

(continued from page 3)

Attention: Active Members of Tiers 2, 3, 4 and 5

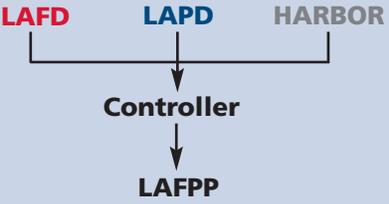
Upon its effective date of July 1, 2011, Tier 6 will only be open to new hires of the Fire, Police and Harbor Departments. The decision to allow active members of Tiers 2 through 5 to transfer to Tier 6 will be determined by City Council by ordinance. An actuarial study must

be conducted and the transfer must be cost neutral to the Plan. At this time, no study has been ordered. Details of the transfer provisions will be negotiated by the labor organizations and the City. LAFPP will continue to monitor the status and report any updates.

Updating Your Mailing Address

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

By keeping the Controller's Office informed of your 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 Communications and Special Projects Section at (213) 978-4530.

 <pre>graph TD; LAFD --> Controller; LAPD --> Controller; HARBOR --> Controller; Controller --> LAFPP;</pre>			Use the following forms to change your address:		
Fire: Form F-8	Police: Form 138	Harbor Port Police: Change of Employee Personal Information Form			



E-NEWSLETTERS

Have Future Newsletters Delivered to Your Email!

As an Active or DROP Member, you now have the option to have your next newsletter sent to you electronically via email. To sign up for this option, you must log into *OnPoint*, our pension administration system. This is also the system where you are able to access your annual member statements, DROP semi-annual statements and calculate pension and DROP Entry/Exit estimates.



If you have never logged into OnPoint, follow these steps to create an account:

1. Go to **www.lafpp.com**.
2. Click on the **Plan Details** tab in the left panel.
3. Next, click on **Your Personal Information**.
4. After reviewing the log-in instructions, click on the **Enter OnPoint** link at the bottom of the page and proceed to log in.

Sign up today for E-Newsletters using the following steps:

1. Log into *OnPoint*.
2. In the upper right hand corner of the screen, click on the **Paperless Option** button.
3. Next, review the **Electronic Notification Agreement**.
4. In the box located below the agreement, enter the email address where you would like to receive electronic communications.
5. Then click **I consent (Electronic Option)**.

Once you are enrolled, you will receive future newsletters by email and be one of the first to receive important announcements and updates quickly via email! Additionally, an email will be sent to you notifying you that your latest annual member statement or semi-annual DROP statement is available for viewing. Please note that for now, you will receive other correspondence via U.S. mail.

If you need to change your email address or you decide to opt out, you can do so at any time by clicking on the **Paperless Option** button and following the instructions.

Sign up today! For more information on E-Newsletters, please contact the Communications and Special Projects Section at (213) 978-4530.

TERMINATION OF ACTIVE SERVICE

What are your options?

If you choose to terminate sworn service with the City of Los Angeles, you may be entitled to the following:

- 1) Deferred service pension upon reaching age 50, if you meet the eligibility requirements;
- 2) A refund of the pension contributions you made to the LAFPP system;
- 3) The right to file a timely application for a disability pension.

Your options depend on the provisions of your plan (Tier 2, 3, 4 or 5). Options 1 and 2 above are not available if you meet the eligibility requirements for retirement. Please note that you forfeit the right to purchase any service credit once you have terminated sworn service with the City of Los Angeles.

DEFERRED SERVICE PENSION (Tiers 3 and 5)

If you have the required years of service, a deferred service pension allows you to terminate active service and collect a pension when you turn age 50. You may elect a deferred pension if:

- You are a Tier 3 member with at least 10 years of service (YOS), **or**
- You are a Tier 5 member with at least 20 YOS.

