



Planning for Retirement

For Tier I Members

Revised 1/1/2020

Attention

1. This presentation is intended to summarize legal texts in a clear and concise manner to help you understand your benefits. It describes the most important features. If there is a difference between the legal texts and this presentation, the legal texts will prevail.
2. Representatives of LACERS cannot offer financial, legal, or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.
3. This presentation is for Tier I Members. Tier I Members are LACERS Members hired prior to February 21, 2016.

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 accommodations to ensure equal access to its programs, services and activities.

Background & Mental Preparation



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Background & Mental Preparation What Is Retirement?

Definition of Retirement

- The act of retiring
- The state of being retired
- Withdrawal from one's occupation, business, or office
- Withdrawal into privacy or seclusion
- A place of privacy or seclusion; a retreat

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Background & Mental Preparation What Is Retirement?

Perceptions of Retirement

- The right to rest after all of life's labors
- The reward for a lifetime of hard work
- The freedom to realize one's dreams
- The end of regular employment or salary
- The beginning of life's "final chapter"
- Despair, isolation, loss, loneliness, impoverishment

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Background & Mental Preparation Yesterday Vs. Today

Retirement in the past

- Seen as a negative event: you worked until infirmity, became dependent on your family
- The concept of retirement is a recent development
 - The first social security program was created in Germany in 1889
 - Social Security was created in the United States in 1935

Retirement today

- Seen as a positive event: freedom - do what you want to do instead of what you have to do

Why this change in perspective?

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Background & Mental Preparation Yesterday vs. Today

People are living longer

Life Expectancy*		
If born in...	Women live to...	Men live to...
1900	48.3	46.3
1950	71.1	65.6
1980	77.4	70.0
2010	81.0	76.2

*National Center for Health Statistics. Health, United States, 2016: Chartbook on Long-term Trends in Health. www.cdc.gov

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Background & Mental Preparation LACERS Averages

- The average LACERS Member:*
- Retires at age 60.4
- Retires after working for the City for 26.5 years
- You could spend 10, 20, 30 or more years in retirement depending on your health
- Prepare for the long haul
- Successful retirement is a personal responsibility – plan mentally, physically and financially

* As of 6/30/2019

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Background & Mental Preparation The Three Phases Of Retirement



The Go-Go Years

The Reflective Years



The Caregiving Years

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Background & Mental Preparation What Are You Going To Do?

What do you want to do in retirement?

- Retire “to” something instead of “away” from something
- Have plans, goals, hobbies
- Plan for the challenges of retirement
 - New routines
 - New responsibilities
 - New stressors



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Background & Mental Preparation Lifestyle Changes

What working does for us

- Structures our time
- Provides intellectual stimulation
- Provides social contacts
- Builds our self-esteem
- Gives us an identity

What substitute(s) for work will you have in retirement to fulfill these needs?

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Background & Mental Preparation Lifestyle Changes

How will retirement affect your relationships?

- Co-workers
- Friends
- Parents
- Children
- Grandchildren
- Significant other(s)



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The LACERS Plan



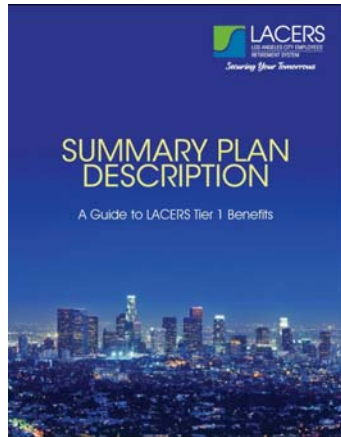
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The LACERS Plan

- LACERS Introduction/Membership
- Service Explained
- Retirement Allowance
- Health Benefits
- Survivor Benefits
- Leaving City Service Prior to Retiring
- Your Counseling Session

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LACERS Introduction Summary Plan Description



- Your user's manual for your LACERS Retirement Plan
- Soft copy available on LACERS website:
www.LACERS.org

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LACERS Introduction LACERS Governance

- Commission-controlled department with a Board of Administration
- Board consists of 7 Members
 - 4 are appointed by the Mayor
 - 1 must be a Retired City Employee*
 - 2 are elected by Active City Employees*
 - 1 is elected by Retired City Employees*

* Must be a LACERS Member

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Membership - As of 6/30/19



**26,632 Active
Members**



**20,034 Retired
Members and
Beneficiaries**

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LACERS Introduction Defined Contribution vs. Defined Benefit

■ Defined Contribution Plans

- 401K
- 457 Plan (Deferred Compensation)
- Savings Plan

■ Defined Benefit Plans

- Pension (LACERS)



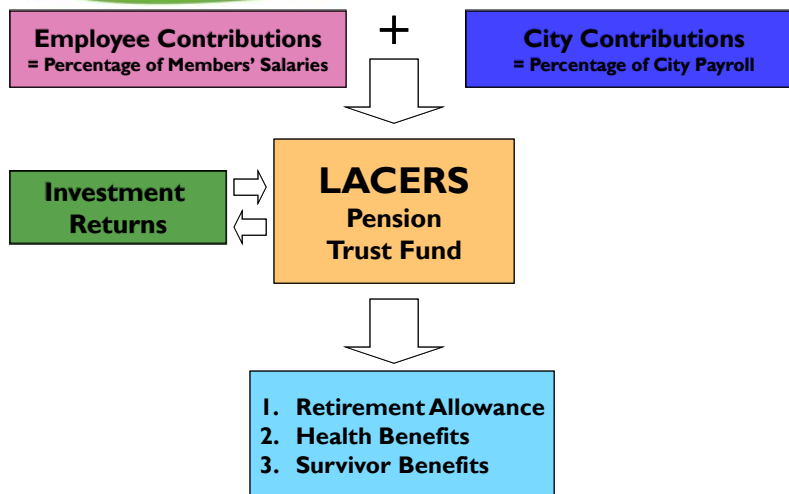
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LACERS Introduction Defined Benefit Plan

