

COUNTING THE DAYS'TIL RETIREMENT?

Why Not Purchase Your Training Time?

Members of Tier 3 and Tier 4 have the option of purchasing their training time to add to their years of service. If you are a Tier 3 or Tier 4 member, your membership in the Fire and Police Pension Plan did not begin until you graduated and became a sworn member. If you purchased your training time, which is an average of 7 months for Police and 4 months for Fire, you would be that much closer to meeting the eligibility requirements for retirement.

The process is simple.

- Contact Member Services at (213) 485-4493 to request an estimate.

See Counting the Days, page 2

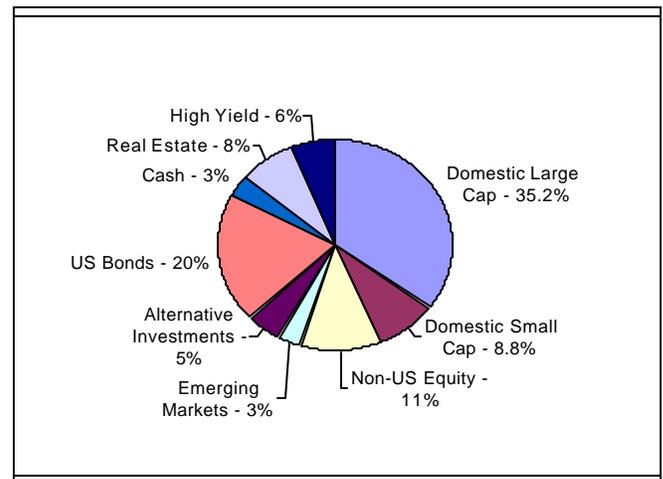
HOW IS YOUR PENSION FUND BEING INVESTED?

A Look at our Current Asset Allocation Plan

In every investment activity, managing risk and aiming to achieve a high return are always given importance. In investing the funds of the Pension System, the Department of Fire and Police Pensions follows the asset allocation plan recommended by a consultant and adopted by the Board of Fire and Police Pension Commissioners in December 1998. The asset allocation plan establishes the blueprint for investing the System's assets because it states how much of the System's assets may be invested in a particular asset class. The asset allocation plan below directs the current investments of the System:

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Assets are periodically rebalanced to achieve the target percent per asset class. All of the System's assets are managed by investment managers, which number approximately 36. As of the end of September 2000, the total assets of the Pension System totaled over \$12 billion. ♦

- This estimate sent to you is 8% of your salary while you were in the Police Academy/Fire Drill Tower. (8% is the contribution amount paid to the Fire and Police Pension Plan by Tier 3 or Tier 4 members). This quote will include interest that would have accrued on your contributions from the time of training to the time of purchase.
- After reviewing the estimate, if you choose to purchase this time, you must decide whether to purchase in one lump sum payment or through payroll deduction. Return the completed form to Member Services.

Things to consider before choosing to purchase your recruit training time:

- 1) Academy/Drill Tower graduates are given a one-year grace period from the date of graduation to pay this amount without interest.
- 2) If you choose to purchase by making a lump sum payment, no service charges are added. If you choose to pay through payroll deduction, a contract will be established and an 8.5% service charge will be applied to the entire contribution and interest amount.
- 3) Once you authorize a contract to pay the amount through payroll deduction,

- 4) The longer you wait, the more interest and service charge you will pay. The interest you are paying is the amount that would have been credited to your account from the time of training to the time of purchase. So if you buy your time five years into your years of service, you will be paying over five years of accumulated interest.
- 5) ATTENTION TIER 4 (formerly Article XXXV, Plan 2) MEMBERS: If you choose to purchase your training time and you terminate or you resign before you retire, the amount you have paid for this purchase, as well as all your regular pension contributions plus accumulated interest, are Not-Refundable.

To give you an idea of the cost to purchase this time, the chart below shows a member's graduation date, number of training days and the approximate cost to purchase training time today.

If you are interested in purchasing your recruit training time or need more information, please contact Member Services at (213) 485-4493. ♦

TRAINING TIME PURCHASE ESTIMATES

DEPT.	GRADUATED	NO. OF TRAINING DAYS	ESTIMATED COST TO PURCHASE*
POLICE	June 1982	167	\$2,433.51
POLICE	July 1985	167	\$2,178.55
POLICE	June 1990	166	\$1,900.08
POLICE	December 1995	195	\$1,869.67
POLICE	April 2000	194	\$1,833.50 (no interest)
FIRE	June 1985	69	\$ 902.89
FIRE	November 1994	103	\$ 972.76
FIRE	February 2000	124	\$1,068.54 (no interest)

*All cost estimates are for lump sum payments and therefore include interest but no service charges. The cost may vary depending on your salary, the amount of time you spent in recruit training, and whether you received additional pay (e.g., education bonus).