To receive this benefit you must:

- Leave your contributions in the LAFPP Fund, **and**
- **File a written, irrevocable election within three years of your termination date or lose the right to receive a deferred service pension.**

If you elect to receive the deferred service pension, we will contact you approximately six weeks before your 50th birthday to begin the pension application process in order to have your pension approved by the Board of Fire and Police Pension Commissioners immediately following your birthday. **Please keep your address and telephone number current in our records so that we may contact you and begin the process without delay.**

Important factors to consider:

- *Tier 5 Members* – If you elect a deferred service pension, your pension is calculated using Tier 3 pension percentages, which

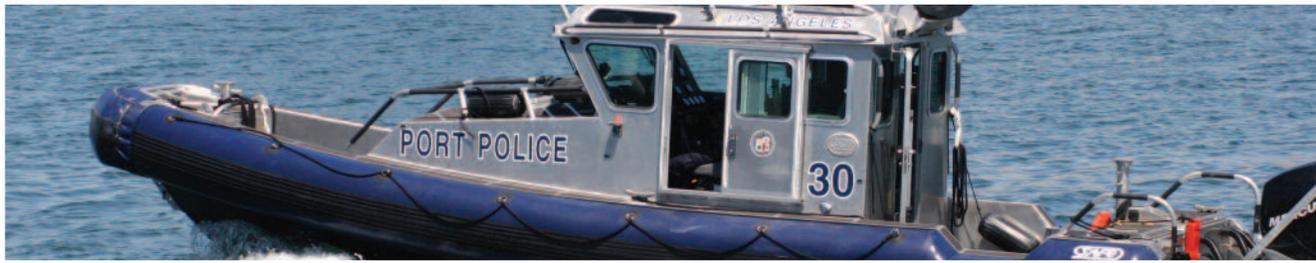
are a minimum of 10 percent lower than Tier 5 pension percentages. However, you remain a Tier 5 member and will retain the Cost of Living Adjustment Bank.

- *Tier 3 or Tier 5 Members* – If you die after you terminate active service and before you turn age 50, your qualified survivors do not receive a survivor's pension. Instead, there will be a refund of contributions, plus interest, to your designated beneficiary.

Please contact the Retirement Services Section at (213) 978-4495 for information concerning eligibility and filing for a deferred service pension.

REFUND OF CONTRIBUTIONS (Tiers 2, 3, and 5 only)

If you do not have the years of service to be eligible for a deferred service pension, you may elect to receive a refund of contributions, plus interest. In that case, we should receive a Form 41 as formal notice of your termination of employment from your department within four to six weeks after termination.



Steps to follow:

- 1) Six weeks after your termination, contact the Active Member Services Section of LAFPP at, (213) 978-4522, to confirm that we received your Form 41 and to verify your address. **It is important that your address remain current with us to ensure that you receive your refund and all correspondence in a timely manner.**
- 2) Decide whether you want a refund of contributions paid to you as the member, or elect a direct rollover to a tax-qualified plan. Complete a Distribution and Election Rollover form (and associated forms) and file it with LAFPP. This form is available online at www.lafpp.com under the "Forms" tab.

Important factors to consider:

- 1) If you receive a refund of contributions, you forfeit all rights to any pension benefits as described in the City Charter and Los Angeles Administrative Code, including the right to receive a disability pension.
- 2) A refund of contributions may be subject to federal income tax withholding on

the taxable portion (state tax withholding may also apply) and an early-withdrawal penalty. Please note that some members have both pre-tax and post-tax contributions.

- 3) A direct rollover is a direct payment to a qualified retirement plan or eligible employer plan that will accept it. You are not taxed on these funds until you take a distribution. An early-withdrawal penalty does not apply unless you take early distribution from the tax-qualified plan to which the funds were transferred. Specific rules apply.
- 4) If your pension contributions are subject to a court order that awards a former spouse/state-registered domestic partner his/her community property share, or are subject to a wage assignment for child/spousal support, the amount refundable to you will be affected.
- 5) Your contributions do not earn interest from LAFPP after you terminate active service.

The rules that apply to your refund of contributions can be complex. You may want to

consult with a professional tax advisor, who can assist you in determining how to take a distribution that is in your best interest. A summary of the rules is contained in our Refund of Contributions Packet. This packet is available online at www.lafpp.com under the "Forms" tab. For questions, please contact the Active Member Services Section at (213) 978-4522.

DISABILITY PENSION APPLICATION (Tiers 2, 3, 4 and 5)

You must file an application for a disability pension prior to receiving a refund of contributions. However, you must file your application within one year of your termination date (this deadline may be extended if you have a pending case with Workers' Compensation).

In the event you are not granted a disability pension, your options remain to elect a deferred service pension (assuming you meet the eligibility requirements) or to receive a refund of pension contributions.

