



# RECIPROCITY

*What You Need To Know*

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# SERVICE PROCESSING SECTION (SPS)



**HEALTH, WELLNESS,  
AND BUYBACK DIVISION**

# Attention

1. This presentation is intended to provide a summary of the benefits established by the Los Angeles City Charter, Los Angeles Administrative Code, and LACERS Board Rules (referred to as the Plan provisions). In the event of discrepancies in this presentation the Plan provisions will govern at all times.
2. Representatives of LACERS cannot offer financial, legal, or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

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# Agenda

1. What is Reciprocity
2. Eligibility
3. Reciprocity Types and Benefits
4. How to Establish Reciprocity
5. Recap
6. Glossary of Terms
7. Questions

# Background: What is Reciprocity

- LACERS established a reciprocal agreement, effective July 14, 1997, with the **California Public Employees' Retirement System (CalPERS)** that enables Members to move from one public employer to another within a specific timeframe.
- This trans-agency movement allows for some portability of retirement benefits.
- LACERS' reciprocal agreement with CalPERS also extends to all participating agencies and charter cities that are listed on **Slides 13 - 15** of this presentation and on our website, [lacers.org/reciprocity](https://lacers.org/reciprocity).

# Eligibility

To be eligible for Reciprocity, the Member must:

- ✓ Move from one reciprocal government entity to another **within a period of six months;**
- ✓ Terminate employment with the first retirement system before becoming a member of the new reciprocal retirement system;
- ✓ Leave their contributions and interest on deposit with each retirement system;
- ✓ Apply for reciprocity, and both retirement systems **must agree that reciprocity exists between the two agencies; and**
- ✓ **Retire on the same date from both or all retirement systems in order to be eligible for the benefits of reciprocity.**

# Eligibility (continued)



If the Member does **not** officially terminate their employment with a governmental agency before starting employment with another reciprocal agency, this “overlapping service” **will result in a denial of reciprocity.**

Each move between the retirement systems is considered a separate reciprocal event. As such, you will need to establish reciprocity for each membership period.

# Eligibility (continued)

- Below are examples of how an “overlapping of service” can occur:

## EXAMPLE A

Member was *physically* working for both employers **at the same time.**

## EXAMPLE B

Member was working for one employer **while exhausting accrued vacation and/or sick hours, or on a leave with pay** with another employer.

## EXAMPLE C

Member was **on a leave of absence without pay** with their former employer while working for the new employer.

- These examples of overlapping service **will result in a denial of reciprocity.**

# Types of Reciprocity

There are two types of Reciprocity: **Full Reciprocity** and **Limited Reciprocity** (also called Final Compensation Reciprocity).

- This is determined based on the date that the Member moved between LACERS and the other qualified California public retirement system.
- The type of reciprocity affects the vesting of the Member and their eligibility for benefits.

**FULL RECIPROCITY** - Members who moved between LACERS and another reciprocal system on or after July 14, 1997, receive Full Reciprocity benefits.

**LIMITED RECIPROCITY / FINAL COMPENSATION RECIPROCITY** - Members who transferred prior to July 14, 1997, receive Limited Reciprocity / Final Compensation Reciprocity.

# Reciprocity Benefits

RETIREMENT  
ELIGIBILITY

For Full Reciprocity Only

RETIREMENT ALLOWANCE

For Both Full Reciprocity and Limited Reciprocity

VESTING

For Full Reciprocity Only

HEALTH CARE

Only if Reciprocity is with Los Angeles County Employees' Retirement System (LACERA).

Member must have earned a combined total of 10 or more years of Service with both LACERS and LACERA.

# Reciprocity Benefits (continued)

## RETIREMENT ELIGIBILITY

- **Full Reciprocity** - The Member's combined years of *Service* with a reciprocal agency and LACERS may count toward retirement eligibility.

## RETIREMENT ALLOWANCE

- **Full and Limited Reciprocity** - Upon retirement, the Member will receive a separate retirement benefit from each entity based on the *Service Credit* acquired with that entity and the benefit formula by that retirement system. However, both retirement systems will use the highest final compensation received from either entity, even if the other government agency paid that salary.

## VESTING

- **Full Reciprocity** - The Member's reciprocal *Service* is considered for vesting with the other reciprocal entity.
- **For Limited Reciprocity** - The Member must vest on their own with each entity to qualify for a benefit.

# Reciprocity Benefits (continued)

## HEALTHCARE - Only with LACERA

- The only retirement system that LACERS has a Health Reciprocity agreement with is the **Los Angeles County Employees' Retirement Association (LACERA)**. This special agreement with LACERA can be applied to help the Member qualify for and/or enhance their retiree health subsidy.
  - To qualify, the Member 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.

