



Pension Perspectives

Summer 2001

Newsletters for Los Angeles City Fire and Police RETIRED Members

Reactivation of Surviving Spouse Benefits

On the June 5, 2001 Los Angeles City ballot, a measure was adopted which will enable the City Council to enact an ordinance to allow the reactivation of surviving spouse benefits to those widows and widowers of Firefighters and Police Officers who had their benefits taken away solely because they remarried prior to December 5, 1996.

Upon approval of the ordinance by the City Council, information on the specific provisions will be disseminated to the affected surviving spouses of the Fire and Police Pension plans.

This benefit applies to a specific group of surviving spouses whose monthly pension benefit ceased upon remarriage before December 5, 1996. After December 5, 1996, that provision was no longer in effect and remarriage did not affect a survivor's monthly pension benefit. Benefits are not retroactive. Reactivation of Surviving Spouse benefits will be effective as of July 10, 2001. (We previously reported that benefits would begin June 5, 2001, the date the amendment passed. However, under State law, the benefits are effective July 10, 2001, the date the Charter amendment was filed with the Secretary of State.)

For more information, please contact Service Pensions at (213) 485-2836.

Retiree Dental Subsidy

On the June 5, 2001 Los Angeles City ballot, a measure was adopted to add a new tier (Tier 5) to the Fire and Police Pension System. This new tier will affect new incoming and active members only. This proposal is being offered as an incentive to members who are eligible

to retire so that they may opt to work longer and to attract new members to the Fire and Police Departments.

UPON APPROVAL OF THE TIER 5 BALLOT MEASURE, the City agreed to adopt an ordinance to provide a dental subsidy to RETIRED members. This subsidy is substantially similar to the plan provided to the Los Angeles City civilian retirees. The basic provisions are as follows:

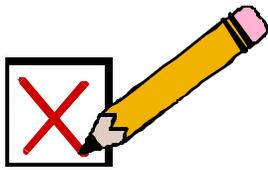
- Members must have at least 10 years of service to be eligible to receive a dental subsidy;
- A percentage is allotted for each completed year of service;
- The total percentage is then multiplied by the maximum subsidy amount (maximum to be determined).

The Department of Fire and Police Pensions will provide you with more detailed information once the City Council approves the specific provisions of the dental subsidy program by ordinance.

For more information, please contact the Member Services Retired Unit at (213) 485-4493 or email at Cpayne@fppen.lacity.org.

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Special Election News

Commissioner George V. Aliano is the newly elected Police Retired Member to the Board of Fire and Police Pension Commissioners. A special election was held to fill the vacancy created by the resignation of Kenneth Staggs. Commissioner Aliano will serve the unexpired term which ends June 30, 2004.

The Election Division of the City Clerk's Office conducted the election. There were 14 candidates on the nominating ballot and the three candidates with the highest number of votes were placed on the final ballot. The three candidates were George V. Aliano, Tim McBride and Gary Fullerton.

Election Day was February 6, 2001 and the votes were tallied on February 7, 2001. The City Clerk certified the results and declared that George V. Aliano received the highest number of votes. Mr. Aliano attended his first meeting as Commissioner on February 15, 2001.

The Board exercises the prudent person standard in the discharge of its duties. It has sole and exclusive fiduciary responsibility to administer the Fire and Police Pension System and its assets. The Board also has the authority to set and adopt investment policies for over \$11 billion in fund assets and the duty to establish actuarial assumptions and adopt

rules and regulations necessary to administer the System.

Benefits Committee Issues

The Benefits Committee of the Board of Fire and Police Pension Commissioners is chaired by active Police representative Sgt. Thomas Dawson, Phd. Other committee members are retired Fire Commissioner Sam Diannitto, retired Police Commissioner George Aliano, and Commissioner David Kim.

The Benefits Committee is looking at a number of retiree issues that have been brought to the attention of the Board. These issues include: 1) A health subsidy for members with less than 10 years of service. Currently one of the provisions is that members must have at least 10 years of service to qualify for a health subsidy; 2) Raising the minimum pension amount for eligible tiers; and 3) Implementation of health insurance reimbursement program for members who cannot join a City sponsored HMO due to geographic location. Members who are not enrolled in a City approved health plan do not qualify for a health subsidy. This program would use a formula to reimburse the health premium for these members.