For more information about filing for a disability pension, please contact the Disability Section at (213) 978-4500.

Pre-Retirement Seminars

At this time, we are in the process of revamping our pre-retirement planning program and do not have any seminars currently scheduled. We are working diligently to secure a contract with a qualified provider who offers a program most beneficial to all active members planning for retirement at any stage of their career.

In the meantime, you may view the information presented at our 2010 pre-retirement seminars on our Web site at www.lafpp.com. Just click on "Plan for Retirement" under the "Active Members" tab on the left. If you are getting ready to apply for service retirement or looking to enter or exit the DROP program, the steps you need to take are also on our Web site under the "Active Members" tab.

We appreciate your patience and will update you when our seminar schedule is available. For questions, you may contact the Communications and Special Projects Section at (213) 978-4530.

CONTACT YOUR HEALTH PLAN SPONSOR BEFORE YOU RETIRE OR EXIT DROP!

If you are thinking about retiring in the near future, you should contact your health plan sponsor at least one year before your retirement/DROP Exit date.

Some City-approved retiree health insurance plans have special enrollment requirements. For example, if you are considering enrolling in a different plan as a retiree, you may need to enroll in that plan before you retire. Some plans require that you be

enrolled as an active member for a certain length of time in order to continue that coverage in retirement.

There is also the case where a member decides to retire before age 55. Because the health insurance premium subsidy benefit is not paid to eligible retirees until age 55, the member either pays the full premium amount, or he/she receives medical coverage under a spouse and later re-enrolls in the City-approved health plan.

However, not all of the City-approved health plans offer re-enrollment to retirees. Therefore, you should talk to your health plan sponsor in advance to find out what your options are.

To learn more about specific enrollment requirements and other plan provisions for the City-approved retiree health insurance plans, please contact the appropriate health plan sponsor listed in the table below.

FIRE	Los Angeles Firemen's Relief Association (LAFRA) • Fire Medical (PPO) • Kaiser (HMO)	(323) 259-5200 or (800) 244-3439 (323) 259-5290 fax www.lafra.org
	United Firefighters of Los Angeles City (UFLAC) • Blue Cross (PPO) • Blue Cross CaliforniaCare (HMO)	(213) 895-4006 or (800) 252-8352 (213) 250-5678 fax www.uflac.org
POLICE	Los Angeles Police Relief Association (LAPRA) • Blue Cross (PPO) • Blue Cross CaliforniaCare (HMO) • Kaiser (HMO)	(213) 674-3701 or (888) 252-7721 (213) 674-3715 fax www.lapra.org
HARBOR PORT POLICE	Los Angeles Fire and Police Pensions (LAFPP) • Blue Cross (PPO) • Blue Cross CaliforniaCare (HMO) • Kaiser (HMO) • Secure Horizons (HMO)	(213) 978-4560 (213) 978-4504 fax www.lafpp.com

RETIRED MEMBER HEALTH SUBSIDY – HOW IT WORKS

True or False: “If I retire with at least 25 years of service, I will get 100% medical coverage.”

False. If a member retires with at least 25 years of service, he/she is eligible to receive 100% of the health subsidy benefit, not to exceed his/her health plan premium. A member retiring with less than 25, but more than 10 years of service will receive a subsidy equal to 4% for each complete year of service.

As an active/DROP member, you are currently receiving a medical subsidy provided by the City of Los Angeles. That subsidy is applied towards your medical premium. You are responsible for any difference, which is deducted from your bi-weekly pay check.

Once you retire/exit DROP, a similar situation occurs. You will receive a medical subsidy provided by Los Angeles Fire and Police Pensions. That subsidy will be applied towards your medical premium and any remaining premium, if applicable will be deducted from your monthly pension check.

Example: Member and a spouse are enrolled in the Police Relief Blue Cross two-party plan (PPO). The following table shows the monthly premiums, subsidies and member costs as of July 1, 2011 for an active and retired member.

	ACTIVE/DROP	RETIRED*
Premium:	\$1,147.08	\$1,548.65
Subsidy:	\$1,060.54	\$1,097.41
Member Cost:	\$86.54	\$451.24

**Member retired with 25 years of service.*

In either case, active or retired, the more expensive your plan is, the more your deduction will be. Factors such as HMO vs. PPO, and the number of dependents you cover will impact your out-of-pocket amount.