New Retired Board Members

The Results Are In!

Two retired members were added to the Board of Fire and Police Pension Commissioners, increasing the number of Board members from seven to nine.

In the elections conducted in May 2000, Sam Diannitto was elected as the Fire retired Board member and Ken Staggs was elected as the Police retired Board member. The retired members of the respective Departments elect the retired Fire and the retired Police Board members.

Thomas Dawson was elected as the active Police Board member in an election conducted in April 2000. The active members of the respective Departments elect the active Fire and the active Police Board members. Following is a list of all the current members of the Board of Fire and Police Pension Commissioners.

NAME	APPOINTED/ELECTED	TERM EXPIRES
Gay Harwin, President	Appointed by the Mayor	6/30/01
Steven Silberman, Vice President	Appointed by the Mayor	6/30/04
Mike Carter	Elected by Active Fire Members	6/30/02
Thomas A. Dawson	Elected by Active Police Members	6/30/05
Sam Diannitto	Elected by Retired Fire Members	6/30/05
Charles B. Isgar	Appointed by the Mayor	6/30/02
David H. Kim	Appointed by the Mayor	6/30/05
Louis F. Moret	Appointed by the Mayor	6/30/03
Kenneth E. Staggs*	Elected by Retired Police Members	6/30/04

The Board has sole and exclusive fiduciary responsibility to administer the Fire and Police Pension System and its assets. It has the authority to set and adopt investment policies for the fund assets and 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. ♦

*Effective 11/9/00, the Commissioner elected by Retired Police Members resigned. An election will be held within the next three months to fill this vacancy.

Great-West Is Your New Administrator...

If you participated in the Part-time, Seasonal & Temporary Plan as an Academy or Drill Tower Trainee

Great-West has taken over the administration and investment of the Pension Savings Plan for Part-time, Seasonal and Temporary (PST) employees. The plan was formerly administered by First Financial. After July 1, 2000, you should be contacting Great-West for any inquiries regarding your PST account.

Since January 1994, recruits in the Police Academy or the Fire Drill Tower participated in

the PST plan. Recruits contributed 4.5% of their salary and the City contributed 3%. Upon your graduation, you become a member of the Fire and Police Pension Plan. Your contributions to the PST plan stop and the mandatory contribution to your pension starts. Even though you are no longer contributing to this PST account, the funds continue to be invested in a stable value fund.

These funds can only be withdrawn when you retire or terminate from City service. But while you're still active, you have the option of transferring the PST monies (contributions and interest) to Deferred Compensation, which offers several investment options. Great West is also the administrator for the Deferred Compensation plan.

See New Administrator on page 7

PENSION PERSPECTIVES 3

HEALTH SUBSIDY BENEFITS

For You and Your Qualified Surviving Spouse/Qualified Domestic Partner

Extra money is always a benefit and the subsidy applied to retiree health premiums means more money in retirees' pension checks. Prior to January 1, 2000, only retired sworn members were qualified to receive a health subsidy. As of January 1, 2000, a health subsidy is available to qualified surviving spouses and qualified surviving domestic partners of retired sworn members.

The amount of health subsidy for sworn retirees differs from the amount of health subsidy for qualified surviving spouses/qualified domestic partners because of the formula used (explained on page 5). It is not necessary to apply for this benefit. Our computer system is programmed to provide it to any eligible retiree or qualified surviving spouse/qualified domestic partner.

Health Subsidy - continued on page 5

Avoid the Delay... ...of Information!

Would you like to receive information regarding changes to your pension benefits? The Department of Fire and Police Pensions mails these communications directly to the address you have on file with the City payroll system. If your address information is not current in the City payroll system, pension information such as newsletters or elections for pension commissioner may be delayed or may not reach you.

For the sworn members of the

Police Department, the procedure to update your address starts with the completion of LAPD Form 1.20, the "Address and Phone No. Record Form". Upon submitting this completed form to your Division, request an update of your address in the City payroll system.

For the sworn members of the Fire Department, the form used to update your address is Form F-8, the "Roster Change Form".