- Defined Benefit Plans, like LACERS, provide specific benefits at retirement based on a formula
- Defined Benefit Plans:
 - Are professionally managed Trust Funds
 - Provide Members a specified (promised) monthly Retirement Allowance until death
 - Often include cost of living adjustments

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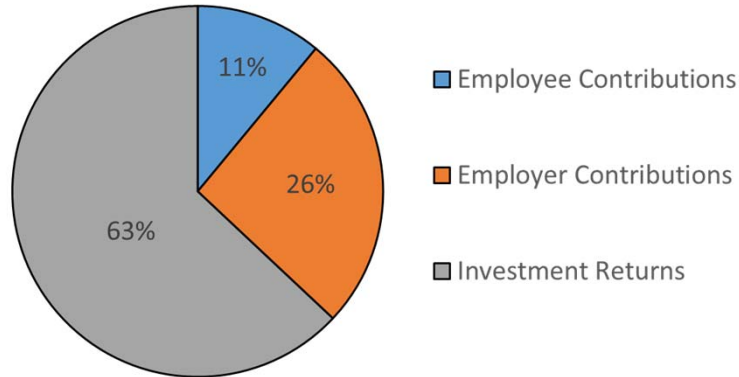
Membership LACERS Pension Trust Fund



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Membership Additions to the Fund

Sources of Funding
10-Year Average Ending June 30, 2019



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Membership Your Member Statement/MyLACERS

Member Statement www.MyLACERS.lacers.org

LACERS
Securing Your Tomorrow

Member Statement for: John Laver Webb
Statement Period: 05/15/2017 - 05/14/2019
Statement Plan Date: 05/14/2019

MEMBER DEMOGRAPHIC INFORMATION

SSN:	000-00-0000	Member Status:	Active
DOB:	00/00/0000	Service Status:	Active
Address:	123 Main Street Los Angeles, CA 90001	Service DIB:	
Phone:	(000) 000-0000	Marriage Date:	
Email:		Domestic Relations Order:	Not in file

* Conditional for Active Members must be made through your employer's department.

MEMBERSHIP INFORMATION

Current Member Status:	Active	Resignation:	No
Plan Type:	Plan F	EMP Service:	No
Membership Begin Date:	01/01/2014	Larger Agency Participant:	No
		FBP Participant:	No
		Service Purchase:	No

EMPLOYMENT INFORMATION

Employer ID:	00000	Hire Date:	01/01/2014
Department:	00000	Termination Date:	
Resignation Date:	01/01/2014	Last Report Date:	05/14/2019

RETIREMENT CONTRIBUTION INFORMATION

Total	Plan Fee	Plan Fee	Investment	Total
05/15/2017	05/15/2017	05/15/2017	05/15/2017	05/15/2017
0.00	0.00	0.00	0.00	0.00



- Employee Contributions
- Retirement Estimates
- Service Credit
- Beneficiaries

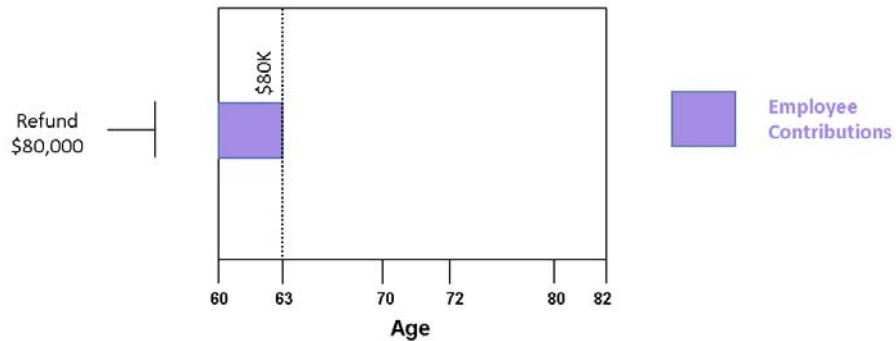
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Membership Refund vs. Retirement Allowance

Angelina

Salary: \$65,000
Retired at: N/A

Service Credit: 26 years
Contributions: \$80,000



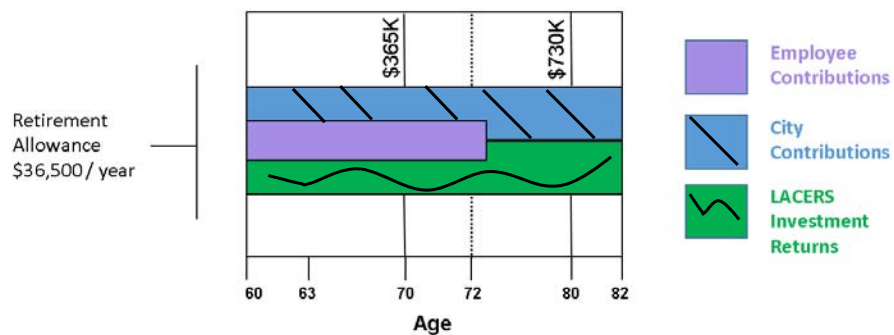
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Membership Refund vs. Retirement Allowance

Angelina

Salary: \$65,000
Retired at: 60 years old

Service Credit: 26 years
Contributions: \$80,000



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Unused Contribution Options

What happens to your contributions with LACERS when you die after retiring?