How to Qualify for the Retiree Health Subsidy Benefit

To qualify for the health subsidy benefit, the member must meet all of the following requirements:

- Member must be receiving a pension.
(DROP member must have exited DROP and terminated employment.)
- Member must retire with at least 10 years of service.
- Member must be at least age 55.
- Member must be enrolled in a City-approved health plan.

The maximum non-Medicare subsidy benefit for members effective July 1, 2011 is \$1,097.41. The formula to calculate a member’s subsidy benefit is:

$$\text{Completed Years of Service} \times 4\% \times \text{Maximum Subsidy} = \text{Subsidy Amount}$$

(Subsidy amount may not exceed the member’s health plan premium.)

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Example: Member retires at age 55 with 22 years of service. The member and spouse are in the Fire Relief Medical two-party plan (PPO). The monthly premium for this plan is \$1,170.13. The available subsidy will be:

$$22 \text{ years} \times 4\% \times \$1,097.41 = \$965.72/\text{month}$$

The member's monthly subsidy will be \$965.72.

$$\$1,170.13 \text{ premium} - \$965.72 \text{ subsidy} = \$204.41$$

The member will have an out-of-pocket expense of \$204.41.

Note: When the retired member turns age 65, he/she will be required to enroll in Medicare to the fullest extent of eligibility. Based on his/her eligibility, he/she may qualify for a Medicare subsidy benefit. This benefit is plan-specific and is calculated differently from the non-Medicare subsidy benefit.

More information on the health subsidy benefit for retired members and their survivors is available at www.lafpp.com, or you may call the Medical and Dental Benefits Section at (213) 978-4560.

INTRODUCING ROTH 457 – A NEW WAY TO SAVE IN THE CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

Submitted by Your Deferred Compensation Plan Provider

The City of Los Angeles Deferred Compensation Plan has long been an important resource for helping City employees build financial security. The Plan has now reached **\$3.3 billion in assets**, more than **40,000 participants**, and a **70% active employee participation rate**. Helping to make the program popular are low fees, friendly local customer service, and active oversight from a Board dedicated to maximizing the benefits and choices available to participants.

The Board of Deferred Compensation Administration is pleased to introduce an exciting new feature for the Plan: **Roth 457**. Roth 457 means, quite simply, the ability to save **after tax dollars** and **not pay tax on distributions**. This is an alternative to the Plan's longstanding option of saving **pre-tax dollars** and **paying tax on distributions**.

Roth 457 is a new option, not a replacement

of existing benefits. Participants can continue saving with pre-tax dollars, switch to saving Roth dollars, or do both. Everything else about the City's Plan remains the same.

Employees who may wish to consider Roth 457 include those anticipating higher income, or higher tax rates, after they retire; or those who simply want to pay their taxes now and not have to worry about them later.

Two key factors should be considered when evaluating Roth 457. First, an after-tax Roth contribution takes a bigger bite from your paycheck than an equivalent pre-tax contribution. As an example, if you're currently contributing \$100 pre-tax, the net reduction to your pay might be in the neighborhood of \$70-80. If you switched the \$100 pre-tax contribution to a \$100 Roth contribution, the net reduction to your pay would be \$100.

Second, to reap the tax benefit of Roth 457 (not paying tax on earnings) **you must have held your Roth account for a minimum of five years and be at least age 59½**. If you don't meet

these criteria, you can still take distribution (assuming of course that you've separated from service), but you would pay tax on the earnings portion of your Roth account.

The City's Plan offers a number of resources to help you learn more about Roth:

- The Plan's Web site, www.cityofla457.com, contains an information guide as well as "Roth Analyzer" calculator.
- Local service representatives are available at City Hall, 200 N. Spring Street Room 867, Monday through Friday from 8:00 a.m. - 4:00 p.m. (excluding the first Friday of each pay period).
- Group meetings are being held across the City during the months of July and August – for details, please visit the Plan's Web site.
- You can also speak with a Plan representative by calling **(888) 457-9460**.

