

LACERS NEWS

RETIRED MEMBERS
FALL 2025



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 everyone informed as this conversation develops.

Our strength as an organization comes from the dedication of our Members and staff. We invite you to our board meetings and events and to connect virtually through our website at lacers.org, MyLACERS at mylacers.lacers.org, YouTube at youtube.com/@lacersofficial, and LinkedIn accounts at linkedin.com/company/lacers/. Together, we are building not only financial security but also a stronger and more vibrant LACERS for the future.

Sincerely,

Annie Chao

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General Manager Message – 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

What Retirees Spend the Most Money On

Understanding spending habits is a key to helping retired LACERS Members make the most of their pension. Perhaps the most obvious expense is the ever-increasing cost of health care. Fidelity Investments' annual [Retire Health Care Cost Estimate](#) (Fidelity Investments QR Code link at the bottom of the article) revealed that retirees can expect to incur higher health care and medical expenses throughout retirement.

It seems that today, everything costs more, whether it's the cost of healthcare, transportation, or even groceries. What is certain is that, regardless of the increase in cost, retirees must budget their expenses to better enjoy retirement. But where does the money go in retirement? According to data from [AARP](#) (AARP QR Code link at the bottom of the article) and Fidelity, the top three expenses for retirees are:

- Housing is the biggest expense, often making up 30% or more of total spending. This includes mortgage payments, property taxes, maintenance, and rent—especially for those who downsize or move into retirement communities.
- Healthcare comes in second and tends to increase with age. Out-of-pocket costs for premiums, prescriptions, dental and vision care, and long-term care can significantly reduce a fixed income.
- Food ranks third. Retirees typically spend more on groceries than on dining out, reflecting both lifestyle changes and a shift toward healthier eating habits.
- Other notable expenses include transportation, entertainment, and travel, though these vary widely depending on personal preferences and financial flexibility.



Fidelity
Investments Link



AARP
Link

Maintaining Your Health Coverage When You Move

Medical plan choices available to you and your dependents are based on your location. Certain HMO health plans are available in authorized zip code areas only. If you are planning to move, even if it's within California, please notify LACERS as soon as possible, but no later than 30 days after the move, so we can inform you if the move will impact your current health coverage.

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*

United States and Its Territories

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

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.

An option for Members who move outside of a LACERS California HMO zip code service area or outside California, but within the United States and its territories, is the Medical Premium Reimbursement Program (MPRP). To participate, Members find their own federally-qualified or state-regulated medical plan, enroll in it, and pay the premiums for the plan upfront. LACERS will reimburse up to the Member's medical subsidy amount. For more information, please visit lacers.org/health.



Funeral Expense Allowance Benefit: What is it?

One of the great benefits of being a member of the Los Angeles City Employees Retirement System (LACERS) are the benefits a retiree's eligible survivor may receive at the time of their passing.

Your designated beneficiary(ies) can receive a one-time lump sum \$2,500 Funeral Expense Allowance payment after your death that can be used towards any expenses. If more than one beneficiary is nominated for a Tier 1 Member, the payment will be split among the listed beneficiaries. Tier 3 Members can only list one beneficiary to receive the one-time payment.

There are also lifetime benefits for eligible survivors, as well as possible unused contributions and accrued benefits that can be paid out.

This is a good reminder that it is the responsibility of each Member to notify LACERS and complete the necessary forms for any life events, such as changes in marital status or domestic partnership, and/or the death of a designated beneficiary, so that your benefits are paid as intended.

Would you like to update your nominated beneficiaries for this benefit? Fill out new beneficiary forms for Designation of Funeral Expense Allowance and Unused Contributions and Accrued Payments found at lacers.org/forms and submit them through our [Secure Document Upload](https://lacers.org/secure-upload) portal at lacers.org/secure-upload.

Trending Scams and How to Avoid Them

Millions of retirees in the United States fall victim to financial fraud or scams each year. Seniors are often targeted because they tend to be more trusting. Seniors also often have financial savings, a home, and/or good credit, all of which make them attractive to scammers. Additionally, seniors may be less inclined to report fraud as they might not be aware that they were a victim of fraud or a scam, or they may feel too embarrassed to report it.

It is essential to be aware of and understand the various fraud schemes currently trending in order to avoid becoming a victim of them.

- **Government Impersonation Scam:** Someone posing as a government employee uses the threat of incarceration to intimidate victims.
- **Tech Support or Repair Service Scam:** Criminals posing as tech support representatives trying to access personal information or your home.
- **Family or Caregiver Scam:** Relatives or acquaintances taking advantage of them to obtain their money, property, and/or possessions.

The following are ways to protect yourself and your loved ones from fraud scams.

- Recognizing the attempted scam and ending all communication.
- Resist the pressure to act quickly as scammers create a sense of urgency to produce fear and lure victims into taking quick action.
- Be careful what you download. Never open an email attachment from someone you don't know and be wary of email attachments forwarded to you.
- Take precautions to protect your identity if a scammer gains access to your device or account. If you see any suspicious activity, immediately contact your financial institutions and LACERS to place protections on your accounts.
- Always monitor your accounts and personal information for suspicious activity.