We expect the health insurance reimbursement program to be implemented in the near future. This benefit has already been agreed to by City and employee representatives. However, the City Council must vote on a change to the Administrative Code to authorize this benefit. Fire and Police Pensions and City Attorney staff are working with staff in the Office of Administrative and Research Services to accomplish this.

Please note that neither the Board nor its committees have the authority to implement new benefits. However, the Board can suggest areas where benefit improvements may be warranted, and communicate this information to City management and employee organizations. Some benefit changes require a Charter change and must be approved by the voters of the City. Other changes require a modification to the Administrative Code, which the City Council can change by ordinance. We will keep you posted on the above issues in future newsletters.

Direct Deposit

...Time is Money!

Why take the time to make an extra trip to the bank when you can have your pension check on Direct Deposit? It is a safe and secure way of making sure that your pension funds are where you need them, when you need them. Many banks even offer incentives for depositing your funds through direct deposit.

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Direct Deposit continued

If you're thinking of joining direct deposit or you need to make any changes to your direct deposit information, such as a bank change, contact Member Services at (213) 485-4493 and we'll send you a direct deposit card right away. Please return the card with the requested information, as soon as possible or use the schedule below. If you submit your information to us by the dates indicated, your direct deposit should be available as early as the 1st working day of the next month, provided your financial institution posts the deposit to your account as scheduled.

SUBMIT INFO BY	DEPOSITED BY
Jul 6, 2001	Aug 1, 2001
Aug 3, 2001	Sept 3, 2001
Sept 7, 2001	Oct 1, 2001
Oct 5, 2001	Nov 1, 2001
Nov 2, 2001	Dec 3, 2001
Dec 7, 2001	Jan 1, 2002

PLEASE NOTE: When changing information (account number, financial institutions, etc.), we encourage you to leave your "old account" open until a successful deposit is made into your "new account". If there is a problem with your new account, there may be a delay of up to 3 weeks before you receive your funds.

By leaving your old account open, you minimize the possibility of delayed funds.



TIME TO APPLY FOR LONG-TERM CARE COVERAGE

A Message from CalPERS*

CalPERS Long-Term Care Program Application Period Extended through August 31, 2001

Through August 31, 2001, **all** public employees (including non-CalPERS members), retirees, their spouses, parents and parents-in-law will have another opportunity to apply for long-term care coverage. Application kits will be available through July 31, 2001.

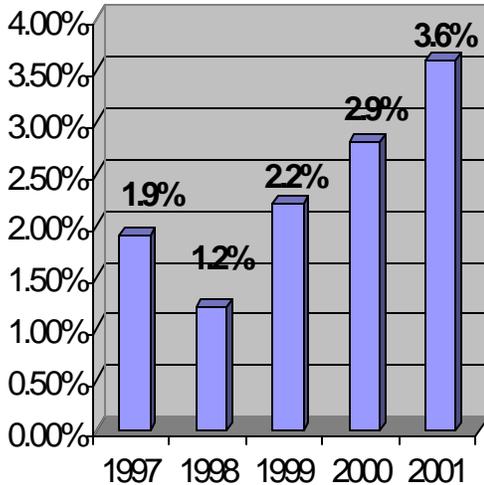
Long-term care (LTC) coverage pays for extended care that would be needed when, due to a chronic disease, injury or frailty of old age, help is required with basic activities of daily living such as dressing, bathing, or eating. Severe cognitive impairments, such as Alzheimer's disease, are also covered. LTC plans can help pay for extended care at home, care in an assisted living facility, adult day care center, or in a nursing home. Without a LTC plan, you can expect to pay an average of \$50,000 per year for nursing home care. How would you pay for extended care if you needed it today?

With 60% of the people age 65 and older needing long-term care at some point in their lives, buying long-term care coverage can offer peace of mind. It is not just for the elderly either. Over 40% of the people receiving long-term care today are between the ages of 18 and 64. Since all premiums are age related, it is more affordable when you apply at a younger age.

