



Pension Perspectives

JULY 2005

Newsletter for Los Angeles City Fire & Police Retired Members

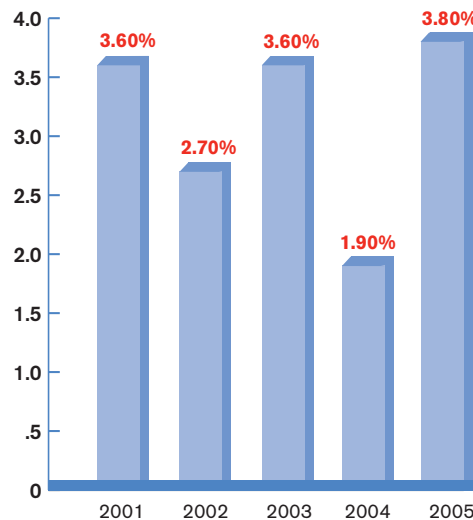
Cost-of-Living Adjustment

Effective July 1, 2005, **Tier 1 and 2** pensioners eligible for an uncapped cost-of-living adjustment (COLA) will receive a 3.8% increase to their pensions. The percentage is determined by the change in the Consumer Price Index for Los Angeles, Riverside and Orange County for the one-year period ending February 2005. The increase will be reflected on the July 31 pension payment.

Eligible pensioners in **Tier 3, 4, 5, and DROP** will receive a 3% increase to their pensions, which is the maximum COLA allowed per City Charter and Administrative Code provisions. In addition, eligible pensioners in **Tier 5, including Tier 5 Members in DROP**, will have 0.80% deposited toward their COLA bank.

If your pension effective date is between July 2, 2004 through June 1, 2005, your COLA percentage increase will be prorated by the number of full months you have been on retirement. ■

History of COLA Percentages



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New Board Members Elected

Sam Diannitto was re-elected as the Retired Fire Member of the Board of Fire and Police Pension Commissioners, in the election conducted on February 22, 2005. His term will run from July 1, 2005 to June 30, 2010.

Sergeant Don Keith was elected as the Active Police Member of the Board of Fire and Police Pension Commissioners, in the election conducted on April 26, 2005. His term will run from July 1, 2005 to June 30, 2010.

The Board normally meets on the first and third Thursdays of the month at 9 a.m. Most meetings, including special and committee meetings, are from one to four hours in duration. Following is a list of the current members of the Board.

The Board has sole and exclusive fiduciary responsibility to administer the Fire and Police Pension System and its assets. Further, it has the authority to adopt investment policies for the fund assets; and has the duty to establish actuarial assumptions and adopt rules and regulations necessary to administer the System. The Board exercises the prudent person standard in the discharge of its duties.

If you have questions concerning the election results, please call our Administrative Services Division at (213) 978-4438. ■

Name	Appointed/Elected	Term Expires
William Jackson, President	Appointed by the Mayor	06/30/07
Peggy Moore, Vice-President	Appointed by the Mayor	06/30/09
George Aliano	Elected by Retired Police Members	06/30/09
Elliott Broidy	Appointed by the Mayor	06/30/06
Mike Carter	Elected by Active Fire Members	06/30/07
Sam Diannitto	Elected by Retired Fire Members	06/30/10
Donald Keith	Elected by Active Police Members	06/30/10
Louis Moret	Appointed by the Mayor	06/30/08
Vacancy – TBA	Appointed by the Mayor	TBA

Message From

Commissioner George Aliano

Dear Colleagues:

We are about to have a change in elected Commissioners for active members with Sergeant Don Keith replacing Sergeant Tom Dawson. I welcome and look forward to working with Sergeant Keith. Although elected by the active members, our responsibilities are so intertwined that the distinction from retirees is sometimes not discernable.

