

Our Members, Our Fiduciary Responsibility, and Our World



by Board President Message –
Cynthia M. Ruiz

What does Environmental, Social and Governance in Investing Mean to LACERS?

Over the past several years, Environmental, Social and Governance (ESG) investing has become an increasingly important topic of discussion among institutional investors such as LACERS, other pension funds, and private companies. With good reason, more and more investors are incorporating ESG factors into their research and risk-based decision making. So what is ESG?

Environmental considerations - what impact do potential investments in companies have on the environment? Do we invest in companies that are good and responsible caretakers of natural resources, and do these investments provide us with good risk-adjusted returns?

Social factors - why invest in companies that are good corporate citizens? Should we pursue investments in companies that are reflective of their employees and their community, and do these investments reduce litigation and other risks?

Governance factors - should institutional investors care about how a company operates relative to executive compensation and shareholder rights? How do investments in companies that exemplify good governance help increase returns and reduce risks?

Through our Governance Committee, Investment Committee and Board of Administration, LACERS Commissioners work with staff to consider investments in light of risks, including ESG factors, and return opportunities. This balanced investments approach has helped LACERS to achieve strong risk-adjusted returns as we compare ourselves to our peer public pension plans.

As members of the Council of Institutional Investors (CII) and a new signatory to the United Nation's Principles of Responsible Investment (PRI), we have made a public commitment, with accountability, as outlined in a recent presentation by the PRI:

- Promotion of long-term sustainability and returns, and funds that justify costs within the ESG framework.
- Conscientious and informed proxy voting at shareholder meetings, consistent with LACERS' policy and in compliance with plan fiduciary responsibilities.
- Use of proxy advisory firms, widely seen as critical elements for streamlining costs, to allocate more resources to value-added work in company engagement.
- Investment stewardship program commitment beyond proxy voting.

As LACERS takes a greater role in ESG, we strengthen our commitment to good governance practices which affirm transparency, accountability and our primary fiduciary duty to our Fund and to you our Members. At the core of who we are we believe in responsible investing, and return on investment is our primary goal while looking through the lens of ESG.

A Message from General Manager Neil M. Guglielmo



LACERS Strategic Plan Annual Report for FY2019-20 is now available! This report celebrates our accomplishments for the period ending June 30, 2019, and highlights our exciting initiatives for this next year. As you take a look at the plan, pay careful attention to the many activities contributing to LACERS' strategic goals as they have been informed by you, our Members.

Some of the key elements of our Strategic Plan include revisions to our Mission, Vision and Guiding Principles, as well as new goals and a list of some of our accomplishments.

Our Mission

To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members.

Our Vision

Trusted by our Members and partners for excellence, innovation, professionalism, and transparency.

Guiding Principles

We exhibit and model PROFESSIONALISM

We encourage a culture of INNOVATION

We RESPECT people and their privacy

We use KINDNESS and CARING in every interaction

We perform better with TEAMWORK

Through teamwork and innovation, LACERS staff, with the leadership of our Board, has achieved nearly all of our goals for Fiscal Year 2018-19. Some of our accomplishments include:

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- Established a Member Experience focus including our service philosophy, service-level commitments, and specific initiatives to better serve our Members;
 - Implemented Tier I Enhanced benefits, as negotiated by the City, for Airport Peace Officers;
 - Provided Members with a template and notary service to facilitate assignment of Power of Attorney for Members' LACERS benefits; and,
 - Launched an online virtual assistant to help retired Members navigate health care choices and make better informed decisions.
- Launch a new, modern, mobile-friendly website with improved navigation allowing greater ease of use for Members;
 - Develop web-based counseling resources for greater ease of access for Members; and,
 - Utilize more technological solutions to allow for greater participation in our Health and Wellness events for our Retired Members.

Please take a look at our Strategic Plan available at www.lacERS.org, under the About LACERS tab.

I look forward to sharing our progress with you.

Of course, we are still moving forward with many other initiatives this current fiscal year. We are on track to:

A Message from Chief Investment Officer Rod June

September was National Preparedness Month, so there is no better time than now to revisit your investment portfolio and consider market conditions that could impact your financial stability.

It has been over 10 years since the Great Financial Crisis. Since that time, the United States has remained in a prolonged bull market – one of longest on record. In fact, the S&P 500 returned 14.7% for the past 10 years, ending June 30, 2019. That's not to say that it has been a smooth ride as there have been periods of volatility that gave investors reason to pause and revisit their investment strategy. However, remaining invested despite the ups and downs rewarded patient, long-term investors.