# List of Reciprocal Agencies

Public Retirement Systems Under the Reciprocity Agreement

- Alameda County Employees' Retirement Association
- California Public Employees' Retirement System (CalPERS)
- City of Fresno (Employees and Fire & Police Systems)
- City of Oakland Retirement and Risk (Miscellaneous only)
- City of San Jose Department of Retirement Services
- City of Pasadena Fire and Police Retirement System
- Concord City Employees' Pension Plan
- Contra Costa Employees' Retirement Association
- Contra Costa Water District
- Costa Mesa City (Safety only)
- East Bay Municipal Utility District

# List of Reciprocal Agencies

(continued)

Public Retirement Systems Under the Reciprocity Agreement

- East Bay Regional Park District
- Fresno County Employees' Retirement Association
- Imperial County Employees' Retirement System
- Kern County Employees' Retirement Association
- Los Angeles County Employees Retirement Association (LACERA)
- Los Angeles County Metropolitan Transit Authority (MTA) - Only Non-Contract Employees' Retirement Income Plan, formerly Southern California Rapid Transit District
- Marin County Employees' Retirement Association
- Merced County Employees' Retirement Association
- Orange County Employees' Retirement System
- Sacramento City Employees' Retirement System
- San Bernardino County Employees' Retirement Association
- San Clemente Reinstated Retirement Plan

# List of Reciprocal Agencies

(continued)

Public Retirement Systems Under the Reciprocity Agreement

- San Diego City Employees' Retirement System
- San Diego County Employees' Retirement Association
- San Francisco City and County Employees' Retirement Association
- San Joaquin County Employees' Retirement Association
- San Luis Obispo County Employees' Pension Trust
- San Mateo County Employees' Retirement System
- Santa Barbara County Employees' Retirement System
- Sonoma County Employees' Retirement System
- Stanislaus County Employees' Retirement Association
- Transamerica Occidental Life (Retirement Benefits for East Bay Regional Park District)
- Tulare County Employees' Retirement Association
- Ventura County Employees' Retirement Association

# Establishing Reciprocity

- To apply for Reciprocity, complete the **Certification of Service Form** and submit it to LACERS via our secure document upload link on [lacers.org](https://lacers.org).
- The form and **Reciprocity Info Sheet**, are available at [lacers.org/forms](https://lacers.org/forms).



LACERS encourages you to begin the process of applying for reciprocity at the time you move between retirement systems. Establishing early will allow each system to prepare retirement estimates timely and accurate.

# Reciprocity Recap

- ✓ Reciprocity allows for some portability of retirement benefits
- ✓ There are two types of Reciprocity; Full and Limited with corresponding benefits
- ✓ You must:
  - ✓ Move from one reciprocal agency to another within six months
  - ✓ Terminate employment with one agency before becoming a member of the next one
  - ✓ Leave your contributions and interest on deposit with each retirement system
  - ✓ Apply for reciprocity, and both retirement systems must agree that reciprocity exists between the two agencies
  - ✓ Retire on the same date from both or all retirement systems in order to be eligible for the benefits of reciprocity.
- ✓ To apply for Reciprocity, complete the **Certification of Service Form** and submit it to LACERS via our secure document upload link on [lacers.org](https://lacers.org).

# Glossary of Terms

## SERVICE

- Those periods during which you were a Member of LACERS and 1) received compensation from the City as an employee or 2) received temporary disability Workers' Compensation benefits and paid contributions to LACERS.

## SERVICE CREDIT

- The component of your benefit calculation is 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 and multiplied by 0.03835.

## HEALTH SERVICE CREDIT

- This accounts for the hours you have worked as an Active LACERS Member to qualify for health benefits, excluding CalPERS reciprocity service, LACERA reciprocity (if not eligible or elected), public service buyback, and WPERP post-January 1, 2014 service (suspension of WPERP reciprocity).
- A minimum of 10 years of Service is required to become eligible for a health subsidy as a Retired Member.

# How to Contact LACERS



## CALL

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RTT (888) 349-3996



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## WEBSITE / SECURE DOCUMENT UPLOAD

[LACERS.org](https://LACERS.org)

[Lacers.org/secure-document-upload](https://Lacers.org/secure-document-upload)



## VISIT

LACERS

977 N. Broadway

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## YOUTUBE

[youtube.com/lacersyoutube](https://youtube.com/lacersyoutube)



# QUESTIONS?

We're here to help!





THANK YOU