NEW benefit information and Board member election ballots are sent to the address you have on file with the City payroll system. You may be missing your chance to read about a new benefit or participate in selecting your representative to the Board of Fire and Police Pension Commissioners if you don't update your address in the City payroll system. ♦

OUR NAME HAS CHANGED

And So Has the Title of Your Plan!

It's official. We are now called the Department of Fire and Police Pensions. In the June 1999 election, the Charter was reformed with the intent to make it easier to read and use. The new Charter includes a name change for our Department. Since we are one of three retirement systems in the City of Los Angeles, the name change makes it easier to identify us as the administrator of the pension system does for the sworn personnel of the Fire and Police Departments.

The new Charter also changed the titles of the four sworn pension systems. All article titles have been changed and are now called "tiers." The chart below outlines the new changes:

TIER No.	COVERS MEMBERS HIRED BETWEEN DATES SPECIFIED BELOW*	FORMER TITLE
TIER 1	On or before January 28, 1967	Article XVII
TIER 2	January 29, 1967 to December 7, 1980 inclusive. (Members hired prior to January 29, 1967 had the option of transferring to this plan.)	Article XVIII
TIER 3	December 8, 1980 to June 30, 1997. (Plan II members hired between July 1, 1997 and December 31, 1997 were given a certain time to transfer to Plan I.)	Article XXXV, Plan 1
TIER 4	July 1, 1997 and later. In addition, certain members of Article XXXV, Plan I transferred to Plan II	Article XXXV, Plan 2

*Certain exceptions occur based on personnel actions such as reappointments, reinstatements and elections to transfer tiers.

Although our name has changed, our address, telephone numbers and hours of operation are the same. Please refer to the last page of this newsletter for more information on how to contact us. ♦

I. FOR RETIREES WHO RETIRE ON OR AFTER JULY 1, 1998

1) REQUIREMENTS - If you meet ALL of the following qualifications, you are eligible for a health subsidy:

- a) Age 55 Subsidy:
 - You must be enrolled in a City approved health plan (one offered by Fire Relief, Police Relief or UFLAC) ;
 - You must have had at least 10 years of service;
 - You must be 55 years old.
- b) Medicare Subsidy:
 - At age 65, there is a unique subsidy formula for retired members who qualify for Medicare Parts A & B.

2) SUBSIDY AMOUNT (for Age 55 subsidy only)

- Current Maximum Amount is \$483.00. You are allowed 4% of the maximum amount for each year of service (YOS):

Formula: YOS x 4% x Maximum Subsidy Amount

Example: 20 YOS x 4% x 483.00 = \$386.40.
\$386.40 is your subsidy would be applied toward your health premium.

If your health premium is greater than the available subsidy, the City will only provide the amount not exceeding the subsidy. If the premium is less than the subsidy, the City will only provide up to the amount of the premium.

II. FOR QUALIFIED SURVIVING SPOUSE/QUALIFIED DOMESTIC PARTNER - BENEFIT EFFECTIVE JANUARY 1, 2000

1) REQUIREMENTS

- You must be enrolled in a City approved health plan (one offered by Fire Relief, Police Relief or UFLAC);
- Your sworn member spouse/domestic partner must have had at least 10 years of service;
- Your sworn member spouse/domestic partner must have been receiving a health subsidy at the time of death; or you will be eligible when your sworn member spouse/domestic partner would have been 55 years old.

2) SUBSIDY AMOUNT - The calculation of your subsidy amount differs depending on whether or not you are enrolled in Medicare.

See Health Subsidy on page 7

Meeting the Demand...For More Information

Over the past year, visits to your Fire & Police Pensions' web site almost tripled. We have recently enhanced the web site to include easy to navigate frames, customized buttons and eye-catching images and background. We'd like to know what you think of the web site and how we can improve it to help you. Please take a moment to fill out the following survey. Your comments will help us make more improvements to better serve you. The Pensions web site address is: www.lacity.org/pen



Cut at perforation

-
1. What Tier are you in? 2 3 4 (circle one) Or, fill in your hire date _____
 2. How often do you use the Internet? ___ Rarely ___ Sometimes ___ Often ___ Regularly
 3. How often do you visit the Pensions web site? ___ One-time ___ To check for updates ___ Daily ___ Weekly ___ Monthly ___ Never
 4. Was there a specific topic you were looking for? Yes or No (circle one)
 5. What was the topic you were looking for? _____
 6. Did you find the information you were looking for? Yes or No (circle one)
 7. If not, what was it? _____
 8. Please rate the following: (circle one for each)

	Poor				Excellent
Time it took to load up (i.e. too long)	1	2	3	4	5
Organization/Layout	1	2	3	4	5
Ease of finding information	1	2	3	4	5
Navigation (ease of moving around the site)	1	2	3	4	5
Speed of moving around the web site	1	2	3	4	5
Usefulness of information on the web site	1	2	3	4	5
Overall, how satisfied are you with the web site	1	2	3	4	5
 9. How do you think our website could be improved? _____

Send this survey to Mail Stop 390 and thank you for your feedback!

