



LAFPP

pension perspectives

January 2007

Newsletter for Active Members of Los Angeles Fire and Police Pensions

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General Manager's Message

We have put together a new look that will affect all communications sent to you by our Department, including newsletters, annual statements, benefit information bulletins and even our Web site. It standardizes our look, incorporates our logo, mission statement and motto, and helps ensure a clear and consistent message. This campaign is called "branding."

What is a brand and why does it matter? A brand is a promise an organization makes. Our promise is to advance the health and retirement security of those who dedicate their careers to serving and protecting the people of Los Angeles. This promise defines who we are and what we represent at Los Angeles Fire and Police Pensions (LAFPP). We want our members to know what you can expect from us each and every time we reach out to you and vice-versa.

If we uphold our brand promise to every member every day, we show members that we value who they are and what they do.

It can help us to give something back to those who have given so much to our community over the years. It's our way of "serving those who protect."

We are also working to provide you with personalized information at your convenience. Our Web site has already undergone a complete redesign with easier navigation, updated information and our new brand. Visit us at our new Web site address at www.lafpp.com. We are in the last stages of a security review of Employee Self-Service (ESS) which will allow you to check your personal information. You will be notified when ESS is online.

I hope this new year finds you in good health.

Sincerely,
Michael Perez
General Manager
Michael.Perez@lacity.org



Pension Protection Act of 2006

How Will It Affect LAFPP Plans?

On August 17, 2006, President Bush signed the Pension Protection Act of 2006 (PPA'06). The law primarily focuses on private pension plans; however, there are significant provisions that affect public plans. Below is a summary of those provisions and their effect on LAFPP members.

- **Waiver of 10 Percent Early Distribution Penalty Tax:** Public safety employees who separate from service after age 50 (instead of age 55) will not be subject to the 10 percent early withdrawal penalty tax on distributions, including DROP distributions. This provision is effective as of August 17, 2006.
- **Distributions from Governmental Retirement Plans for Health and Long-Term Care Insurance for Public Safety Officers:** Certain retired public safety officers may direct up to \$3,000 of their retirement income each year, tax-free, to pay health insurance premiums. This provision is not mandatory, but would allow the City to establish such a program beginning on or after January 1, 2007. The Board of Fire and Police Pensions Commissioners has referred this matter to Committee to develop an implementation plan.
- **Direct Rollovers from Qualified Plans to Roth IRAs:** Allows direct rollovers from a qualified retirement plan to a Roth IRA, subject to the rules that apply to rollovers from a traditional IRA into a Roth IRA. This provision is effective for distributions made after December 31, 2007.
- **Penalty-Free Withdrawals from Retirement Plans for Individuals Called to Active Duty for at Least 179 Days:** Reservists called to active duty for at least 179 days during the period from September 11, 2001 to December 31, 2007 are not subject to the 10 percent early withdrawal penalty on certain distributions.
- **Rollovers by Non-spouse Beneficiaries of Certain Retirement Plan Distributions:** Non-spouse beneficiaries are allowed to roll over distributions from eligible retirement plans into individual retirement accounts. This provision is effective for distributions made after December 31, 2006.

We are working with the City Attorney's Office to assess the impact and implementation of PPA'06. Please visit our Web site at www.lafpp.com for future updates. If you have any questions, please contact Robyn Barnes, Manager, Communications & Special Projects Section, at (213) 978-4526 or email Robyn.Barnes@lacity.org.

An Update from Your Deferred Compensation Plan

Submitted by Usha Archer, Account Manager, Great-West Retirement ServicesSM

DROP & Deferred Compensation

It is important to understand your options. Great-West, your Deferred Compensation Plan service provider, the City's Employee Benefits Office and Fire and Police Pensions have been working together to make sure you get the information you need to help you make decisions about your DROP. We are preparing a kit to assist you in understanding the process of rolling over funds from DROP to your Deferred Compensation Plan. As you know, there are many members retiring out of DROP next year and we hope this kit will assist you in understanding your options and the process. The kit should be available by early January 2007. Call or visit our local service center (information listed at the end of this article) for more information.

