



LAFPP

pension perspectives

November 2009

Newsletter for Active Members of Los Angeles Fire and Police Pensions

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General Manager's Message

The Board of Fire and Police Commissioners has nine members, five appointed by the Mayor and four elected by the membership. We welcome to the Board three new Mayoral appointees: Dean Hansell, Raúl Perez and Adlai Wertman. We also welcome to the Board, Fire Captain Ruben Navarro, recently elected to the Fire Active elected position on the Board. Each of these board members has a unique background that will help us fulfill our fiduciary duty to properly administer your \$12.8 billion pension System. The Mayor will be appointing two additional Board members in the near future. Each of the new appointees (but not the elected member) will go through a confirmation process before the City Council.

In July 2009, Retired Active Board member George Aliano was elected Board President. At this meeting, the Board reviewed and approved a comprehensive contractor disclosure policy. The purpose of the policy is to

ensure that gifts, campaign contributions and meetings with our investment managers and consultants are properly disclosed, helping avoid conflicts and the appearance of conflicts. The Board adopted policy is one of the strongest policies of its kind and is an indicator of our desire to make investments solely in the interests of you, the beneficiaries of the System.

Violations of the policy can lead to contract termination, forfeiture of fees paid and lock-out from doing business with the system for two years. Policies such as the one recently adopted by the Board are being implemented by pension funds throughout the country in reaction to reports of pension kickback schemes in New York and New Mexico.

As you know, the City of Los Angeles is facing a financial crisis of immense magnitude. To deal with this, the City and the civilian unions negotiated furloughs for civilian employees, increased

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DROP Entry AND EXIT

How to Prepare

If you are planning for your entry into DROP or preparing for your exit, the following steps will help you breeze through the process.

STEPS TO ENTER DROP

1. SCHEDULE YOUR ENTRY APPOINTMENT
no more than 30 days, but no less than 3 days, prior to your intended effective date of participation in DROP.

- FIRE AND PORT POLICE: Call the DROP/Retired Member Services Section directly at (213) 978-4495.
- POLICE (LAPD): Make an appointment with your retirement counselor by calling (213) 485-4054. The counselor will assist you in preparing your Letter of Intent (LOI). After meeting with your counselor, call DROP/Retired Member Services at (213) 978-4495 to schedule an appointment.

A DROP entry package will be given to LAPD members by their retirement counselor. Fire and Port Police members will be mailed a DROP entry package by LAFPP after scheduling an appointment.

2. PREPARE FOR APPOINTMENT WITH LOS ANGELES FIRE AND POLICE PENSIONS (LAFPP)

- Review the DROP entry package and fill out as much information as possible. DO NOT sign, initial, or date the forms. Forms must be signed and initialed in the presence of an LAFPP counselor.
- Consider possible DROP entry dates. The LAFPP counselor can assist you in selecting a definite date.

3. BRING THE NECESSARY RECORDS (as applicable)

- Letter of Intent (LAPD only)
- California driver license or department picture ID

- Social Security numbers for your spouse/domestic partner and any minor/dependent children
- Marriage certificate/certificate of state-registered domestic partnership
- Proof of termination of prior marriage/domestic partnership (i.e., Notice of Entry of Judgment or Dissolution of Marriage Decree, which must include both the clerk's stamp and the judge or commissioner's signature)
- Birth certificates for spouse/domestic partner, minor/dependent children.

Important Reminders

1. All purchases of service credit (any buy-back contracts) must be completed before your entry into DROP. You cannot purchase any additional service credit once you are in DROP.
2. Your DROP effective date may not be backdated as stated in the Los Angeles Administrative Code Section 4.2101(c)(1). For example, if you were to enroll in DROP on April 20, the earliest effective date you could select would be April 21.
3. You must be on active duty/working status, which includes light-duty, on the day you enter DROP. You cannot enter the program on a non-working status, e.g., sick, IOD, vacation, accumulated time off.
4. To qualify your spouse or domestic partner for a survivor's pension, you must have been married or in an LAFPP-plan registered domestic partnership or state-registered domestic partnership for at least one year prior to your DROP entry date.



STEPS TO EXIT DROP

1. SCHEDULE YOUR APPOINTMENT WITH YOUR RETIREMENT COUNSELOR

at least 90 days prior to the desired DROP exit date. The counselor will assist you in preparing your Letter of Intent (LOI) to Exit DROP. After meeting with your counselor, call the DROP/Retired Member Services Section at (213) 978-4495 to schedule an appointment. Your appointment must be no less than 45 days prior to the desired DROP exit date.