WE PROVIDE INFORMATION

...Upon Your Written Request

We receive many requests from members for information on pension contributions. For specific requests on the balance of your contributions for the purpose of loans*, dissolution of marriage or for any other purpose, we require that you submit your request in writing. Your written request should include the following:

- Your name and social security number
- What information you are requesting
- Purpose of the request
- The address where you want the information mailed
- A number where you can be reached for any questions
- Date of marriage and date of separation (for dissolution of marriage only)
- Your signature

*A letter requesting a balance of contributions for purpose of loans would not apply to Tier 4 members because contributions including accumulated interest are not refundable.

The turnaround time for a response is normally 3-5 working days. For dissolution of marriage, the response time is 5-7 working days. Please fax your request to Member Services at (213) 847-3529 or send it to Department of Fire and Police Pensions, Member Services Section, 360 E. 2nd Street, Suite 600, Los Angeles CA 90012. Member Services can be reached at (213) 485-4493 if you need additional information. ♦



VISIT OUR WEB SITE AT: WWW.CITYOFLA.ORG/PEN

Department of Fire and Police Pensions
Attention: Member Services
MAIL STOP: 390

PLEASE RETURN BY DECEMBER 15, 2000

- a) NOT Enrolled in Medicare plan, or Enrolled in Part B only
- Subsidy is based on sworn member spouse/domestic partner's years of service;
 - You are entitled to 4% per year of service (maximum of 25 years) of the single party cost of your health plan;
 - Subsidy amount cannot exceed the current maximum of \$302.22.

Example: Your deceased spouse/domestic partner had 20 years of service and you are in a single-party medical health plan. If the monthly cost of your plan is \$182.70, then your available subsidy will be \$146.16 as calculated below:

20 YOS times 4% = 80% times \$182.70 = \$146.16

Your monthly out-of-pocket expense will be \$36.54. ($\$182.70 - 146.16 = \36.54)

- b) Enrolled in Medicare Parts A & B

- There is a unique subsidy formula for retired members who qualify for Medicare Parts A & B.

The member, qualified surviving spouse or qualified domestic partner must enroll in Medicare at age 65 or the subsidy will be lost. Call Member Services at (213) 485-4493 for details.

If you are near retirement and need more information on enrolling in a City approved health plan *after* retirement, you can contact the following associations.

Fire Relief Association (800) 244-3439

Police Relief Association (888) 252-7721

United Firefighters of Los Angeles (213) 895-4990

For more information, visit our web site at: www.cityofla.org/pen/index.htm or contact Member Services at (213) 485-4493. ♦

WE'RE HERE TO SERVE YOU!

DEPARTMENT OF FIRE AND POLICE PENSIONS

Our office is open from Monday through Friday,
8:00 a.m. to 5:00 p.m.

Location: 360 East Second Street, Suite 600

Los Angeles, CA 90012-4203

Email Address: pensions@fppen.lacity.org

Web Page: www.lacity.org/pen/index.htm

Member Services (213) 485 - 4493

Service Pensions (213) 485 - 2836

Disability Pensions (213) 485 - 2748

Facsimile (213) 847 - 3529

New Administrator - continued from page 3

For more information on the PST plan, please call Great-West at (877) 583-4015. If you want more information on the Deferred Compensation Plan, please call Great-West at (888) 457-9460. Great-West has an office located at City Hall at 200 N. Main Street, Room 713, if you want to drop by, but it's best to make an appointment first. ♦



Any Bright Ideas???

If there are any topics you would like us to cover in future newsletters, ideas to add to or update our website, or any subject you would like to comment on, please contact the Member Services Section. We welcome any ideas or suggestions you may have. You can call (213) 485-4493, write to us at 360 E. Second Street, Suite 600, Los Angeles, CA 90012-4203 or take advantage of our Email address: pensions@fppen.lacity.org

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