10 Questions to Ask When Choosing A Financial Planner

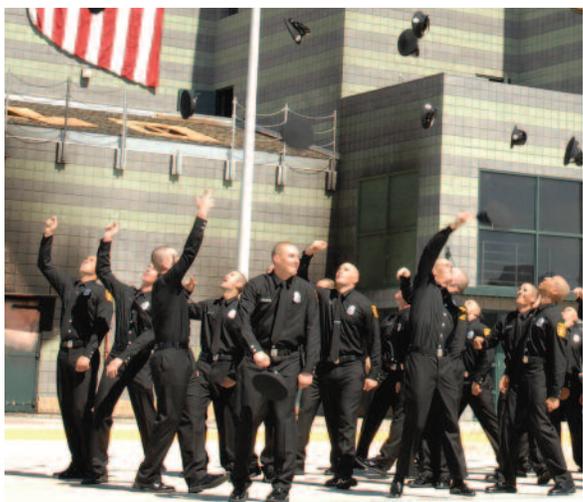
Based on information from the Certified Financial Planning Board Web site at www.CFP.net

You may be considering help from a financial planner for a number of reasons, including simply not having the time or expertise to get your finances in order. Whatever your needs, working with a financial planner can be a helpful step in securing your financial future whether you are active or retired.

The questions below will help you interview and evaluate financial planners to find the one who's right for you. You will want to select a competent, qualified professional with whom you feel comfortable; one whose business style suits your financial planning needs. An interview checklist is provided for your convenience.

1. What experience do you have?

Find out how long the planner has been in practice and the number and types of companies with which the planner has been associated. Ask the planner to briefly describe their work experience and how it relates to their current practice. Choose a financial planner with a minimum of three years' experience counseling individuals on their financial needs.



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2. What are your qualifications?

The term "financial planner" is used by many financial professionals. Ask for the planner's qualifications to offer financial planning advice and a list of any financial planning designations, such as "Certified Financial Planner". Look for a planner who has proven experience in financial planning topics such as insurance, tax planning, investments, estate planning or retirement planning. Determine what steps the planner takes to stay abreast of changes and developments in the financial planning field. If the planner holds a financial planning designation, check the planner's background with the:

Certified Financial Planner Board of Standards

1425 K Street, NW, Suite 500

Washington, DC 20005

(800) 487-1497

www.CFP.net

3. What services do you offer?

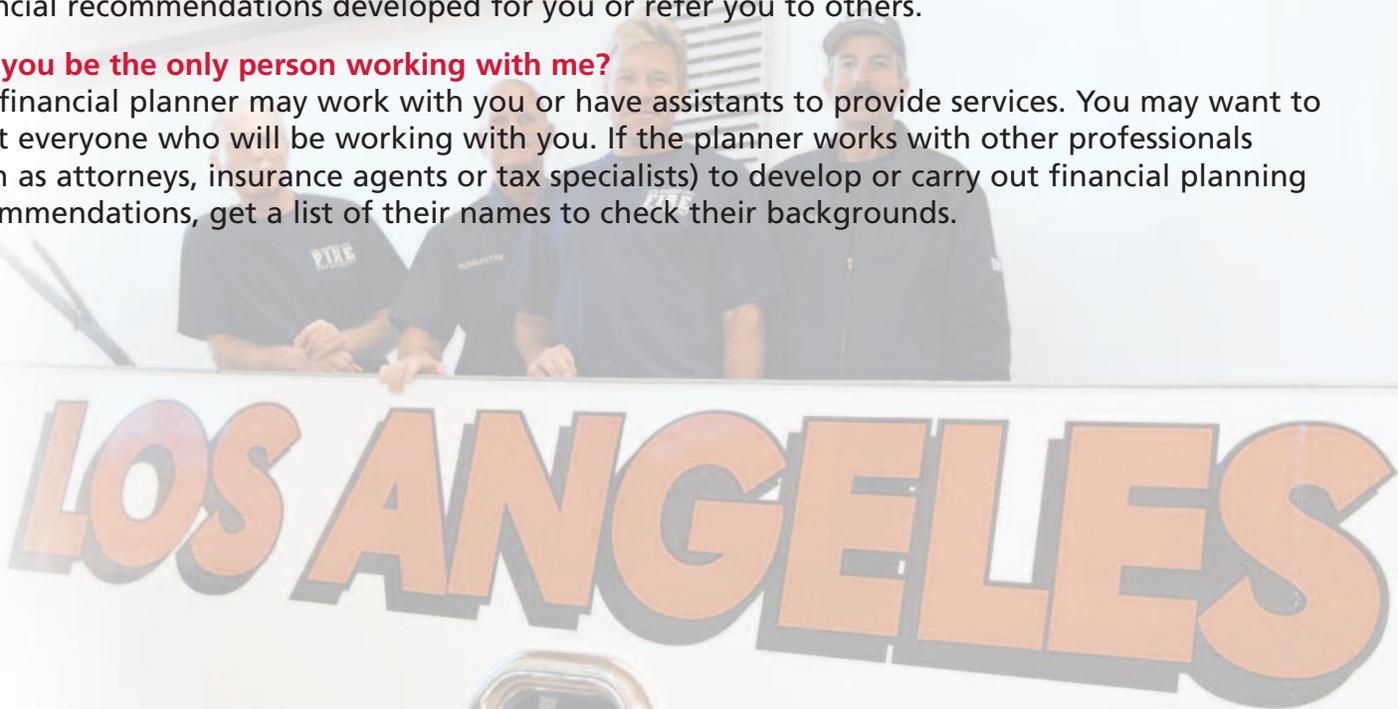
The services a financial planner offers depend on a number of factors, including credentials, licenses and area of expertise. Financial planners cannot sell insurance or securities products such as mutual funds or stocks without the proper licenses, or give investment advice unless registered with state or federal authorities. Some planners offer financial planning advice on a range of topics but do not sell financial products. Others may provide advice only in specific areas such as estate planning or on tax matters.