Fast forward to today, we seem to be at a pivotal point – the latter innings of the market cycle – and some investors recognize that such attractive returns will come to a temporary end. Yet, based

on the Federal Reserve's talked-about move to loosen monetary policy through interest rate cuts, reports of healthy consumer spending, and China's willingness to continue discussions on trade talks, other investors believe that public equities are poised for an extension of that bull market. Which do you believe?

Seasoned institutional investors will tell you that outperformance in today's financial environment is not easy. That does not mean you can't do well, but it is essential that you have an investment plan that includes reasonable expectations. Your plan should be simple. At minimum, it should state a performance objective over a specified time period, discuss risk tolerance, and include asset types you are comfortable owning. A future news article will discuss how to develop a simple investment plan that will help guide your investment portfolio through these turbulent financial times.

Great Part-Time Jobs for Retirees



If you're retired and miss working or maybe you have financial constraints, a part-time job could give you the best of both worlds: fulfilling your needs while leaving plenty of spare time for friends, family, hobbies, travel, or whatever else you like. Whatever your motivation, here are five great part-time jobs to consider:

1. **Librarian Assistant/Aide** Duties might include fielding questions, shelving books, helping patrons check out, and cataloging. Median hourly wage \$12.74.
2. **Bookkeeper** Duties include handling a full range of financial records such as processing payroll, and maintaining inventory database systems. Median hourly rate \$19.35.

3. **Personal and Home Care Aide** Duties typically include assisting the elderly, ill or disabled with everyday activities ranging from bathing and getting dressed to running errands. Median hourly wage \$11.57.
4. **Handyman** Duties range widely from tightening loose door handles to repairing running toilets. Median hourly wage \$18.42.
5. **Medical Assistant** Duties include front office tasks such as checking in patients, verifying insurance, and scheduling appointments. Median hourly wage \$16.16.

(adapted from AARP's website article, *Great Part Time Jobs for Retirees*, by Kerry Hannon, Sept 2019. <https://www.aarp.org/work/working-after-retirement/info-10-2010/5-great-part-time-jobs-for-retirees.html#quest1>)

Looking for a New Place to Live? Consider Your Health Coverage

It is important to note that all LACERS health plans are not available in every zip code. If you are enrolled in a LACERS health plan and are considering a move to a new location, be sure to check with LACERS to verify that your current health plan(s) serve your new zip code and, if they do not, which health plan(s) coverage options are available. It is possible that only a limited

number, or even none of our plans, will serve that zip code which can result in significant cost changes to you.





Connecting with Loved Ones This Holiday Season via Technology

We live in an era where technology makes daily living easier, and the holidays are no exception. With your internet-connected smartphone in hand, you enjoy an abundance of ways to change the “how” of the holiday season.

Here are two ways you can stay connected with the people you love this holiday season:

Video messaging

Video messaging innovations such as FaceTime and Skype can help you celebrate with your friends and family virtually anywhere in the world.

E-Cards

Sending holiday cards electronically can save you time, money, lessen your carbon footprint, and most importantly, allow you to spread the holiday cheer to even more of your friends and family!

Regardless of which technologies you use or don't use this holiday season, take time to reflect on what the holidays mean to you. Wishing you and yours the happiest of holidays from all of us at LACERS!

Beneficiary Form: Do You Have One on File at LACERS?



Designating a beneficiary is one of the most important things you can do for your loved ones. It provides a clear roadmap of your intentions, and in most cases, can eliminate unnecessary stress and worry for those left behind. If you don't designate a

beneficiary, your loved ones may be forced to locate and acquire legal documents which can be costly and result in significant

delays in processing benefits. Once you have designated a beneficiary, it is important that you review and update your beneficiary information periodically as your family situation may change over time.

If you are not sure whether or not you have a beneficiary form on file at LACERS, check your MyLACERS account via our website or call our main office line and staff will assist you. The LACERS Designation of Beneficiary forms can be downloaded at www.lacers.org/retired/forms.html.

Health Plan Changes and Open Enrollment



We had a very successful health plan renewal process for 2020. Overall, the annual premium cost of our medical, dental, and vision plans is estimated to decrease by 0.1%, from \$139.3 million to \$139.1 million. It may not

seem like much of a reduction, but any reduction in healthcare costs when there is an increasing trend is worth celebrating.