Contributions

The maximum annual contributions for 2007 are:

- \$15,500 if you are under 50 years old
- \$20,500 if you are 50 or older
- \$31,000 if you are eligible for Catch-up (generally 47 years of age with 17 years of service for Tier 5 members, call us for other eligibility and rules).



How To Reach Us

Contact Great-West, the City's Deferred Compensation Plan Administrator, for more information at:

Local Office

Employee Benefits, City Hall
200 N. Spring St. Room 867, LA 90012
Hours 8:30 am to 5 pm
(213) 978-1601 for questions about DROP and the Plan

Phone

KeyTalk® (888) 457-9460 to inquire or make changes to your account

Web site

www.cityofla457.com to inquire or make changes to your account



Start Early on Retirement Planning!

When you are just starting your career, it's hard to devote time and planning for a retirement that seems so far away. Tier 3 and Tier 5 have an age requirement of 50. Tier 2 and Tier 4 have no age requirement; just complete 20 years of service. Can you afford to retire as soon as you are eligible for a pension?

We hold pre-retirement seminars every month, alternating between type of seminar and pension tier. There are two types of seminars:

- **Planning for Your Future:**

For members with 10 years of service or less, with a focus on long-term planning. We are working with a consultant to update this format to present you with the most current topics for long-range planning. This format will be ready for the 2007 seminar schedule.

- **Fine-Tuning Your Retirement:**

For members within 3 to 5 years of retirement, designed to assist members in making final decisions in preparation for retirement. The topics covered are:

- Tier Benefits
- Social Security
- Taxes
- Financial Planning
- Housing, Health
- Estate Planning
- Life Adjustments

Our goal is to provide you with enough information to evaluate your financial health, whether on your own or with the assistance of a financial planner. During the seminar we will explain your LAFPP Tier benefits, discuss how the Deferred Compensation plan can supplement your pension, and how your pension may affect Social Security.

The "Planning" format focuses on long-term planning and the "Fine-Tuning" format helps you wrap up the details to guide you through a smooth transition into retirement. The "Planning for Your Future" seminars are scheduled 3 times a year. Attendance has been low and seminars have been cancelled. Yet one of the most common suggestions we get from members who attend the "Fine-Tuning Your Retirement Plan" seminars is to offer a retirement program in the early years of your career. Make the most of your retirement benefits and start planning early!

If you have not attended in the past but are interested in attending either seminar in the future, fill out and return the form below, check our Web site for future dates and keep your address current with your department.

We send out more than 500 invitations every month (according to seniority). If you get an invitation in the mail, send back the response and reserve your spot at that seminar.

The materials presented at the pre-retirement seminar are also available on-line at www.lafpp.com.

Take control of your retirement future and plan for a successful retirement. If you have any questions about the pre-retirement seminars, please contact the Communications & Special Projects Section at (213) 978-4530 or (800) 787-CITY ext. 84530.

2007 PRE-RETIREMENT PLANNING SEMINARS

PLANNING FOR YOUR FUTURE FINE-TUNING YOUR RETIREMENT PLANS

Name: _____ Last 4 Digits of SS# _____

Home Phone: _____ Work Phone: _____

Mail to: 360 E. 2nd Street, Suite 400,
Los Angeles, CA 90012

Fax: (213) 978-4450

Mail Stop: 390

Fire Department Active Board Member Election

The term of office for the Fire Department Active Member of the Board of Fire and Police Pension Commissioners ends on June 30, 2007. The City Clerk, in conjunction with the Department of Fire and Police Pensions, is conducting an election for the next five-year term.

The election is scheduled for Tuesday, April 24, 2007. The election is open to all qualified, sworn members of the Fire Department who are active at least 30 days prior to the April 24 election. Members hired within 30 calendar days of the election may cast ballots in person with the Election Division of the City Clerk's Office after securing a certificate from the Personnel Department verifying their employment. DROP participants are eligible to vote in this election.

