



TIER 6 - KEY PROVISIONS

EMPLOYEE CONTRIBUTIONS

% of Salary Contributed	11% of compensation (pre-tax) <ul style="list-style-type: none"> • 9% goes toward pension benefits (ceases after 33 years or retired) • 2% additional to offset the City's cost of retiree health subsidy benefits (ceases after 25 years or retired)
Refundable	Yes. Contributions no longer earn interest upon termination.

SERVICE PENSION REQUIREMENTS

Eligibility	Age 50 with 20 Years of Service (YOS)															
Final Average Salary	24-month Final Average Salary (FAS)															
Pension %	<table style="width: 100%; border: none;"> <tr> <td>20 YOS = 40%</td> <td>25 YOS = 55%</td> <td>30 YOS = 75%</td> </tr> <tr> <td>21 YOS = 43%</td> <td>26 YOS = 59%</td> <td>31 YOS = 80%</td> </tr> <tr> <td>22 YOS = 46%</td> <td>27 YOS = 63%</td> <td>32 YOS = 85%</td> </tr> <tr> <td>23 YOS = 49%</td> <td>28 YOS = 67%</td> <td>33 YOS = 90% max</td> </tr> <tr> <td>24 YOS = 52%</td> <td>29 YOS = 71%</td> <td></td> </tr> </table>	20 YOS = 40%	25 YOS = 55%	30 YOS = 75%	21 YOS = 43%	26 YOS = 59%	31 YOS = 80%	22 YOS = 46%	27 YOS = 63%	32 YOS = 85%	23 YOS = 49%	28 YOS = 67%	33 YOS = 90% max	24 YOS = 52%	29 YOS = 71%	
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Cost-of-Living Adjustment (COLA)	3% max, with a COLA Bank															

DEFERRED PENSION

20 YOS or More, Not Yet Age 50	<ul style="list-style-type: none"> • Leave your contributions in the system • Apply for a pension at age 50 • If you die while on deferred status, survivor only entitled to a refund of contributions, plus interest • Pension based on Tier 3 pension percentages but you stay in Tier 6 and keep your COLA Bank <table style="width: 100%; border: none; margin-top: 10px;"> <tr> <td>20 YOS = 40%</td> <td>24 YOS = 52%</td> <td>28 YOS = 64%</td> </tr> <tr> <td>21 YOS = 43%</td> <td>25 YOS = 55%</td> <td>29 YOS = 67%</td> </tr> <tr> <td>22 YOS = 46%</td> <td>26 YOS = 58%</td> <td>30 YOS = 70% max</td> </tr> <tr> <td>23 YOS = 49%</td> <td>27 YOS = 61%</td> <td></td> </tr> </table>	20 YOS = 40%	24 YOS = 52%	28 YOS = 64%	21 YOS = 43%	25 YOS = 55%	29 YOS = 67%	22 YOS = 46%	26 YOS = 58%	30 YOS = 70% max	23 YOS = 49%	27 YOS = 61%	
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DISABILITY PENSIONS

Service-Connected	30-90% of FAS – Based on degree of disability <i>(Minimum pension no less than the greater of 30% or 2% per year of service.)</i>
Nonservice-Connected	30-50% of FAS – Based on degree of disability

PUBLIC SERVICE PURCHASE

Prior Full-Time Service (Uninterrupted)

- Military or other government agency (federal, state, local, or postal)
- Minimum of 6 months; maximum of 4 years
- Purchasing service credit only counts towards an increase in pension percentage; minimum of 20 years of City service is still required to apply for a service pension

SURVIVOR PENSIONS

Qualified Survivors

- Qualified Surviving Spouse (QSS) - Legally married to the member
- Qualified Surviving Domestic Partner (QSDP) – Registered with LAFPP or State of California
- Qualified Minor or Dependent Children
 Minor child – Child or adopted child under the age of 18 or 22 if in school full-time and not married. Benefits for children are paid to the legal guardian until the child turns 18.
 Dependent Child – Child or adopted child of the member disabled from earning a livelihood before age 21 and disability has not ceased.
- Qualified Dependent Parent(s) - Natural parent of the member that must show financial dependence on the member for half of his/her necessary living expenses at least one year immediately prior to the member's death.