For next year, the maximum medical subsidy will remain the same at \$1,790.80, and the maximum dental subsidies will also remain the same at \$44.60 for the dental PPO and \$13.57 for the dental HMO.

Although most premiums stayed the same or had minor increases, the Anthem HMO plan premium will see a 9.1% increase next year. Because the maximum medical subsidy will be the same, this could mean greater out-of-pocket costs to Members in the Anthem HMO plan, especially if they are covering a dependent.

New Benefits! There are some changes in your medical plan benefits, but don't worry, we are not increasing copays. Beginning next year, all of our medical plans will offer acupuncture benefits that are equal to their chiropractic benefits.

Also, our Medicare plans will include coverage during a prescription drug catastrophic phase, which you enter into when you reach a certain threshold of prescription drug out-of-pocket costs. During this phase, the benefit structure changes and your costs can increase significantly. Starting next year, your costs will not change if you should enter into the prescription drug catastrophic phase.

Open Enrollment began Oct. 15 and you should have received your Open Enrollment packet.

Be sure to look through it to learn more about any plan changes and any expected changes to your out-of-pocket costs. Keep in mind that if you would like to change health plans or add new dependents, Open Enrollment is the time to do so. Open Enrollment will end on November 15. For more information, you can attend one of the remaining Open Enrollment meetings listed in your packet or contact LACERS.

There's More Than One Way to Reach Us!

Mailing Address: P.O. Box 512218, Los Angeles, CA 90051-0218

Visit LACERS at 202 W. First Street, Suite 500, Los Angeles, CA 90012, Mon-Fri, 7:00 a.m. to 4:00 p.m.

Call: (800) 779-8328 | TTY (888) 349-3996 Fax: (213) 687-4174

E-mail: LACERS.services@lacers.org | LACERS.health@lacers.org

Online: MyLACERS Member Portal www.LACERS.org

New LACERS Special Durable Power of Attorney



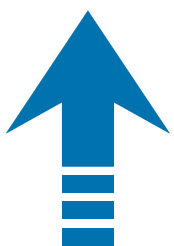
LACERS now offers a Special Durable Power of Attorney! The LACERS Special Durable Power of Attorney is a legal document that gives individual(s) you designate the authority to make decisions regarding your LACERS benefits.

The durability clause allows

the document to remain in effect in the event you become incapacitated, eliminating the need to have a court appoint a

conservator, which can be costly. You may specify if the document goes into effect immediately or upon incapacitation.

Consider signing and submitting a LACERS Special Durable Power of Attorney to ensure that your loved ones can handle your LACERS affairs the way you intended. Once you have submitted a LACERS Special Durable Power of Attorney, it is important that you review and update it periodically as your family situation may change over time. Contact LACERS for more information.



Increased Reimbursement Amount in the Medical Premium Reimbursement Program

For Members who are unable to access one of LACERS' HMO plans or live outside of California (but within the United States and Its Territories), one option we have is the Medical Premium Reimbursement Program. This program allows you to enroll in your own plan and be reimbursed your premium payments up to amounts approved by our Board (reimbursements are made on a quarterly basis). For the most part, the reimbursement amounts are equal to the subsidy you would be eligible for if you were

enrolled in a LACERS plan. However, if you are a Member with Medicare Parts A and B and covering a dependent, the amount of reimbursement available through this program was significantly less than the subsidy you would receive. This discrepancy has been addressed by our Board and going forward, the maximum reimbursement available has increased from \$542.51 to \$1,115.86. This change took effect on July 1, 2019.

LACERS News Staff

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Linda Aparicio, Public Relations Director
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Heather Ramirez, Sr. Management Analyst I
Brittany Cotton, Management Analyst
Audrey Dymally, Management Analyst
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Tiffany Obembe, Management Analyst
Tara Miller, Wellness Program Manager



Be Prepared in Case of an Emergency

Disasters strike quickly and without warning. What would you do if you were without basic services such as water, power, or your telephone? With advance preparation and teamwork, you can reduce the impacts of a serious disaster. The City of Los Angeles' Emergency Management

Department provides tips, ideas, and resources on how you, your family, and your community can be prepared during a time of disaster. Be sure to visit their website <https://emergency.lacity.org> for this information and to register for NotifyLA to receive alerts for your area. Get prepared today.



LACERS Well
Facebook Group

Are you on Facebook today? Become a member of our LACERS Well Facebook Group and join over 400 retired LACERS Members currently receiving the latest health and wellness news, being entered into opportunity prize drawings, accessing exclusive events, and building new friendships.