- FIRE (LAFD) (213) 978-3774
- POLICE (LAPD) (213) 485-4054
- PORT POLICE (HARBOR) (310) 732-3480

2. RECEIVE A DROP EXIT PACKAGE WHICH WILL BE MAILED TO YOU BY LAFPP

when your appointment is scheduled with the DROP/Retired Member Services Counselor. The exit package includes:

- DROP Distribution Election Information
- Distribution Election Form
- Special Tax Notice Regarding Plan Payments
- Tax Information Summary
- Service Pension Information for Members Exiting DROP
- Direct Deposit Instructions
- Direct Deposit Authorization Card
- Withholding Tax Information (Federal/State)
- Request for Tax Withholding Card



3. PREPARE FOR LAFPP EXIT COUNSELING APPOINTMENT

- Decide how you wish to receive your DROP account balance. We encourage you to consult with your tax and/or financial advisor so that you are aware of any tax or financial consequences that could affect your distribution decision.
- Prepare to receive your pension plan payments by completing the Income Tax Withholding Form and Direct Deposit Form (if applicable).
- Be prepared to submit your proof of the termination of any prior marriages or state-registered domestic partnerships if not submitted when you entered DROP.
- Bring your California driver license or department picture ID.

Note: DROP distribution documents must be submitted to DROP/Retired Member Services no later than the first business day of the month of the DROP exit date (**January 2 for a January 31 exit**).

4. MEET WITH LAFPP

- A DROP/Retired Member Services Counselor will review an Exit Checklist with you to:
 - Accept your exit LOI
 - Review your distribution options
 - Accept your completed Distribution Election Forms
 - Accept your completed Request for Tax Withholding Card
 - Accept your completed Direct Deposit Authorization Card
 - Provide an exit estimate (including any dissolution divisions)
 - Review deadlines
- A Medical and Dental Counselor will meet with you to discuss:
 - Medical plans available
 - Health subsidy – non-medicare and medicare
 - Dental subsidy
 - Health Insurance Premium Reimbursement Program

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5. DROP DISTRIBUTION – Your DROP distribution will be mailed on the last business day of the month that your DROP exit date is effective.

Note: Late submission and/or changes to the member's DROP exit date or distribution election will delay distribution of the DROP account for an additional month. DROP balances do not accrue interest after the exit date.

Health Subsidy Information

- You do not receive a health or dental subsidy from LAFPP while you are in DROP. During your DROP participation, your health and dental benefits continue to be administered as for active employees.
- It is important for you to contact the appropriate association (health plan sponsor) at least one year prior to your DROP exit. Some

City-approved retiree health insurance plans have special enrollment requirements.

If you have any questions, please call the DROP/Retired Member Services Section at (213) 978-4495 or visit our Web site at www.lafpp.com.

Tier 5 Beneficiary Forms

Form Update

The Tier 5 Designation of Beneficiary Form and Instructions were recently revised and sent to all Tier 5 members. In the event of your death as an active member when there is no one eligible for a survivor's pension, we pay your contributions plus interest to your designated beneficiary. If you do not have a designated beneficiary on file with LAFPP, your contributions plus interest will be refunded in the manner provided by the plan (first to your surviving spouse or state-registered domestic partner or, if none, to your children or, if none of them survive you, to your estate).

A survivor's pension may not be available in the following situations:

1. If the active member does not have a Qualified Survivor – Qualified Surviving Spouse (QSS), Qualified Surviving Domestic Partner (QSDP), Qualified Minor/Qualified Dependent Child or Children, or Qualified Dependent Parents.

2. The active member has a survivor that did not meet the eligibility requirements (e.g., QSS/QSDP did not meet one-year marriage/declaration requirement prior to nonservice-connected death).
3. The active member did not meet the eligibility requirements – must have at least five years of service if death is nonservice-connected for qualified survivors to be eligible for a survivor's pension.

Example 1

You are an active member with ten years of service. You have been married for more than one year or have had a domestic partner registered with LAFPP for more than one year. You have no qualified minor or dependent children and no qualified dependent parents.

In the event both you and your spouse die in the same accident, there are no qualified survivor's eligible to receive a survivor's pension. As such, there would be a refund of contributions.