The following is a brief description of the election process:

- Active member candidates from the Fire Department must submit nominating petitions signed by at least 100 employees of the FD who are active members of the pension plan. Nominating petitions will be available in the City Clerk's Office on the first Tuesday in March. Signed petitions must be submitted to the City Clerk within two weeks after the date petitions become available.
- Candidates may submit a statement to the City Clerk describing their background and qualifications for the position (not to exceed 250 words).
- The City Clerk prepares a ballot with the names of all candidates and mails the ballot and the qualification statements to qualified voters.

- A copy of the Notice of Election and sample ballot will be posted in the City Clerk's Office.

Please note that we will be conducting the election by mail. We will use the most current address on file. It is important that you keep your address current. To update your address, please fill out a Form F-8 and submit it through channels to Fire Department Personnel, City Hall East, 200 N. Main Street, Room 1880, Los Angeles, CA 90012.

Questions about the election may be directed to the Administrative Services Section of the Department of Fire and Police Pensions at (213) 978-4432 or (800) 787-CITY ext. 84432.

Lost Service Time Does Not Always Mean a Suspension!

Lost service time, also known as "bad time," is any leave without pay. Years of service percentage is used in the formula for calculating all types of pensions (service, DROP, disability). To calculate your pension, take your years of service (YOS) percentage and multiply it by your rate of pay (according to your tier). If you have accrued LST, it is deducted from your YOS, which may require you to work longer. (Only Tier 2 members are allowed to purchase LST.)

One of the most common misconceptions is that a suspension is the only form of LST. In fact, lost service time is any leave without pay and suspension is only one way to accrue LST.

A very common example is a member overcharging an accumulated overtime account. If you work overtime and take time off in the same period, your overtime has not yet been banked. It is not recorded until the next pay period. Therefore, your bank of accumulated overtime is insufficient to cover the time off.

For example, in week one of the pay period you work overtime and request that it be logged to accumulated overtime off instead of cash. Let's assume that your overtime equals 18 hours. In week two of the pay period you take time off and decide to use those 18 hours. Because your overtime has not yet been

logged, you are docked for the time off. You have now accrued LST.

Insufficient accumulated overtime is only one example of how to accrue LST. Other examples are using vacation and family illness without having enough to cover your hours charged.

You might not be advised that you were charged leave without pay, so remember to take note of your hours worked on your pay-check/direct deposit stub and to keep track of your time.

If you have any questions about lost service time, please contact Active Member Services at (213) 978-4522 or (800) 787-CITY, ext. 84522.



You Can Now Reach Us Toll-Free: (800) 787-CITY

To better serve you, we activated a toll-free number for our members to reach us. The toll-free number is (800) 787-CITY, or (800) 787-2489. All our communications will be updated to include the 800 number and it will be posted on our Web site at www.lafpp.com.

When you call, you will be greeted by an announcement of our department name. Then you will be given the option of either dialing an extension directly using 5 digits and the pound sign or pressing "0" (no pound sign needed) and the call will be forwarded to a receptionist.

Example: You are trying to reach the Communications Section and you have their direct number of (213) 978-4530.

Dial 1-800-787-CITY; then, when you hear the announcement, dial 84530# and the call will be forwarded.

If you do not know your party's direct number, dial "0" and you will be forwarded to a receptionist. Callers are encouraged to contact us during working hours, which are 8:00 am to 5:00 pm. (Not all calls are forwarded to voicemail outside of business hours.)

If you have any questions about the toll-free number, please contact the Communications & Special Projects Section at (213) 978-4530, or at 84530 if you call us toll-free.

Important Information ... At Your Fingertips

Our Web site underwent a complete renovation to provide easy access to retirement benefit information when you need it – anytime you need it! We even have a new Web site address: www.lafpp.com.

Getting the information you need is important. We created an excellent resource for pension information and services for both active and retired members. You will find:

- **User-Friendly Navigation** – Whether you are active or retired we created an easier path to the information you are looking for.
- **Useful Topics** – We posted current information to assist you in planning for or enjoying a successful retirement.

- **New Look** – We incorporated our new brand into a Web site that defines who we are and what we represent. We asked for member participation, so you may even recognize some familiar faces!

Visit us soon at www.lafpp.com. If you have any questions or comments about the Web site, please contact the Communications & Special Projects Section at (213) 978-4530 or (800) 787-2489 ext. 84530.