Staying Socially Connected After Retirement

Retirement is a big life change. While it gives you more free time, it can also mean fewer chances to see people every day. Staying social is important for your health and happiness. Being around others helps keep your mind sharp and your mood strong. There are many easy ways to stay connected. Here are some that the National Institute of Aging recommends:

- Find an activity that you enjoy, restart an old hobby, or take a class to learn something new. You might have fun and meet people with similar interests.
- Schedule time each day to stay in touch with family, friends, and neighbors in person, by email, social media, phone call, or text. Talk with people you trust and share your feelings. Suggest an activity to help nurture and strengthen existing relationships. Sending letters or cards is another good way to keep up friendships.
- Consider adopting a pet if you can care for one. Animals can be a source of comfort and may also lower stress and blood pressure.
- Use communication technologies such as video chat to help keep you engaged and connected.
- If you're not tech-savvy, sign up for a class at your local public library or community center and/or check out our wellness computer classes at lacers.org/lacers-well-events to help you learn how to use email or social media.
- Check out resources and programs at your local social service agencies, community and senior centers, and public libraries.

Retirement is a great time to make new friends and enjoy new experiences. Did you know that LACERS offers a free retiree wellness program? If you haven't already, visit the LACERS Well section of our website at lacers.org/lacers-well to find upcoming events to attend. We host events in the Greater Los Angeles area, as well as online, for those who don't live nearby. LACERS encourages you to stay active, involved, and connected.

Chief Investment Officer Message – 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

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 two years prior 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 Sr. 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 found at lacers.org/health-benefits-guide for LACERS Medicare Requirements and IRMAA.

If you receive an IRMAA notice:

1. Review the notice carefully — it shows which tax year they used and the surcharge amount.
2. 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)
3. LACERS cannot assist with any IRMAA appeals or reconsiderations.

Healthcare Coverage While Traveling: What to Know Before You Go

Now that you're retired, a new world of opportunities for travel awaits. But what happens if you get sick or have a medical emergency while traveling? If you're planning to travel outside of your health plan service area, and especially if you are traveling outside of the United States, it's always a good idea to review your health plan's [Evidence of Coverage](#) found at lacers.org/evidence-coverage and to contact your health plan directly to understand what is covered and how to access care if — and **before** — the need arises.

A Few Things to Know Before You Go:

- Discuss your medical needs with your doctor before you travel
- Bring all your regular medications in their original prescription bottles with labels. Pack extra doses in case of travel delays. If possible, pack them in your carry-on luggage to make sure you have them if your checked bag is lost or delayed.
- Familiarize yourself with your plan's telehealth services, which may be a convenient way for you to access care for common health concerns on the go.
- Identify local hospitals or clinics near your destination
- Know how to contact emergency services (911 doesn't work everywhere)
- Determine if emergency services are covered and what the alternatives are for care if they are not.
- Always carry your physical ID card and save a photo of both sides of the card on your phone or in a cloud storage service as a backup. Your ID card informs doctors, medical facilities, and pharmacies that you have health coverage.

With the above in mind, you can travel with greater peace of mind knowing you're better prepared for any health care needs that may arise!

Volunteer Information Professionals Program with LAWA

LAX is transforming, and the Los Angeles World Airports (LAWA) department wants you to volunteer to be part of their plans that will lead us all into a world-class global gateway! As we approach the 100th anniversary of LAX and the Olympics and Paralympics in 2028, it's time we look towards the future. That future would not be possible without enhancing our passenger experience, and our volunteers are a vital part of our efforts. Consider volunteering for the LAWA's Volunteer Information Professionals (VIP) program.

For nearly 15 years, LAX VIPs have been LAWA's friendly, helpful problem-solvers who directly interact with guests at the airport terminals. They provide information services such as connecting guests with ground transportation needs, airport amenities, and wayfinding.

LAX VIPs are community members who have traveled around the world, retired city employees who continue to positively represent the city, aviation professionals determined to improve service, aviation

enthusiasts who seek to connect to their passion, college students improving their life skills, and community members with diverse backgrounds. Many also speak multiple languages. Not only do they love helping guests – they love LAX and with all the exciting changes, VIPs enjoy previewing LAWA's new facilities, exclusive airport tours, no-cost on-site parking during volunteer shifts and events, and connections to the community.

LAWA's VIP program operates seven days a week from 7 a.m. to 10 p.m. Volunteer shifts are three hours, and LAWA asks for a commitment of nine hours a month.

To learn more, please visit Los Angeles World Airport's VIP website at lawa.org/volunteer-opportunities, call (424) 646-8471, email vip@lawa.org, or join a one-hour [virtual information session](http://lawa.org/volunteer-opportunities/virtual-information-sessions) listed on lawa.org/volunteer-opportunities/virtual-information-sessions. LAWA looks forward to having you as part of their transformation and creating a gold medal experience for airport guests!



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FALL 2025**

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THERE'S MORE THAN ONE WAY TO REACH US!

Website:
LACERS.org

Secure Document Upload:
lacers.org/secure-upload

MyLACERS Message Center:
mylacers.lacers.org (use submit
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Mailing Address:
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Los Angeles, CA 90012**

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