Example 2

You are an active member with only three years of service and have been married for three years, with three qualified minor children (not dependent). You pass away and your death is determined to be nonservice-connected. You must have at least five years of service for your qualified survivors to be eligible for a survivor's pension. There is no survivor's pension available. Instead, the Basic Death Benefit (a refund of contributions plus a limited pension) would be payable.



HOW TO FILL OUT THE FORM

1. Member Information

This information is requested to verify that you are a Tier 5 member. Please provide all of your information, including the last four digits of your Social Security number.

2. Beneficiary Designation

Primary

The form provides space for you to designate up to three primary beneficiaries. You are not required to designate three, but if you designate more than three you can use an additional sheet of paper. You may assign the percentage that you would like each primary beneficiary to receive. The percentages for all primary beneficiaries must total 100%. (Contingent beneficiaries should not be included in this total.)

Example: Beneficiary 1: 33%
 Beneficiary 2: 33%
 Beneficiary 3: 34%

Contingent

The form provides space for you to designate up to three contingent beneficiaries who will receive the refund if all primary beneficiaries predecease you. You may assign the percentage that you want each contingent beneficiary to receive. The percentages for all must total 100%. (Primary beneficiaries should not be included in this total.)

3. Signature

Your signature and the date are required to officially designate beneficiaries. Your signature does not have to be notarized. This newly submitted form will supersede the last form you had on file with LAFPP.

4. Spouse

Provide the information for your spouse or domestic partner. For a spouse, please provide the name your spouse used prior to marriage.

The plan only recognizes two types of domestic partners: plan-registered domestic partners (through LAFPP) and state-registered domestic partners. Please see Section 4 of the Instructions for the Tier 5 Beneficiary Designation Form for more information.

5. Prior Marriages/State-Registered Domestic Partnerships

Fill out this section as applicable.

6. Minor Children/Dependent Children/Dependent Parents

Fill out this section as applicable. Please review the following definitions:

Minor Child

Natural or adopted child under the age of 18, or under age 22 if in school full-time.

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Dependent Child

Natural or adopted child who was disabled prior to turning age 21 and is unable to earn a livelihood.

Dependent Parents

Natural parent of the member, financially dependent on the member for half of his/her necessary living expenses for at least one year prior to the member's death.

FREQUENTLY ASKED QUESTIONS

Why do I have to fill out page 2 if my designation information is on page 1?

Page 2 provides the information our department needs to determine if you have qualified survivors eligible to receive a survivor's pension.

Can I name a trust as my beneficiary?

Yes, you may designate your trust as a beneficiary (e.g., the Jane Doe Family Trust). Please include

contact information for the trustee or successor trustee who should be contacted in the event of your death.

What is a contingent beneficiary?

A contingent beneficiary is the person or persons that you want your refund to go to in the event that your primary beneficiary predeceases you.

Important Reminders

- For more information on who may be entitled to a pension, refer to your Tier 5 Summary Plan Description, also available online at www.lafpp.com.
- Social Security numbers are optional (except for the member).
- Incomplete forms will be returned to the member.
- The Designation of Beneficiary Form is not valid until received and approved by LAFPP.

It is very important to keep your beneficiary form up-to-date, especially if your situation changes due to marriage, dissolution, termination of domestic partnership, etc. Please note that before survivor benefits can be paid, applicable documentation such as marriage, birth, or adoption certificate is required and a Declaration of Domestic Partnership must have been timely filed with LAFPP (or your domestic partner must have been registered with the state).

The Tier 5 Designation of Beneficiary Form and Instructions are available at www.lafpp.com. If you have questions, contact Active Member Services at (213) 978-4522.

Register Your Domestic Partner

...with Los Angeles Fire and Police Pensions

If you want your domestic partner to qualify for survivor benefits, a Declaration of Domestic Partnership must be timely filed with Los Angeles Fire and Police Pensions (LAFPP) prior to your death, unless you registered with the State of California having met its distinct eligibility requirements.

An affidavit filed with the Personnel Department is not sufficient to establish a domestic partnership for pension benefit purposes. As stated in the Los Angeles Administrative Code, for a domestic partner to become a qualified surviving domestic partner, a Declaration of Domestic Partnership must be on file with LAFPP.