I worked with Tom Dawson when we were Directors at the L.A. Police Protective League and he was on the Board for three years and for the last four years at the Pension Commission. There was no difference in his dedication, high work ethic or regard and concern for those he represents. Tom gave his full attention to the task at hand. He could be counted on to have done his homework and to have never taken a short cut to any issue we faced. He put forth the same diligence and effort that was required in attaining his several Masters degrees and his PhD, and the discipline necessary for the nine years he was in the Marine Corps.

When I work with someone I look for their loyalty to the people they represent and the entity's goals and the mission they're charged with and not the individual's personality traits. I give people leeway and have tolerance for those that may not be considered the 'perfect person'. That's because I know I'm not perfect and desire the same in return for my shortcomings. I received that from Tom, along with being treated with respect. The active members have spoken and they've decided to replace Tom, but I wanted you to know a little of what I know about an individual who thought through the issues and whose decisions were always based on what was best for the fund and those he represented. ■

Change of Address

If you are planning to move or have recently moved, don't forget to update your address with the Department of Fire and Police Pensions. Without a current address on file, your pension check, direct deposit statement or any other benefit information could be delayed or not received at all.

To update your address, please send us a letter with the following information:

- Complete name
- Social Security Number
- New Address
- Telephone Number
- Pensioner's Signature

Send the letter to:

Department of Fire and Police Pensions
Service Pensions Section
360 E. Second St., Suite 400
Los Angeles, CA 90012

Or

Fax to: (213) 978-4504

Attention DROP Participants: Unless you've terminated your participation in the DROP program, please send change of address requests to the same address, Attention DROP, or fax your request to (213) 978-4450.

If you have any questions, please contact the Service Pensions Section at (213) 978-4575. ■



Health Insurance Premium Reimbursement Program

The Health Insurance Premium Reimbursement Program is a recently developed benefit for pensioners and qualified surviving spouses/qualified domestic partners who cannot take advantage of the regular health subsidy benefit available to them. This program may be utilized by members who live outside the state of California, or those members who cannot access City-approved managed health care plans because they live outside a City-approved HMO health plan zip code service area. Basically, it allows the member the option to receive a *quarterly* reimbursement of monthly health insurance premiums paid to non-City-approved health plans, up to the maximum monthly reimbursement allowed.

How Do I Qualify?

This benefit is available to pensioners and qualified surviving spouses/domestic partners who:

- have at least 10 years of service as a sworn Fire or Police pension plan member or the deceased pensioner had at least 10 years of service;
- meet the minimum age requirement in place on the effective date of retirement or the deceased pensioner would have met the minimum age requirement;
- live outside a City-approved HMO health plan zip code service area;
- must be the primary subscriber to a state regulated health plan;

- must be enrolled in Medicare to extent of entitlement (if applicable); and
- are not enrolled in a City-approved health plan.

City-approved health plans are administered by:

- *Department of Fire and Police Pensions*
- *Los Angeles Firemen's Relief Association (LAFRA)*
- *Los Angeles Police Relief Association (LAPRA)*
- *United Firefighters of Los Angeles City (UFLAC)*

Which Plans Are Eligible?

For residents of the United States, health insurance plan(s) must be state regulated. Dental plan premiums, vision plan premiums and medications are not eligible reimbursements. The Department of Fire and Police Pensions will verify the eligibility of the health insurance plan prior to reimbursement. At age 65, you are required to enroll in Medicare to the full extent of your entitlement to continue participation in the program. *(If you are in a Medicare A and B health plan, you will also receive reimbursement for the Part B monthly premium paid upon verification of Medicare enrollment.)*

How Does it Work?

Each calendar quarter, the member must complete a "Retired Health Insurance Premium Reimbursement Claim Form" by a designated deadline. Each claim form submitted must have an original signature and may only claim one coverage period (calendar quarter). Evidence of coverage **and** premium payment verification *must* be submitted with each claim form. Also, if you are enrolled in Medicare, you must provide a photocopy of your Medicare card the first time you file a claim and upon request thereafter. Reimbursements are processed and distributed approximately six weeks after the filing deadline each quarter.