4. What is your approach to financial planning?

Ask the financial planner about the type of clients and financial situations they typically deal with. Some planners prefer to develop one plan by bringing together all of your financial goals. Others provide advice on specific areas, as needed. Make sure the planner's viewpoint on investing is not too cautious or overly aggressive for you. Some planners require you to have a certain net worth before engaging their services. Find out if the planner will carry out the financial recommendations developed for you or refer you to others.

5. Will you be the only person working with me?

The financial planner may work with you or have assistants to provide services. You may want to meet everyone who will be working with you. If the planner works with other professionals (such as attorneys, insurance agents or tax specialists) to develop or carry out financial planning recommendations, get a list of their names to check their backgrounds.



LOS ANGELES

6. How will I pay for your services?

As part of your financial planning agreement, the financial planner should clearly explain in writing how they are paid. Planners can be paid in any of several ways:

- A company salary. The planner's employer receives payment from you or others, in either fees or commissions, to pay the planner's salary.
- Fees based on an hourly rate, a flat rate, or a percentage of your assets and/or income.
- Commissions paid by a third party from the products sold to you to carry out the financial planning recommendations. Commissions are usually a percentage of the amount you invest in a product.
- A combination of fees and commissions whereby fees are charged for the amount of work done to develop financial planning recommendations and commissions are received from any products sold. In addition, some planners may offset a portion of the fees you pay if they receive commissions for carrying out their recommendations.

7. How much do you typically charge?

Although the amount you pay the planner will depend on your particular needs, the financial planner should be able to provide you with an estimate of possible costs based on the work to be performed. Such costs would include the planner's hourly rates, flat fees or the commission percentage on products you may purchase as part of the financial planning recommendations.

8. Could anyone besides me benefit from your recommendations?

Some business relationships or partnerships that a planner has could affect their professional judgment while working with you, inhibiting the planner from acting in your best interest. Ask the planner to provide you with a written description of their conflicts of interest. For example, financial planners who sell insurance policies, securities or mutual funds have a business relationship with the companies that provide these financial products. The planner may also have relationships or partnerships that should be disclosed to you, such as commission or fees they receive for referring you to an insurance agent, accountant or attorney for the implementation of planning suggestions.

Additional Resource:

DROP participants may also find helpful, a January 2008 active newsletter article titled, "Retirement Plan Fees and DROP". This article was submitted by GreatWest Retirement Services and is available on our Web site, www.lafpp.com under "What's New".