CHOOSE ONE OPTION at your retirement (Irrevocable):

- **CASH REFUND ANNUITY** - After your death and the death of your spouse/domestic partner (receiving a continuance), your designated beneficiaries will receive what's left of **YOUR** unused contributions.
- OR**
- **LIFE ANNUITY** - The money in your contribution account will be used to increase your monthly service allowance. After your death and the death of your spouse/domestic partner (receiving a continuance), what's left of **YOUR** unused contributions will **NOT** go to a beneficiary.

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Service Explained



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Service Explained

Service and Service Credit

- **Service** - Accounts for the years you've been a City employee contributing to LACERS
- **Service Credit** - Accounts for the hours you've worked as an Active LACERS Member
 - These terms account for the differences in part-time and full-time employment
 - Both terms are generally expressed in years

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Service Explained

Service vs. Service Credit

Example:

Liz works full-time (40-hour week) for 6 years.

Dan works half-time (20-hour week) for 6 years.

What is Liz's total Service? **6 years**

What is Liz's total Service Credit? **6 years**

What is Dan's total Service? **6 years**

What is Dan's total Service Credit? **3 years**

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Service Explained

Service and Service Credit

- **Service** – helps determine your **Benefit Eligibility**
 - When you may retire
 - If you can receive a health benefit
- **Service Credit** – helps determine the amount of your **Benefit**
 - How much money in your monthly retirement allowance.
 - How much health subsidy you receive.

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Service Explained

Continuous Service

Service with a break of no more than 3 years

4 years Service

Break of 2 years

5 years Service

9 years

Continuous Service

5 years Service

Break of 4 years

2 years Service

~~7 years~~ 5 years

Continuous Service

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Retirement Allowance



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Retirement Allowance Normal Service Retirement

Eligibility Requirements for 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

*At least 5 years of Continuous Service must be from City employment (vesting), Service recognized under Reciprocity may apply. Reciprocity will be discussed later.

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Retirement Allowance Normal Service Retirement

To calculate your Retirement Allowance you will need:

- Your Final Compensation
- Your Total Service Credit
- LACERS Retirement Factor of 2.16%

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Retirement Allowance Final Compensation

- Your highest consecutive 12 months of compensation
- Divided by 12 to get a monthly average

LACERS uses a monthly calculation because you are paid monthly when you retire.

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Retirement Allowance Final Compensation

Includes:

- Base salary
- Most regularly-assigned bonuses and premium pay

Does not include:

- Overtime
- Daily or non-regularly-assigned bonuses
- Reimbursements
- Car or uniform allowances
- Payments in lieu of benefits

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Retirement Allowance Normal Retirement Calculation

$$\begin{array}{r} \text{Final Compensation} \\ \times \\ \text{Service Credit} \\ \times \\ \text{Retirement Factor of 2.16\%} \\ \hline \text{Retirement Allowance} \end{array}$$

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Retirement Allowance

Normal Retirement Calculation

If you are age 65, have 20.25 years of Service Credit, and your Final Compensation is \$4000, then your calculation will look like this:

Final Compensation	\$4000.00
Service Credit	x 20.25
Retirement Factor 2.16%	x 0.0216
<hr/>	
Monthly Retirement Allowance	\$1749.60

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Retirement Allowance

Normal Retirement Calculation

To figure the percentage of Final Compensation you will receive in retirement, take your Service Credit and multiply it by the Retirement Factor.

Service Credit	30 years
Retirement Factor (2.16%)	x .0216
<hr/>	
Percent of Final Compensation	64.8%

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Retirement Allowance Early Service Retirement

Eligibility Requirements for Reduced Allowance

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

* At least 5 years of Continuous Service must be from City employment (vesting). Service recognized under Reciprocity may apply. Reciprocity will be discussed later.

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Retirement Allowance Early Service Retirement

To calculate your Early Retirement Allowance you will need:

- Your Final Compensation
- Your Total Service Credit
- LACERS Retirement Factor of 2.16%
- Early Retirement Reduction Factor for your age

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Retirement Allowance

Early Retirement Reduction Factors

AGE	FACTOR	AGE	FACTOR	AGE	FACTOR
45	.625	50	.775	55	.925
46	.655	51	.805	56	.940
47	.685	52	.835	57	.955
48	.715	53	.865	58	.970
49	.745	54	.895	59	.985

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Retirement Allowance

Early Retirement Calculation

Final Compensation
 X
 Service Credit
 X
 Retirement Factor of 2.16%
 X

Early Retirement Reduction Factor

Retirement Allowance

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Retirement Allowance

Early Retirement Calculation

If you are age 55, have 20.25 years of Service Credit, and your Final Compensation is \$4000, then your calculation will look like this:

Final Compensation		\$4000.00
Service Credit	x	20.25
Retirement Factor 2.16%	x	0.0216
Early Reduction Factor (age 55)	x	.925
<hr/>		
Monthly Retirement Allowance		\$1618.38

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Retirement Allowance

Benefit Estimate on MyLACERS

www.MyLACERS.lacers.org

Left menu column

Click on: Estimate a Benefit

Enter your: Separation and Retirement date

Click on: Generate

MyLACERS
BENEFIT ESTIMATE

Member Information

- Account Summary
- Service Detail
- Personal Information
- Nominated Beneficiaries
- Estimate a Benefit
- Estimate History
- Service Purchases

Seminars

Counseling

Forms

Communications

- Correspondence
- Statements

You are eligible to receive retirement benefits as of the dates listed below. Mi date when you will be eligible for retirement.

Early Retirement: 10/4/2037
Service Retirement: 4/27/2038

Benefit Options

Separation Date: 10/3/2037

Retirement Date: 10/4/2037

Age: 54.44

Add Additional Service Purchase: none

Override FAMC: use projected

[How is FAMC calculated?](#)

Generate

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Retirement Allowance Cost-of-Living Adjustment (COLA)

- Based on the **Consumer Price Index (CPI)** for the Los Angeles area
- May increase your Retirement Allowance a maximum of 3% per year
- Excess CPI (over 3%) **banked** for future years

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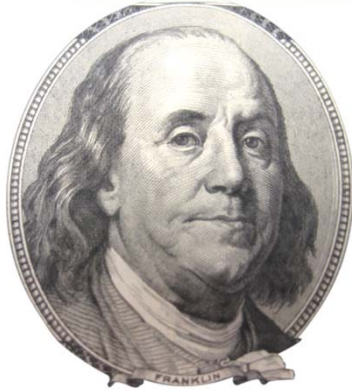
Retirement Allowance Cost-of-Living Adjustment (COLA)

Banking Example

Year	CPI	COLA	Bank
1	3%	3%	0%
2	5%	3%	+2%
3	1%	3%	0%
4	1%	1%	0%

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Retirement Allowance is Taxable



“But in this world nothing can
be said to be certain,
except death and taxes.”

- Benjamin Franklin

Your Retirement Allowance
is taxable as income.

www.retirementliving.com/taxes-by-state

Taxes by State

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Social Security – ssa.gov

If you receive a Social Security retirement
benefit, the Federal government may reduce it
because of your LACERS Retirement Allowance.

- Windfall Elimination Provision
 - Impacts you, the Member
 - www.socialsecurity.gov/retire2/anyPiaWepjs04.htm
- Government Pension Offset
 - Impacts your Surviving Spouse
 - www.socialsecurity.gov/retire2/gpo-calc.htm

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Retirement Allowance Disability Retirement

If you become disabled before you retire, you may be eligible for a Disability Retirement Allowance, generally paid at one-third of your final compensation. A Disability Retirement Allowance is not tax-free.

If you have more than 15.4 years of Service Credit, a Normal Service Retirement Allowance may be larger than a Disability Retirement Allowance. Contact a LACERS Disability Counselor to discuss which may be better for you.

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Retirement Allowance Increasing Your Monthly Allowance

The three variables that impact your monthly Retirement Allowance are:

- Timing of your retirement (Normal vs. Early)
- Service Credit
- Final Compensation



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Increasing Your Monthly Allowance

Service Credit Purchases

- Government Service Buybacks
- Re-Deposits
- Back Contributions
- Public Service Buybacks

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Increasing Your Monthly Allowance

Government Service Buybacks (GSB)

Allows Active Members to purchase Service Credit for periods of:

- Full-time service with other Governmental Entities which are not eligible for reciprocity; and/or
- Uncompensated maternity leave with the City of Los Angeles of at least one full month.

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Increasing Your Monthly Allowance

Re-Deposits

- If you withdrew your contributions because you left the City, and are later re-hired by the City, you may regain your Service Credit by re-depositing your contributions plus interest.

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Increasing Your Monthly Allowance

Back Contributions

Allows Members to purchase Service Credit for City employment when they were not LACERS Members.

This may include:

- Part-time or temporary City employment including Pension Savings Plan time
- Workers' Comp temporary disability time ("state rate")

It does not include time as a City contractor.

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Increasing Your Monthly Allowance

Public Service Buybacks*

You may buy back time from approved leaves without pay from the City. Your total combined leave must total at least six months.

*Does not impact eligibility or vesting.

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Increasing Your Monthly Allowance

Other Service Credit Purchase Options

You may purchase Service Credit lost due to Divorce or Dissolution of Domestic Partnership, but...

costs to restore contributions or benefits lost vary widely depending on your Divorce or Dissolution settlement.

Please call LACERS to help determine if Service Credit Purchases will work for you.

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Increasing Your Monthly Allowance

- Explore opportunities to purchase years of Service Credit early so paperwork can be processed efficiently;
- Make sure any existing contracts you have to purchase years of Service Credit are paid off **before** you retire; and
- If you are divorced, present your divorce decree as soon as it is finalized to LACERS to see if it impacts your retirement.

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Reciprocity

An agreement among certain **California** public retirement systems allowing Members to move from one public employer to another within a specific time allowing some portability of retirement benefits.