When Should I Cancel My Current Coverage?

If you plan to cancel your current coverage in a City-approved health plan to qualify for this program, please ensure that adequate coverage is obtained prior to submitting the cancellation form. Once cancelled, re-enrollment in a City-approved health plan will be allowed only under the regular policies of each organization (i.e. relocation, open enrollment, etc.)

How Can I Get Started?

Additional information on eligibility, claim forms, and filing instructions can be obtained by calling the Medical and Dental Section at (213) 978-4560. Staff members are ready to assist you. Guidelines and claim forms are also available on our website, www.lacity.org/pen. ■

An Update from

Deferred Compensation Plan

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

The representatives of the Deferred Compensation Plan welcome your calls, emails and visits.

To inquire or make changes to your account, log onto the web site at www.cityofla457.com or call KeyTalk[®] at (888) 457-9460. Representatives are available to answer your questions. In addition, we have four local representatives you can reach via telephone for plan questions and/or a counseling session by calling the KeyTalk[®] number and selecting Option 3. To visit with us at City Hall, we are located at 200 North Spring Street, Room 867, Los Angeles, CA 90012. Our office hours are 8:30 a.m. to 4:00 p.m. every business day. If you wish to contact us via email (we know you retirees are busy), please email me at usha.archer@gwrs.com.

As you may be aware, many salespeople will solicit you for various products. With respect to Deferred Compensation, since the time legislative changes allowed the Deferred Compensation Plan funds to be rolled out into an IRA, many retired sworn personnel have told us of salespeople/brokers selling different products – some good, some not so good. Following are some points to consider when rolling out your money to another provider after retirement:

- 1. Understand what they are selling and know what you are buying.** It is ultimately the buyer's responsibility to ensure that the investment is suitable for him/her. If you don't understand or feel you don't have the proper explanation, ask for more information. If you don't get it, be wary. Great West representatives are salaried employees; as such, we do not receive commissions based on your account activity.
- 2. Rolling out your Deferred Compensation Plan to an IRA or other tax qualified plan** means you may be subject to the 59-1/2 age tax penalty, should you take a distribution prior to age 59-1/2 (there are a couple of exceptions). Plan participants may be unaware that the age 59-1/2 penalty does not and has never applied to the Deferred Compensation Plan. If you rolled money into the Deferred Compensation Plan from your DROP account, please note there are different rules for the

DROP money, regardless to where you roll it. We encourage you to call our office if you have not already discussed this with a Great-West representative.

- 3. Compare fees, commissions, trading and other transaction costs.** In some cases, it may be less expensive to stay in the Deferred Compensation Plan than to roll your money out. Know the value of what the extra costs are getting you.

We hope you find this information helpful. As always, let us know how we can help you! ■



Dependent Child **Be Prepared!**

A Dependent Child is a child of a member who became mentally or physically disabled before turning age 21 and is not capable of earning a living. If you have a dependent child, he or she could be eligible for a pension in the event of your death. However, a dependent child who marries, who is subsequently adopted, or whose disability ends is no longer considered a dependent for pension purposes.

The actual processing of a claim to establish dependent child status cannot commence until the death of the member. Even so, the process can be expedited by the member collecting as many of the necessary documents as possible and

establishing plans for a guardian/conservator while they are still alive. In the event of the member's death, the guardian/conservator should be ready to present the documents to the Department of Fire and Police Pensions to prevent unnecessary delays in providing a benefit if eligible.

If you have a dependent child, it is important that you collect the information to document the disabling condition such as medical records, school records, assisted living or institutionalization records, etc. It may be difficult to obtain documentation confirming the child's disability if several years have passed, so plan accordingly.

