service and efficiency for our Members. We are also bringing new life to our headquarters. Soon, visitors will see a beautiful mural by artist Trinh Mai titled *After the Good Day's Work*. This work of art honors City employees, symbolizes the security of retirement, and reflects the cultural heritage of the community where we are located. It's a meaningful addition that will warmly welcome everyone who walks through our doors.

On the leadership front, following Neil Guglielmo's retirement earlier this year, the Board has unanimously selected Todd Bouey as the next General Manager of LACERS. Todd has already shown tremendous dedication and integrity during his time as Interim General Manager, and we are confident in his ability to guide LACERS with vision and care. We are equally excited to welcome two new board members, Thomas Moutes and Susan Liem, to the board. They both bring an acumen that supports the advancement of the trust fund, and together we will continue to strengthen our governance, uphold excellence, and ensure the long-term sustainability of our Members' benefits.

We continue to keep Medicare IRMAA surcharges very much alive. While no decision has yet been made, the Board has renewed its focus on exploring ways to help retirees manage this additional cost. We will continue to advocate on behalf of our Members and keep you informed as this conversation develops.

Our strength as an organization comes from the dedication of our Members, retirees, and staff. We invite you to our board meetings and events and to connect virtually through our [website](#), [MyLACERS](#), [YouTube](#), and [LinkedIn](#) accounts. Together, we are building not only financial security but also a stronger and more vibrant LACERS for the future.

Sincerely,

Annie Chao



A Message From General Manager, Todd Bouey



It is an honor to officially serve as General Manager of the Los Angeles City Employees' Retirement System. Having served the City of Los Angeles for more than two decades, including in the Office of the City Administrative Officer, the Office of Finance, and the Office of the City Controller, I

am deeply grateful for the opportunity to continue that service through LACERS. Our mission is simple but vital: to provide retirement and health benefits to our Members by securing and growing the trust fund.

While I was Interim General Manager, I saw how dedicated our staff are to this mission. Every day, they work to ensure that the retirement and health benefits our Members rely on are delivered accurately, efficiently, and with care. Together, we are building on that foundation by modernizing how we serve you, streamlining processes, digitizing forms, and developing new online tools that make it easier to interact with us and manage your retirement.

These modernization efforts are about more than technology. They are about service. Our goal is to make every interaction with LACERS more intuitive, transparent, and responsive, whether you are early

in your career, preparing for retirement, or enjoying your well-earned retirement years.

As we introduce new tools, we remain equally committed to personal service. Members will always have the option to reach us directly, visit us in person, or receive one-on-one assistance from our staff. Our goal is to expand your choices, not limit them, so that whether you prefer to call, click, or come in, you will receive the same attentive service and support.

I am excited about what lies ahead for LACERS. With continued collaboration among our Board, staff, and City partners, we will strengthen both our systems and our service, ensuring that LACERS remains a trusted and forward-looking institution for generations to come. I want to thank the LACERS Board of Administration and Mayor Karen Bass for their nomination and support. Their partnership reflects our shared commitment to serving all Members with excellence and accountability.

Thank you for allowing me the privilege of serving you and being part of the City family's financial future.

Todd Bouey

Embracing the Mindset of Retirement

An important but often overlooked part of preparing for retirement is becoming mentally prepared. To help get into the right frame of mind, you can start by considering the following:

- Realign your purpose. Retirement is an opportunity to pursue passions and goals that are unrelated to your City career. Have fun with it!
- Consider a gradual transition. If possible, ease into retirement by delegating tasks at work and setting aside time at home to gradually try new routines and habits.
- Explore the possibilities of your new free time. Experiment with hobbies, volunteer, mentor, or pursue part-time work. Your routines can be flexible, such as an occasional morning run or weekly planned social activities, to keep things interesting.
- Talk about it. Discuss expectations with your family and determine how you will share time and space.
- Prepare emotionally for a change. While retirement can bring joy, it can also bring a sense of loss, as well as a change in authority and structure. Journaling or joining a support group can help you navigate those emotions.

Consider retirement as a transition to a new season of possibilities. Approach this season with curiosity, instead of fear. It can be one of the most rewarding stages of life.



Planning to Retire Abroad; LACERS Out-of-Country Health Plan Has You Covered

Many dream of retiring abroad. Perhaps it's the allure of a lower cost of living, a more relaxed lifestyle, or the opportunity to explore new cultures. However, before you pack your bags, it's essential to plan for one crucial aspect: healthcare coverage. Fortunately, LACERS has you covered.

LACERS offers the Anthem Out-of-Country PPO health plan for Members planning to retire abroad. In addition to the health plan, LACERS offers Delta Dental PPO and Anthem Blue View Vision as part of the out-of-country plan options.

Find out more information on page 27 of the [2026 LACERS Health Benefits Guide](#).

Know before you go. Be sure to research the quality of hospitals, the availability of specialists, and whether doctors are accessible in your chosen location. It is also important to note that claims for services are paid by reimbursement and may take 90-120 days to process. If these conditions seem like they would hinder your retirement, another option is to investigate non-LACERS health coverage in the country you wish to reside in, which may suit your needs. If you go this route, LACERS, however, is not responsible for the care offered by these plans and does not provide a subsidy or reimbursement for your premiums.