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Retirement Allowance Reciprocity

- When you retire, you will receive a retirement benefit based on your years of Service and benefit formula from each reciprocal agency; and
- Each agency will use your **HIGHEST** Final Compensation even if it is from a different agency to calculate your benefits.

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Retirement Allowance Reciprocity

You must:

- Have terminated from one reciprocal government employer and moved to another within a six month period;
- Have left your contributions and interest on deposit with each employer; and
- Retire from each employer at the same time.

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Retirement Allowance LACERS/WPERP Reciprocity Suspended

As of **January 1, 2014**, reciprocity between LACERS and the Water and Power Employees Retirement Plan (WPERP) has been suspended. If you are planning to transfer or promote to DWP, you should be aware of the impact this could have on your retirement benefits.

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Retirement Allowance Reminder

Your LACERS Retirement Allowance:

- Should be considered the foundation of your retirement financial planning
- May or may not cover all of your expected retirement expenses

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
Retirement Allowance Income Gaps

- If you retire with 30 years of Service Credit your allowance will be 64.8% of Final Compensation
- When asked, *“How much will you need in retirement?”* most people respond *“I need to earn in retirement what I made while working.”*

Do you have a plan to cover income gaps?

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Retirement Allowance Income Gaps

 CITY OF LOS ANGELES 200 N. MAIN STREET, SUITE 300 LOS ANGELES, CA 90012	Pay Period Ending Date:	09/16/2014	Advice No:	07221
	Salary Anniversary Date:	12/06/2010	Advice Date:	09/29/14
	Vacation Anniversary Date:	08/08/2014		

JOHN DOE Employee ID: 51111	Department:	Tax Data	Federal	State
	Division: 000	Marital Status	Married	Married
	Job Class: 9184-0 MANAGEMENT ANALYST I	Allowances	0	0
	MOU: 01 ADMINISTRATIVE UNIT	Add'l Amount		

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Income Gaps - Example

- If you retire with 30 years of Service Credit your allowance will be 64.8% of Final Compensation. But your retirement allowance will not include:

11.0% Retirement Contributions, ERIP & Health Defrayal

1.5% FICA Medicare

4.0% Deferred Comp

1.0% City Parking

+ 0.5% Union Dues

18.0%

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Income Gaps – Continued

82.0% – while working

vs.

64.8% – while retired

Income Gap = 17.2%

What else can you do to lessen the gap?

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Retirement Allowance Income Gaps

City's Deferred Compensation Plan
Pre-Tax Savings and Investing
Other Savings or Investing Options

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Health Benefits



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LACERS Introduction Health Benefits Guide



- Your user's manual for your LACERS Health Benefits
- Mailed to Retired Members each year during Open Enrollment
- Soft copy posted on Retired Members page of LACERS website:
www.LACERS.org/retired

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Health Benefits Available Coverage

Retiree health plans available through LACERS:

- **Medical**
- **Dental**
- **Vision**

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Health Benefits Medical Plan Offerings

Health Maintenance Organizations (HMO)

- Kaiser Permanente
- Anthem Blue Cross

Preferred Provider Organization (PPO)

- Anthem Blue Cross

Medicare Advantage HMO Plans

- Kaiser Senior Advantage
- UnitedHealthcare Medicare Advantage
- Senior Care Action Network (SCAN)

Medicare Supplemental Plan

- Anthem Blue Cross Life & Health Medicare Plan



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Health Benefits Medical: Where You Live

■ California*

- Anthem Blue Cross HMO & PPO
- Kaiser Permanente HMO & *Kaiser Senior Advantage HMO*
- *UnitedHealthcare Medicare Advantage HMO*
- *SCAN Health Plan (Medicare Advantage HMO)*

■ Nevada and Arizona*

- *UnitedHealthcare Medicare Advantage HMO*
- Anthem Blue Cross PPO

■ United States and Its Territories

- Anthem Blue Cross PPO
- *Anthem Blue Cross Life & Health Medicare Plan (Medicare Supplemental)*

■ Worldwide

- Anthem Blue Cross PPO Out-of-Country Plan

* Not in all areas of the state. Plans in *italic* are Senior Plans for Medicare-eligible retirees.

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Dental and Vision Plan Offerings

■ Dental

- DeltaCare® USA (HMO)
- Delta Dental (PPO)

■ Vision

- Anthem Blue View Vision
 - For Anthem Blue Cross members
 - For UnitedHealthcare members
 - For SCAN members
- Kaiser Permanente
 - For Kaiser members

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Dental: Where You Live

- In California and selected areas in Nevada
 - DeltaCare USA HMO
 - Delta Dental PPO
- In the U.S. and its territories
 - Delta Dental PPO
- Outside the U.S.
 - Delta Dental PPO

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Medical Premium Reimbursement Program (MPRP)

Available to Retirees and Eligible Survivors who:

- Reside more than three months out of the year (based on your address on file with LACERS):
 - Outside of California, but within the U.S. and its Territories; or
 - Within California, but outside the authorized zip code service areas of a LACERS HMO or Medicare Advantage HMO plan.
- Enroll in a federally-qualified or state-regulated medical insurance plan.

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Medical Premium Reimbursement Program (MPRP)

Benefits of the Medical Premium Reimbursement Program

- LACERS reimburses you quarterly for the premiums you pay for your plan, up to your subsidy amount.
- You may also be reimbursed for vision and Medicare Part D premiums if they are not already part of the non-LACERS medical plan.