In 2000, CalPERS began offering some lower cost plans. These plans continue to have premiums that cost significantly less than comparable plans offered by insurance companies. The CalPERS Long-Term Care Program currently covers more than 144,000 people. Those who thought they couldn't afford a CalPERS plan will want to request an application kit with all the details by calling **800-338-2244** or visit the web site at www.calpers.ca.gov/longtermcare.

*CalPERS is the California Public Employees' Retirement System, established by state law in 1932 to provide retirement benefits for state employees. In 1939, public agency and non-teaching school employees were allowed to participate. In 1962, state law authorized CalPERS to provide health benefits to state employees. The health benefits program was expanded in 1967 to include public agency and school employees. CalPERS began offering long-term care insurance on a not-for-profit basis in 1995. For more information about CalPERS, visit the web site at www.calpers.ca.gov.

**HISTORY OF COLA
PERCENTAGES
(Effective July 1)**



**Cost-Of-Living
Adjustment 2001**

Effective July 1, 2001, pensioners eligible for a cost-of-living adjustment (COLA) will receive a 3.6% increase to their pensions. The percentage was determined by the Consumer Price Index change for Los Angeles, Riverside and Orange County for the one-year period from March 2000 through February 2001. The increase will be reflected on the July 31 payment.

For members of Tiers 3 and 4 (formerly Article XXXV), the charter allows a COLA maximum of 3%. If you received your first pension check during this fiscal year (July 1, 2000 to June 30, 2001) the increase you receive will be prorated by the number of full months you have been on the pension roll.

The chart above provides a COLA history for the past five years. ♦

**Cost-of- Living
Update**

**Adjustment Effective
July 1, 2000**

Due to a revised Consumer Price Index (CPI) from the Bureau of Labor Statistics, an adjustment was made to the Cost of Living Adjustment (COLA) which took effect in July 2000. The correct COLA percentage was changed from 2.8% to 2.9%. All qualified pensioners and beneficiaries received a 0.1% COLA increase on their December 2000 pension payment.

In March 2001, a retroactive check was processed for the 0.1% difference from July 1, 2000 through November 30, 2000. Due to the small amounts of the retroactive checks, no taxes were withheld.

Cost-of-living adjustments for eligible retirees are based on the movement in the CPI. Per the Charter, we use the CPI changes in the Los Angeles-Riverside-Orange County areas for all urban consumers.

**FOR THE HEALTH
OF YOUR
DOMESTIC
PARTNER**



Are they covered?

Your domestic partner may be eligible for coverage by your health insurance. Check with your health administrator about eligibility requirements. Open enrollment periods may apply.

It is important that you check with the Department of Fire and Police Pensions for the status of your domestic partnership as well. Even if the Department is not your health insurance administrator, you must have a declaration on file with this Department in order for your domestic partner to be eligible for pension benefits. The following is a list of health administrators.

- UFLAC (213) 895-4990
- Fire Relief Association (213) 380-2900 (800) 244-3439 or www.LAFRA.ORG
- Police Relief Association (888) 282-7721

To file a Declaration of Domestic Partnership contact the Department of Fire and Police Pensions, Member Services at (213) 485-4493 or print the form from our website at www.lacity.org/pen.

Where Are You?

...We have News for You!

We have important pension benefit information to give you. This information could be delayed or not received at all if you don't have a current address on file with the Department of Fire and Police Pensions. More importantly, without a current address on file, your pension funds may be withheld.

If you are planning to move or have moved, please send us a letter which includes the Pensioner's complete name, social security number, complete new address and telephone number. The letter must have the pensioner's signature. Send the letter to the Department of Fire and Police Pensions, Attention: **Service Pensions Section, 360 E. Second Street, Suite 600, Los Angeles CA 90012 or fax to: (213) 847-3529.**

Make sure to submit any changes to your mailing address to keep your records current. Avoid receiving your benefits late or not at all. If you have any questions, please contact the Service Pensions Section at **(213) 485-2836.**



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

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

Member Services (213) 485-4493
Service Pensions (213) 485-2836
Disability Pensions (213) 485-2748

Facsimile (213) 847-3529
TDD (213) 473-4581



DEPARTMENT OF FIRE AND POLICE PENSIONS
360 EAST SECOND STREET, SUITE 600
LOS ANGELES CA 90012-4203

RETURN SERVICES REQUESTED

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