At the time of your death, the following documentation will be requested by Pensions, where applicable, along with the records to document the child's disabling condition:

- Birth Certificate
- Marriage Certificate
- Dissolution Decree
- Guardianship/Conservatorship papers
- Written request for the child to be granted dependent child status

If you have any questions regarding dependent child(ren), please contact the Disability Section at (213) 978-4500. ■

Workers' Compensation

Are You a Retiree Who Received a Workers' Compensation Award?

Medical treatment and prescriptions for retirees who have received an award of lifetime medical care for a work-related illness or injury is the responsibility of the City. As you may be aware, these medical claims are processed and handled by the City's Workers' Compensation Carrier – **Cambridge Integrated Services**. However, too often, retirees find it more convenient to use their group retiree medical plan (i.e. Kaiser, Blue Cross) to seek necessary medical care for a work-related illness or injury. When this occurs, a retiree unnecessarily impacts the claims experience for all members of the group plan, which contributes to

higher health insurance and prescription costs for every active and retired member.

If you received a workers' compensation award prior to retirement, seek medical attention from your designated workers' compensation doctors for your specific workers' compensation medical needs. The proper handling and payment of workers compensation-related medical claims releases your group retiree medical plan from payment of monies for conditions for which they are not liable. Ultimately, all retirees benefit because it helps minimize the potential for premium increases due to unrecovered expenditures.

Cambridge Integrated Services can be reached at (800) 977-0285. For additional information, you may also call your respective medical plan administrator:

- Police Relief Association
(888) 252-7721
- Fire Relief Association
(800) 244-3439
- UFLAC
(213) 380-2900 ■

Contact Information

Department of Fire and Police Pensions

Staff is available Monday through Friday (except Holidays) from 8:00 AM and 5:00 PM to assist you. We changed offices and telephone numbers in early 2002. Please refer to the following directory so that a staff member can address your specific need.

(213) 978-4523 **Member Communications**

- Newsletters
- Web Page Updates

(213) 978-4560 **Medical and Dental Plans**

- Health Insurance Subsidy
- Dental Insurance Subsidy
- Medicare Part B Reimbursement
- Health Insurance Premium Reimbursement Program

(213) 978-4500 **Disability Pensions**

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

(213) 978-4575 **Service Pensions**

- 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)

(213) 978-4495 **Retired Member Services** **(for Pensioners only)**

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

(213) 978-4568 **DROP Administration**

- Information on the Deferred Retirement Option Program

Other Ways to Contact Us

Fax: (213) 978-4450

TDD: (213) 978-4455

E-mail: PENSIONS@FPPEN.LACITY.ORG

Web site: www.lacity.org/pen

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

For your convenience, the following forms can be printed from our Web site: Beneficiary Form, Domestic Partnership Declaration Form, Notice of Termination of Domestic Partnership Form, DROP Beneficiary Form, and Health Insurance Premium Reimbursement Claim Form. ■

Mail Order Prescription

Do you have a chronic condition which requires long-term medication? If so, consider utilizing the mail order prescription benefit available through your City-approved retiree medical plan.

This benefit is not designed for prescriptions you need immediately, but rather for those drugs that you take on an extended and/or maintenance basis. Conditions such as, but not limited to, diabetes, arthritis, heart conditions, and high blood pressure may require the use of maintenance medication. Your doctor must write the prescription as a 90-day supply. You gain the convenience of having your necessary prescriptions on hand for a 90-day interval, versus a 30-day basis if filled through a retail pharmacy. Also, a 90-day mail order supply may have the same premium as a 30-day supply, depending on your particular health plan carrier.

Mail order prescriptions are typically shipped directly to your home at no additional charge, along with instructions for future

mail order prescriptions and/or refills. Please note that certain drugs are not available through mail service.

For additional information on utilizing this benefit, as well as associated co-payments, maximum days supply and specific drug coverage exclusions, please contact your health plan directly, or your respective City-approved health plan administrator:

Police Relief Association
(888) 252-7721

UFLAC
(213) 380-2900

Fire Relief Association
(800) 244-3439

Fire and Police Pensions
(213) 978-4560

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