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Health Plan Enrollment Eligibility

Who is eligible to enroll in LACERS health plans?

- You, as a Retired LACERS Member
- Your eligible dependent(s)
- An eligible survivor who receives a Continuance or Survivorship Allowance (e.g., qualified surviving spouse/domestic partner) and their dependent.

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Eligible Dependents

Who Are Eligible Dependents?

- Legal Spouse/Domestic Partner (Plan or state-registered)
- Child under age 26
 - Unless eligible for medical coverage by their employer
- Disabled child with a disability that occurred prior to age 26
 - Unless eligible for medical coverage by their employer
- Grandchild under age 26 if Member is the legal guardian, has legal custody, or is the child of a dependent child

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Enrolling in a LACERS Plan

Enrollment in a LACERS health plan is not automatic.

- Active City employee health benefits continue to the end of the month you retire
- If you choose LACERS Retiree health coverage, it begins the first of the month after your retirement date

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Enrolling at a Later Date

LACERS Health Plans are available to you if you need them.

If, when you retire, you choose to be covered by other plans, you can switch to a LACERS plan at a later date.

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Enrolling in a LACERS Plan

Other opportunities for enrollment:

- LACERS Annual Open Enrollment period
 - October 15 through November 15
- When you turn age 65
- Within 30 days of a qualifying event
 - LACERS HMO plan becoming available or unavailable
 - Being involuntarily terminated from a non-LACERS medical plan
 - Change of address (zip code)
 - Family status change (marriage, domestic partnership, birth/adoption of a child)

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Facts

- LACERS helps pay for your retiree health plans through health subsidies
- The subsidies may or may not cover the premiums of the health plans you choose
- You must be enrolled in a LACERS health plan to receive subsidies
- When you and your plan-enrolled dependents turn age 65, you must pay the monthly Medicare Part B premium in order to remain eligible for a LACERS medical subsidy

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Medical Subsidy Requirements

To be eligible for a subsidy, you must:

- Be at least age 55
- Be receiving a service or disability retirement benefit from LACERS
- Have a minimum of 10 whole years of Service
- Be enrolled in a LACERS-sponsored medical plan or be a participant in the Medical Premium Reimbursement Program (MPRP)

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LACERS Maximum Medical Subsidy

Retired Members are eligible to receive 40% of the maximum medical subsidy with 10 years of Service. For each additional whole year of Service Credit, Members receive an additional 4%. With 25 years of Service Credit, they are eligible to receive 100% of the maximum medical subsidy.

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LACERS Maximum Medical Subsidy

Maximum Medical Subsidy for 2020:

\$1,790.80 per month

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Medical Subsidy

**Retired City
employee:**

**•At least
age 55**

**•At least
10 years
of Service**

Service Credit	% of Maximum Subsidy	2020 Subsidy Amount
1-10	40%	\$716.32
12	48%	\$859.58
14	56%	\$1,002.85
16	64%	\$1,146.11
18	72%	\$1,289.38
20	80%	\$1,432.64
22	88%	\$1,575.90
24	96%	\$1,719.17
25+	100%	\$1,790.80

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Health Benefits Dental Subsidy

To be eligible for a LACERS dental subsidy, you must:

- Be at least age 55
- Have a minimum of 10 whole years of Service

Note: LACERS does not provide dental subsidies to dependents or eligible Survivors. But they may be enrolled and have their premiums deducted from your retirement allowance (their Continuance/Survivorship allowance, if an eligible survivor).

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Health Benefits LACERS Maximum Dental Subsidy



Maximum Dental Subsidy for 2020:
\$44.60/month – Delta PPO
\$14.38/month – DeltaCare USA HMO

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Health Benefits

Your LACERS health plan deductions

Your monthly LACERS health plan deductions (out-of-pocket costs) depend on:

- The monthly premium(s) of the plan(s) you choose
- The number of dependents you enroll in your health plan(s)
- Your and your dependent's Medicare status*
- Your LACERS subsidies

*Medicare will be discussed later.

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Health Benefits

Medical Subsidy Calculator

Scroll to the bottom of the LACERS.org home page



Medical Subsidy/Deduction Calculator

Service Credit: years

Coverage:

☐ Retiree Only
Retiree under 65 or over age 65 with only Medicare Part B

☒ Retiree & 1 Dependent
Retiree & Dependent both under 65 or both over age 65 with Medicare Part B

☐ Retiree & Family
Retiree & Dependents all under 65 or over 65 with Medicare Part B

☐ Surviving Spouse/Domestic Partner
Under 65 or over 65 with only Medicare Part B

Medical Carriers:

All parties over 65 with both Medicare Parts A & B

☐ Anthem Blue Cross PPO/Medicare Preferred PPO

☐ Kaiser Sr. Advantage (CA)

☐ SCAN (CA & AZ-Maricopa County Only)

☐ UnitedHealthcare AZ - Arizona

☐ UnitedHealthcare (CA)

All parties under 65 or over 65 with only Medicare Part B

☐ Anthem Blue Cross PPO (U.S.)

☒ Kaiser HMO (CA)

☐ Anthem Blue Cross HMO (CA)

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Health Benefits

Get Interactive with Alex®

Let's find your best benefits.