[How to File a Domestic Partnership with LAFPP](#)

To file with LAFPP, same-sex couples and opposite-sex couples must meet its domestic partnership

requirements, complete a confidential Declaration of Domestic Partnership Form, and submit a signed form with any requested documentation to the Active Member Services Section of LAFPP.

On receipt, Active Member Services will send a confirmation letter to you with the effective date of your declaration. The effective date is used to determine whether a survivor meets benefit eligibility requirements. A Declaration of Domestic Partnership must be on file with LAFPP for at least one year prior to:

- The effective date of your DROP entry, or,
- The effective date of a service pension if you do not participate in DROP, or
- Your nonservice-connected death.



These and other domestic partner benefit eligibility requirements and information are posted on our Web site at www.lafpp.com under "Plan Details," and "Your Pension Benefits" or "Domestic Partnerships." To download the declaration from our Web site, select the "Forms" icon.

To request a declaration form by mail or for more information about filing a Declaration of Domestic Partnership with LAFPP, please contact Active Member Services at (213) 978-4522.

LAFPP recognizes two types of domestic partnerships...

Plan-Registered Domestic Partner(ship) (PRDP) – This is a domestic partnership that is established when both partners file a confidential Declaration of Domestic Partnership with LAFPP, provided all applicable eligibility requirements are met. A PRDP may qualify for survivor benefits but does not acquire any community property rights in pension contributions or any pension benefits payable from the plan to anyone else. Also, if you (the member) want your PRDP to receive your contributions in the event of your death, you must designate him/her as your beneficiary (unlike a spouse or SRDP, who would be paid under the plan's provisions).

State-Registered Domestic Partner(ship) (SRDP) – This is a domestic partnership that is established when persons who meet the state's eligibility criteria register as domestic partners with the State of California. This partnership is governed by state law and establishes a relationship in which, for most purposes, the domestic partners have the same rights as spouses, including community property rights. This partnership establishes community property interests in your contributions and other pension benefits as provided by state law. For information on filing with the Secretary of State, please visit www.sos.ca.gov/dpregistry/.

Dependent Child Documentation

If you have a dependent child, we encourage you to submit copies of any documentation you have that establishes that your child was disabled prior to the age of 21 and incapable of earning a livelihood. Eligibility for dependent child benefits is determined following a member's death and relies in great part on the availability of such records. If several years have passed, it may be difficult to obtain documentation confirming the child's disability.



The information you collect to document the disabling condition may include medical records, school records, Social Security benefits, assisted living or institutionalization records, etc. The following additional information, where applicable, will also be requested by LAFPP:

- Birth certificate
- Member's marriage certificate
- Dissolution decree
- Guardianship/conservatorship papers
- Written request for the child to be granted dependent child status.

You may submit the documentation in person, or mail it to:

Los Angeles Fire
and Police Pensions
Disability Pension Section
360 East Second Street, Suite 400
Los Angeles, CA 90012

Be sure to retain the original documents and store them in a secure place where your family and/or your child's conservator can locate them.

Please note that the determination as to whether your child qualifies for dependent child benefits will

not be made until after your death, as provided in the Los Angeles City Charter and Administrative Code. Even so, the process can be expedited by early submission of the dependent child documentation.

For information on submitting dependent child documentation, please contact the Disability Pension Section at (213) 978-4500.

ATTENTION DROP MEMBERS!

Correction to Survivor Benefit Purchase Program Information

In the last *Pension Perspectives* newsletter sent to you at the end of August 2009, on page 9 we provided information regarding the Survivor Benefit Purchase Program. We stated that DROP members had the option to purchase a survivor benefit under this program. However, DROP members cannot purchase a benefit for their survivors until they exit DROP.

Board of Fire and Police Pension Commissioners

New Active Fire Department Member Elected

The Office of the City Clerk certified Ruben Navarro as the winner of the Active Fire Department Member of the Board of Fire and Police Pension Commissioner's special election conducted on October 6, 2009. The special election was conducted to fill the vacancy created by Mike Carter, who resigned from the Board. Commissioner Navarro will serve from November 6, 2009 to June 30, 2012. Congratulations, Commissioner Navarro!

New Commissioners Appointed

Three new members were appointed to the Board by the Mayor to fill vacancies created by recent resignations. Please welcome Commissioners Dean Hansell, Raúl Perez and Adlai Wertman!

Following is a list of the members of the Board.