Bon Voyage! Retire abroad with confidence and peace of mind by planning ahead for your medical, dental, and vision needs.

For more information on your health plan options, please visit the [LACERS website](#) or contact LACERS Health staff at lacers.health@lacers.org.



What Your MyLACERS Member Statement Can Tell You

The Member Statement is an important tool found in each member's [MyLACERS](#) online portal. You can create a Member Statement by locating the Communications Section on the left column of the screen, select Statements, and then Generate Statement. The Member Statement is helpful in retirement planning as it informs LACERS Members about account balances, accrued benefits, and vesting status, among other detailed account information.

The following is a breakdown of some of the most informative sections found in the Member Statement:

- **Membership Information:** Provides your member status, tier level, entry date.
- **Employment Information:** Lists your employee ID, department, and date of hire.
- **Retirement Contribution Information:** This section lists your current accrued contributions and interest balances.
- **Service Credit, City Service, and Health Service Information:** Each of these three sections provides you with your current total years related to each section.
- **Current Beneficiary Information:** This section provides your current beneficiary information.

Survivor Benefits: Understanding the Difference Between a Beneficiary, a Survivorship, and a Continuance

As a LACERS Member, it's important to understand not only the benefits that may be available upon your passing, but also the terminology. There are three survivor benefit terms you will hear: continuance, survivorship, and beneficiary. A beneficiary is any person or legal entity designated to receive benefits from LACERS. This can include anyone you, as the Member, choose, such as a family member, friend, or trust. Types of benefits that beneficiaries might receive are: \$2,500 funeral expense, unused contributions, and accrued allowance of the Retirement Allowance prorated for the month of your death.

Survivorship and continuance benefits, on the other hand, are specific types of lifetime monthly survivor benefits paid to a qualified beneficiary after the death of an Active Member and a Retired Member, respectively. While all recipients of survivorships and continuances can be beneficiaries, not all beneficiaries are eligible for a survivorship or continuance. This is because Survivorships and Continuances* are reserved for an eligible spouse or domestic partner.

Understanding this distinction helps ensure your loved ones receive the appropriate benefits you've rightfully earned for your dedicated years of service with the City. To learn more about survivor benefits, watch this [short video](#) on our YouTube Channel.

* Single Members at retirement can name another person to receive a continuance, but the Member's benefit will be reduced by the full actuarial cost of the benefit based on the age of the continuance recipient.



A Message From Chief Investment Officer, Rod June



This calendar year has been an interesting one for investors. While there has been a sizable amount of geo-political uncertainty, constraints on free market trade, and elevated interest rates, the markets have held up reasonably well as LACERS finished its fiscal year ending June 30, 2025, with a one-year return of 10.96%, net of fees, and a portfolio valued at \$25.23 billion. The U.S. economy remains anchored by solid earning fundamentals as investors entered the second half of the calendar year with over 70% of U.S.-based companies meeting or beating return expectations in the second quarter of 2025. Despite initial fears regarding tariffs that resulted in a market selloff, strong credit fundamentals and healthy cash balances have given consumers continued

optimism towards the capital markets. The overall impact resulted in the S&P 500 returning 7.78% year to date through July 31, 2025, with other equity indices reflecting varying degrees of bull market sentiment.

While inflation remains sticky and above the Federal Reserve's 2% target, the consensus from industry experts project that the Federal Reserve may be cutting interest rates by 25-50 basis points before year-end. Higher costs from tariffs, initially deemed to have an immediate impact on consumer purchasing power, have been more moderate than originally expected. Housing, a major component of GDP, has seen sales lag due to supply constraints and higher interest rates. Despite the mixed bag of positive growth amid several downside risk factors, LACERS continues to manage its portfolio with a cautionary tone as investment markets continue to meander with elevated degrees of volatility.

Rod June

Wondering About Changes in Your Paycheck After Retirement? Here's What to Expect as a New LACERS Retiree

As a newly retired LACERS Member, your paycheck will look a bit different from when you were actively employed by the City. Here's a quick breakdown of the key changes:

- **Paycheck Source:** While working, your paycheck came from the Office of the Controller. In retirement, your payments come directly from **LACERS**. If you have any issues with your retirement pay, please contact **LACERS**, not the Controller.
- **Payment Frequency:** Active employees are paid bi-weekly, but LACERS retirees receive their payments **monthly**, at the **end of each month**.
- **Payment Amount:** Many retirees receive a lower monthly amount than they did while working. Remember to run a retirement estimate before making a decision on when

to retire. You can run an estimate on your [MyLACERS](#) account by selecting Estimate a Benefit in the left column.

- **Double Health Premium Deduction:** your first check will include two or more months' worth of health and/or dental premium deductions because you prepay a month ahead for your coverage. Your second check will include your regular monthly premium deductions, if any.
- **Deductions:** Good news—retirees no longer pay the **11% LACERS plus ERIP contributions**. Many also stop paying for **City parking** and **other deductions**, which can increase your take-home pay.