Above: New LAFD members.
Drill Tower 40 graduates. October 2006

CONTACT INFORMATION

Department of Fire and Police Pensions

Staff is available Monday through Friday (except holidays) from 8:00 am to 5:00 pm to assist you. Please use the following directory so that a staff member can address your specific need.

Active Member Services

(213) 978-4522

- Annual Member Statements
- Beneficiary Statements
- Contribution Accounts
- Dissolution-of-Marriage Information
- Domestic Partnership Forms
- Service Credit and Bad Time (Lost Service Time) Purchases

Communications & Special Projects

(213) 978-4530

- Benefit Presentations
- Newsletters
- Pre-Retirement Seminars
- Department Web site

Medical and Dental Plans (for Pensioners Only)

(213) 978-4560

- Health Insurance Subsidy
- Dental Insurance Subsidy
- Health Insurance Premium Reimbursement Program

Disability Pensions

(213) 978-4500

- Active Member Deaths/Survivor Pensions
- Disability Application Processing
- Disability Pension Reviews
- Review of Dependent Children/Dependent Parent Qualifications

Service Pensions

(213) 978-4575

- Service and Survivor Pension Processing and Inquiries
- Retired Member Records and Information
- Change of Address (for Pensioners Only)
- Discontinuance of Benefits (upon death or other ineligibility)

Retired Member Services (for Pensioners Only)

(213) 978-4495

- Direct Deposit
- Tax Withholding
- Cost-of-Living Adjustments

DROP Administration

(213) 978-4568

- Information on the Deferred Retirement Option Program

Other Ways To Contact Us

Toll-Free: (800) 787-CITY (2489)

Fax: (213) 978-4450

TDD: (213) 978-4455

Email: pen.pensions@lacity.org

Web Site: www.lafpp.com

Address: 360 E. Second Street, Suite 400
Los Angeles, CA 90012

Mail Stop: 390

For your convenience, the following forms can be printed from our Web site: Beneficiary Form, Deferred Compensation Incoming Transfer/Direct Rollover Form, Domestic Partnership Declaration Form, Notice of Termination of Domestic Partnership Form, DROP Beneficiary Form, DROP Distribution and Election Form, and Request to Purchase Service Credit Form.

We Need Your Photos!

Los Angeles Fire and Police Pensions is currently seeking photographs from you to feature in our newly redesigned communications—including upcoming editions of our Pension Perspectives newsletter and our new Web site. We are looking for images that show you—our members—in action on the job. Photos should show the member or members in uniform, in the workplace or in the field. We'd like to see both recent and historical photos.

Submitting your photos is easy:

1. Email digital photos to us at Apollo.Victoria@lacity.org. Please be sure your image is high resolution quality and falls within our size requirements (minimum size : 2" x 3"; maximum:

8" x 10"). We can accept 600 x 900 (or higher) pixels JPEG, BMP, or TIFF file formats.

If your digital file is too large to be sent via email (if it is bigger than approximately 2MB), you can send it to us on CD to:

Los Angeles Fire and Police Pensions
360 E. Second Street
Suite 400
Los Angeles, CA 90012
Attention: Apollo Victoria

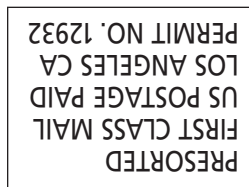
2. Send us your original photos. Simply stop by or mail your original photos to us at:

360 E. Second Street
Suite 400
Los Angeles, CA 90012
Attention: Apollo Victoria

We will scan them to create electronic copies that can be used in our communications. Your originals will be returned to you upon request (please provide return address).

The photos submitted should be appropriate in subject matter. We are looking for current and historical photographs of past or present members of the LAFD and LAPD. Wherever possible, please list the names of all persons in the photo.

If you have any questions, please contact the Communications & Special Projects Section at (213) 978-4530 or at (800) 787-2489 ext. 84530.



Return Service Requested

Los Angeles Fire and Police Pensions
Mail Stop #390
360 East Second Street
Suite 400
Los Angeles, CA 90012