Qualified Survivors may have to meet other survivor requirements to be eligible for a survivor pension. The types of survivor benefits will vary depending on these factors:

- Whether your death is Service-Connected or Nonservice-Connected
- Whether you die before or after retirement
- The survivor's relationship to you
- Years of marriage or date of domestic partnership registration

If there are no Qualified Survivors, a refund of contributions including interest, will be paid to designated beneficiaries on file. Please fill out a beneficiary form available online.

Service-Connected Death

Before Retirement: 80% of Member's FAS

After Retirement: 80% of Member's Service-Connected Disability Pension
(If death occurs within three years and is related to the service-connected disability, survivor receives the "Before Retirement" survivor benefit.)

**Nonservice-Connected Death
*Before Retirement***

With less than 5 years of service
 Basic Death Benefit – **Return of Contributions plus interest** paid to Beneficiary; *and if member had at least one year of service a limited monthly pension paid to the Qualified Survivor.*

With at least 5 years of service
 50% of Member's FAS

After Retirement

70% of Member's Service Pension or Nonservice-Connected Disability Pension



RECIPROCITY

LAFPP does not provide reciprocity of service credit with any other government agency or municipality.

DEFERRED RETIREMENT OPTION PLAN (DROP)

Provisions

DROP allows members to work and receive pay and benefits as an active employee while accumulating service pension payments in a DROP account. For all other purposes, you are considered an active member of your respective department.

- Eligible to enter if you are at least Age 50 with at least 25 YOS
- You may stay in DROP for a maximum of 5 years
- An amount equal to 100% of your service pension will be placed in your DROP Account
- Interest will be credited at 5% annually
- You are considered “retired” for pension calculation only; no further service credit is earned.
- You are considered “active” and will continue to receive your active pay and benefits.
- You will continue to make regular pension contributions (unless you have 33 years of service). At the end of the DROP period, you will begin to receive a monthly pension based on the “frozen” service retirements formula at the time you entered DROP, plus the COLAs that have been credited.
- At the end of the DROP period, you must elect to receive the proceeds from your DROP account as: 1) a lump sum; 2) a rollover to another tax qualified account; or 3) a combination of both

Additional Provisions for members who enter DROP on or after February 1, 2019:

- Your participation in DROP will be suspended for any calendar month in which you do not spend at least 112 hours on “active duty” status. You will not receive a DROP deposit for that month.
- If you sustain a serious injury on-duty and are admitted to the hospital for a minimum of 3 consecutive days as a direct result of that injury, your participation will not be suspended during the first 12 calendar months following the date of injury.
- If your participation is suspended, you will be eligible to participate in DROP for a maximum of 30 additional months beyond your original 5-year participation period. The participation period can only be extended for as many months as your participation was suspended.
- No interest accrues on your DROP account following the initial 5-year/60-month participation period, including any periods of participation suspension.

DROP Evaluation

The City has the right to suspend DROP and modify the program for future entrants as necessary to maintain cost neutrality and/or meet the City’s DROP goals of retaining and lengthening the careers of members.

- The City shall complete an actuarial study of DROP, at least every five (5) years, to evaluate whether the program continues to meet the City’s DROP goals.
- Any amendments to DROP will only affect those persons who enter after the effective date of the changes.

RESOURCES & CONTACTS

FOR MORE DETAILS, THE TIER 6 SUMMARY PLAN DESCRIPTION IS AVAILABLE AT:

<https://www.lafpp.com/post/tier-6-pension-plan-information>

Communications & Education
(213) 279-3155

Active Member Services
(213) 279-3140

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013

www.lafpp.com
pensions@lafpp.com