Visit the [paystub codes defined](#) section of our website to learn more about your retirement pay and deductions.

Additional Lifetime Income Through the LACERS Larger Annuity Program

Many retirees find that their pension and Social Security payments, if they are eligible for Social Security benefits, will not be enough to cover all their living expenses in retirement. A LACERS Larger Annuity can help close the gap with an additional stream of lifetime income. The contributions you make are converted into an annuity when you retire, providing a steady, predictable monthly payment, plus a 3% annual increase for life in addition to your pension.

Signing up is Easy as 1,2,3!

Go to the [Larger Annuity section](#) of our website to learn more and to locate the forms to sign up.

1. Complete the initiation form
2. Determine your investment option
3. Upload the completed signed form to [LACERS secure document upload](#)



Setting a Ho-Ho Holiday Spending Budget

During the holiday season every year, we often think about the joy and happiness it brings. However, the season can also lead to financial stress and debt. To minimize this stress and enjoy holiday festivities without worry, set a holiday spending budget.

Here are some simple tips to help you set a holiday spending budget that will keep your holiday spirits high and your financial regrets low.

- **Create a Gift List and Stick to Shopping Only for the List**
- **Leverage Credit Card Points or Store Loyalty Rewards**
- **Set Spending Limits**
- **Shop Around and Price Compare**
- **Consider DIY Gifts**
- **Use Cash When You Can**

Set your holiday budget and stick to your limits as closely as possible. Remember, it's the thoughtfulness of a gift that matters, not the price tag.

Your Retiree Health Care Costs May Increase at Age 65

Medicare’s IRMAAs and how they affect your budget and LACERS medical coverage.

What IRMAA is and why it matters:

- IRMAA = *Income-Related Monthly Adjustment Amount*. Social Security Administration (SSA) uses your reported *modified adjusted gross income (MAGI)* from your tax returns from two years prior once you are retired and are age 65, to determine whether you pay an extra surcharge on top of the standard Part B and Part D premiums. The standard Part D premium is included in LACERS Senior Medical plans.
- IRMAA amounts and income thresholds change yearly and are set by Social Security. For 2026, IRMAA is based on 2024 income, with a surcharge applying to individuals with a MAGI starting at \$109,000, and for Married Filing Joint at \$218,000.
- The surcharges (Tiers) can range from a low of **\$60 per month** to a high of **\$500 or more per month**. Please refer to [SSA.gov](https://www.ssa.gov) for the current income ranges and amounts.

The surcharge can unexpectedly impact your budget, as you may have only been aware of the basic Medicare Part B premium. LACERS does not reimburse IRMAAs.

In addition, if you do not pay your IRMAAs, you will lose your LACERS medical subsidy and medical insurance coverage. Please see pages 11 through 13 of the [2026 Health Benefits Guide](#) for LACERS Medicare Requirements and IRMAA.

If you receive an IRMAA notice:

- Review the notice carefully — it shows which tax year they used and the surcharge amount.
- If you believe it is incorrect, or your income has dropped due to retirement, loss of a spouse, or other life events, you can request reconsideration from SSA and submit supporting documentation. Go to the SSA website: [SSA.gov](https://www.ssa.gov)
- LACERS cannot assist with any IRMAA appeals or reconsiderations.

Keep in mind that if you continue working past age 65 and are enrolled in an Active LAwell medical plan, you don’t need to sign up for Medicare until you are in the retirement process. Please visit the [Keeping LAwell](#) website for more information.

Perfectly Pumpkin Bread Pudding

Try this fall favorite treat at your next gathering. It can be served as a breakfast sweet or as a decadent dessert when served warm with caramel and scoop of vanilla ice cream. Anyone want seconds?

Yields: 10 serving(s)

Prep Time: 10 mins

Total Time: 1 hr 45 mins

Ingredients:

- 1 (14-oz.) loaf brioche
- Butter, for pan
- ¾ cup packed brown sugar
- 3 large egg yolks
- 2 large eggs
- 1 (15-oz.) can pumpkin puree
- 1 ½ cups milk
- 1 ½ cups heavy cream
- 1 tsp. pure vanilla extract
- 1 tsp. cinnamon
- ½ tsp. kosher salt
- ¼ tsp. ground nutmeg
- ¼ tsp. ground ginger
- Caramel, for serving
- Vanilla ice cream, for serving (optional)

Directions:

- The day before: Slice bread into 1” cubes and leave out overnight to dry out. (Alternately, place bread on baking sheet and bake at 200° for 20 minutes, then let cool.)
- Preheat oven to 350°. Butter a 2- to 3-qt. baking dish. In a large bowl, whisk together sugar, yolks, and whole eggs. Add pumpkin, milk, cream, vanilla, and spices. Add bread and toss to combine. Let bread soak for 10 minutes.
- Transfer mixture to prepared baking dish and bake until custard is set, 40 to 45 minutes. Let cool 20 minutes before slicing.
- Serve with caramel and a scoop of vanilla ice cream if serving as a dessert (optional!).



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THERE’S MORE THAN ONE WAY TO REACH US!

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