ALEX provides a summary of your benefits and is accurate to the best of our knowledge. But you should fully review all of your benefits documents before enrolling. ALEX may provide estimates or suggestions, but only you can elect benefits to best suit your needs. This is not an application for enrollment. By clicking "Get Started," you acknowledge that you understand this and agree to the [Terms of Service](#) and [Privacy Policy](#).

[Get Started](#)

Important: ALEX is a decision support tool, not an enrollment site. Read on for the best way to navigate ALEX.

[Click here](#) for ALEX en Español



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Health Benefits

LACERS' Medicare Requirement

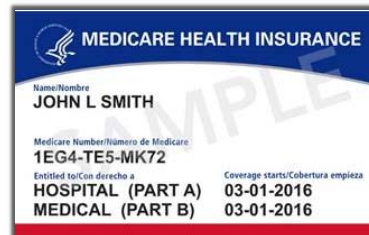
At age 65 (or sooner if eligible for Medicare insurance), anyone enrolled in a LACERS medical plan **must** enroll in all parts of Medicare in which they are qualified.

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Health Benefits Medicare

Medicare is the federal insurance program for people who:

- Are age 65 or older; **or**
- Are disabled; **or**
- Have specific medical conditions



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Health Benefits Required: Medicare Part B Enrollment

All LACERS Retired Members & dependents, upon turning age 65, must enroll in Medicare Part B and provide proof of enrollment to LACERS

- Failure to enroll in Medicare Part B or pay your Part B monthly premiums on time will result in termination of your LACERS coverage and subsidy.
- The basic Medicare Part B premium in 2020 is \$144.60 per month.
- Consider enrolling in the Medicare Easy Pay Program

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Medicare Part A

Some Retirees and family members will qualify for Medicare Part A premium-free

- You may receive premium-free Part A:
 - If you have 10 years of earnings history with Social Security outside of City employment, or
 - If you started with the City after April 1, 1986 by paying FICA Medicare payroll taxes, or
 - Through your Spouse when they reach age 62 if they are eligible for Part A premium-free

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Medicare Parts A and B

If, at age 65, you qualify for Medicare Part A premium-free and are in a LACERS senior medical plan:

- LACERS will reimburse you for your monthly basic Part B premium. However, dependents and survivors are not reimbursed for their Part B premiums.
- Your maximum monthly subsidy amount will be based on your years of Service Credit and the one-party premium of the LACERS Senior Plan you choose.

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Medical Subsidy with Medicare A & B

Retired City employee:

- **At least age 55**
- **At least 10 years of Service**

Years of Service Credit	% of Retirees' one-party monthly premium
1 - 14	75%
15 - 19	90%
20 plus	100%

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Medicare Part A

If you do not qualify for Medicare Part A premium-free:

- Your LACERS medical plan will cover your hospitalization costs
- LACERS will not provide you a Part B premium reimbursement
- There is no change in the subsidy formula at age 65

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Medicare Part D

- **Do not** enroll in a non-LACERS Medicare Part D plan separate from your LACERS senior plan (LACERS plans include Medicare Part D)

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Enrolling in Medicare

- **Enrolling in a Medicare plan outside of LACERS will result in the termination of your LACERS medical coverage** (You can only assign one medical plan to your Medicare).
- Retired before 65
 - LACERS will notify you to enroll about 3 months before you turn 65.
- Retiring after 65
 - LACERS will assist you in enrolling during the retirement process with a Special Enrollment Form to give to Social Security to avoid late-enrollment penalties.

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Other Things to Consider

Long-term Care Insurance

- LACERS health plans do not cover long-term care (also known as “custodial care”)
- Long-term Care Insurance helps protect your savings, investments and property, addressing nursing homes, assisted living, and home health care

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Other Things to Consider

Long-term Care Insurance

- Medicare does not cover long-term care, but may help pay for a short stay in a skilled nursing facility, hospice care, or for home health care under certain conditions (<https://www.medicare.gov/coverage/long-term-care.html>)
- Medicaid/Medi-Cal does assist with custodial care if income/assets do not exceed certain levels. Talk to LACERS health staff before you enroll in Medicaid/Medi-Cal. Enrollment may jeopardize your LACERS coverage.

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LACERS *Well* for Retired Members

What is LACERS *Well*?

LACERS *Well* is an innovative wellness program uniquely designed to help our Retired Members attain the best retirement possible. LACERS provides the resources and tools needed to help Retired Members manage their health through self-directed, assisted, and group activities.

Visit the LACERS *Well* website at www.LACERS.org/lacerswell to find out more.

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Survivor Benefits



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If You Die Before Retiring

If you die while working for the City, there may be benefit options available to your survivors, depending on your:

- Years of Service
- Service Credit
- Survivor's relationship to you

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If You Die Before Retiring

Survivorship

A Survivorship is a lifetime benefit available to a Spouse/Domestic Partner, only.

To be eligible for a Survivorship:

- The Active Member must be vested at the time of their death
- The Spouse/Domestic Partner must be eligible to receive all of the Active Member's contributions as the sole primary beneficiary

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Beneficiary Assignment

IMPORTANT

- If you designate beneficiaries, they will remain in effect until you change them.
- Keep your beneficiary information up to date so that, in the event of your death, benefits will be paid as you intended.
- You may want to designate beneficiaries of your contributions differently as an Active Member vs. as a Retired Member.