Name	Appointed/Elected	Term Expires
George V. Aliano, President	Elected by Retired Police Members	06/30/2014
Sam Diannitto	Elected by Retired Fire Members	06/30/2010
Dean Hansell	Appointed by the Mayor	06/30/2010
Ruben Navarro	Elected by Active Fire Members	06/30/2012
Raúl Perez	Appointed by the Mayor	06/30/2013
Robert von Voigt	Elected by Active Police Members	06/30/2010
Adlai Wertman	Appointed by the Mayor	06/30/2011
Vacant	Appointed by the Mayor	
Vacant	Appointed by the Mayor	

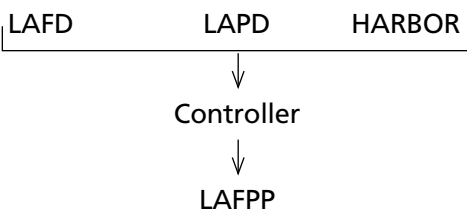
The Board has sole and exclusive fiduciary responsibility to administer the Fire and Police Pension System and its assets. Further, it has the authority to adopt investment policies for fund assets, and has the duty to establish actuarial assumptions and adopt rules and regulations necessary to administer the System.

If you have questions concerning the election results, please call our Administrative Services Section at (213) 978-4434 or (800) 787-2489, ext. 84434#.



Update Your Mailing Address

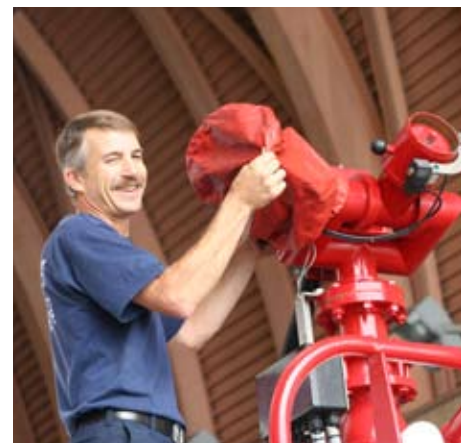
If you have a change of address, please be sure to update your information with your employing department (Fire, Police or Harbor). LAFPP obtains your mailing address from information provided to the Controller's Office by your respective departments (Fire, Police and Harbor).



Use the following forms to change your address:

- Fire:** Form F-8
- Police:** Form 138
- Harbor:** Change of Employee Personal Information Form

If you keep your department informed of a new address, LAFPP will be better able to ensure your receipt of newsletters, pre-retirement seminar invitations and other important benefit information. For more information, please contact the Active Member Services Section at (213) 978-4522.



Contact Information

Los Angeles Fire and Police Pensions

Our staff is available to assist you Monday through Friday (except holidays) from 8:00 a.m. to 5:00 p.m. Refer to the following directory so that the right staff member can address your specific need. When calling the toll-free number (800-787-2489), use the extension number provided for each section, followed by the pound sign.

Active Member Services

(213) 978-4522 (or 84522#)

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

Communications and Special Projects

(213) 978-4530 (or 84530#)

- Actuarial Studies
- Annual Report
- Benefit Presentations
- Newsletters
- Pre-Retirement Seminars
- Department Web Site

Medical and Dental Benefits (for Pensioners only)

(213) 978-4560 (or 84560#)

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

Disability Pensions

(213) 978-4500 (or 84500#)

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

Service Pensions

(213) 978-4575 (or 84575#)

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

DROP Administration

(213) 978-4495 (or 84495#)

- Information on the Deferred Retirement Option Plan

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

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



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pension contributions and approved a program designed to cut costs by moving active personnel into retirement and not backfilling positions. Though our salary and administrative costs are paid from System assets, our staff of just over 100 employees is now affected by these numerous changes, because these employees are subject to terms negotiated by their unions. We may also face numerous hurdles to fill vacated positions.

Fortunately, as noted in the City's 2007 audit of your pension system, we have well-trained staff. They

have also been cross-trained and prepared to assume the positions that will be vacated due to the early civilian retirements. We will also vigorously pursue any options necessary to provide you the service and benefits you have earned. I am confident we will continue providing you prompt, efficient service and making sound, long-term investment decisions for your System. Feel free to contact me at Michael.Perez@lacity.org if you have any questions.



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FIRST CLASS MAIL
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Return Service Requested

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