9. Have you ever been publicly disciplined for any unlawful or unethical actions in your professional career?

Several government and professional regulatory organizations, such as the National Association of Securities Dealers (NASD), your state insurance and securities departments, and the CFP Board keep records on the disciplinary history of financial planners and advisers. Ask what organizations the planner is regulated by, and contact these groups to conduct a background check. (See list.) All financial planners who registered as investment advisers with the Securities and Exchange Commission or state securities agencies, or who associated with a company that is registered as an investment adviser, must be able to provide you with a disclosure form called Form ADV or the state equivalent of that form.

10. Can I have it in writing?

Ask the planner to provide you with a written agreement that details the services that will be provided. Keep this document in your files for future reference.

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TO CHECK THE DISCIPLINARY HISTORY OF A FINANCIAL PLANNER OR ADVISOR

Certified Financial Planner Board of Standards
800-487-1497

North American Securities Administrators Association
202-737-0900

National Association of Insurance Commissioners
816-783-8500

Financial Industry Regulatory Authority
800-289-9999

Securities and Exchange Commission
800-732-0330

Certified Financial Planner Board of Standards
1425 K Street, NW, Suite 500, Washington, DC 20005
800-487-1497 • Fax: 202-379-2299
www.CFP.net

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BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

Election of Board Officers

At its regular meeting held Thursday, July 21, 2011, the Board of Fire and Police Pension Commissioners elected Commissioner Robert von Voigt as President and Commissioner Brenda Maull as Vice President.

Below is a list of the Board of Fire and Police Pension Commissioners:

Name	Appointed/Elected	Term Expires
Robert von Voigt, President	Elected by Active Police Members	06/30/2015
Brenda Maull, Vice President	Appointed by the Mayor	06/30/2012
George Aliano	Elected by Retired Police Members	06/30/2014
Sam Diannitto	Elected by Retired Fire Members	06/30/2015
Dean Hansell	Appointed by the Mayor	06/30/2015
Wayne Moore	Appointed by the Mayor	06/30/2014
Ruben Navarro	Elected by Active Fire Members	06/30/2012
Raúl Pérez	Appointed by the Mayor	06/30/2013
Vacant	Appointed by the Mayor	

The Board normally meets on the first and third Thursdays of the month at 9:00 a.m. Most meetings, including special and committee meetings, are from one to four hours in duration.

CONTACT INFORMATION

Los Angeles Fire and Police Pensions

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

Active Member Services

(213) 978-4522

- Annual Member Statements (offset inquiries, balances due, etc.)
- Beneficiary Statements
- Contribution Accounts
- Deferred Service Pension Election
- Dissolution-of-Marriage Information
- Domestic Partnership Filings/Forms
- Public Service Purchase Program
- Other Service Credit and Lost Service Time (Bad Time) Purchases
- Refund of Contributions

Communications & Special Projects

(213) 978-4530

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

Medical and Dental Benefits (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 Pension Processing
- Disability Pension Reviews
- Review of Dependent Children/Dependent Parent Qualifications
- Dependent Child Documentation

Retirement Services Section

(213) 978-4495

- DROP - Information on the Deferred Retirement Option Plan
- Service Pensions Processing and Inquiries
 - Survivor Pensions - Retired Members
 - Retired Member Records and Information
 - Change of Address (for Pensioners only)
 - Cost-of-Living Adjustments (for Pensioners only)
 - Discontinuance of Benefits (upon death or other ineligibility)
 - Direct Deposit (for Pensioners only)
 - Tax Withholding (for Pensioners only)

Other Ways to Contact Us

Main: (213) 978-4545

Fax: (213) 978-4450

TDD: (213) 978-4455

E-mail: pensions@lafpp.com

Web site: www.lafpp.com

Address: 360 E. Second St.,
Suite 400
Los Angeles, CA 90012
Mail Stop: 390

For your convenience, the following forms can be printed from our Web site:

Beneficiary Designation Form, Disability Forms (miscellaneous), Declaration of Domestic Partnership Form, Notice of Termination of Domestic Partnership Form, DROP Forms (miscellaneous), Public and Military Service Purchase Applications, and Request to Purchase Service Credit Form.



PRESORTED FIRST
CLASS MAIL
US POSTAGE PAID
LOS ANGELES CA
PERMIT NO. 12932

Return Service Requested

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