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Domestic Partners

In order for your Domestic Partner to be eligible for survivor benefits, your Domestic Partnership must be:

- Registered with the State of California
- or
- Filed with **LACERS** by submitting a ***Declaration of Domestic Partnership*** - form available on LACERS.org

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Beneficiary Assignment

If you do not choose a beneficiary, your contributions and/or benefits will be paid in the following order:

- Spouse or State-registered Domestic Partner
- Children
- Parents
- Estate

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When You Die After Retiring

LACERS sets aside funds so that your eligible Spouse/Domestic Partner may be provided with a **Continuance** upon your death.

A Continuance will be paid to your Spouse/Domestic Partner for the rest of their life. A Continuance is funded at 50% of your Retirement Allowance for your eligible Spouse/Domestic Partner.

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When You Die After Retiring

Increasing a Continuance

At the time you retire, you may increase a Continuance beyond 50%, but it will lower the amount of your monthly Retirement Allowance.

III

When You Die After Retiring

Continuance Eligibility

- You are legally married/Domestic Partners at least one year before retiring; **AND**
- You are legally married/Domestic Partners when you retire; **AND**
- You are legally married/Domestic Partners on the date of your death

III 2

When You Die After Retiring

LACERS provides your survivor/beneficiaries with:

- \$2,500 Burial Allowance
- The accrued balance of your Retirement Allowance for the month of your death

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When You Die After Retiring

Continuance Options for Single Members

If you are single when you retire, you have options for the funds set aside for the Spouse/Domestic Partner Continuance:

- Take a lump sum cash payment
- Apply these funds to increase your Retirement Allowance

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When You Die After Retiring

Single Members may leave a Continuance to other persons, but:

- Depending on the amount of the Continuance and the age of the person receiving the Continuance, it can significantly reduce your Retirement Allowance

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When You Die After Retiring

Continuance decisions are irrevocable once you retire.

- If the person to whom you leave a Continuance dies before you, you cannot name a new person to receive a Continuance
- If you increased a Continuance beyond 50% and your Spouse/Domestic Partner dies before you, you cannot restore your Retirement Allowance to its original level

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Other Things to Consider Estate Planning

- LACERS Power of Attorney
- Power of Attorney
 - Health Care
 - Finances
- Probate
- Estate Taxes
- Wills
- Living Wills
- Living Trusts

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Leaving City Service Prior to Retiring



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Less Than 5 Years of Continuous Service

- Take a refund of contributions or roll funds over into a qualified retirement plan

- or -

- Leave contributions on deposit and earn interest. You will have to withdraw contributions by age 70½

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5 or More Years of Continuous Service

- Take a refund of contributions or roll funds over into a qualified retirement plan

- or -

- Leave contributions on deposit and take a **Deferred Retirement** when you reach Normal or Early Retirement Eligibility

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Your Counseling Session Retirement Processing

Planning to Retire

- Step 1. Attend a Planning for Retirement Seminar
- Step 2. Call LACERS to schedule your retirement
- Step 3. Complete forms
- Step 4. Gather required documents
- Step 5. Make a list of questions
- Step 6. Attend your Counseling session

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Your Counseling Session When You Should Schedule



You should call for your counseling appointment about 90 days before your retirement date.

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Your Counseling Session Retirement Processing

At your Counseling Session you can:

- Complete your Retirement paperwork
- Make benefits decisions
- Discuss your options

Your Counseling Session will also include meeting Health staff to discuss your Health Benefits options.

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Your Counseling Session Topics To Be Covered

- **Allowance Calculation**
- **Continuance Options**
- **Beneficiary Assignment**
- **Tax Withholding**
- **Direct Deposit**
- **Health Plan Options**



- Counseling Sessions take about 4 hours
- Spouses or Domestic Partners are welcome to attend

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Your Counseling Session What You Should Bring

Bring in photocopies of all important documentation relevant to processing your retirement.

Document	You	Spouse/DP
State/Federal photo I.D.	✓	✓
Social Security Number	✓	✓
Birth Certificate	✓	✓
Marriage/Domestic Partner Certificate	✓	
Dissolution of Marriage/Partner documents*	✓	
Medicare Card*	✓	✓

* If applicable

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Your Counseling Session Documentation Challenges

Resolving the following issues prior to your counseling session will result in faster service:

- Name inconsistencies on documents (AKAs)
- Birth date inconsistencies on documents
- Divorces not finalized
- Foreign documentation



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After You Retire, Notify LACERS:

- If you change your address or contact information*
- If you want to make beneficiary changes
- If you have a change in family status for LACERS Health Plans
- If you have issues with your Health Plans

*LACERS may withhold your retirement allowance if your contact information is out of date and we are unable to reach you.

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How LACERS Reaches Out To You

- LACERS Retiree Newsletters
- LACERS Retiree Paycheck Flyers
- Health Plan Open Enrollment Meetings/Mailings
- www.LACERS.org
- MyLACERS online account access
- LACERS Well Newsletters

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LACERS As Your Contact To Reach LACERS

Call: (800) 779-8328
TTY (888) 349-3996



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



Visit: LACERS (LA Times Building)
202 W. First Street, Suite 500
Los Angeles, CA 90012-4401



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

Website: www.LACERS.org



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***It is never too early to start
planning for your retirement.***

