



# Pension Perspectives

SPRING 2003

Newsletter for Los Angeles City Fire & Police Retired Members

## Your Pension Plan Remains Fully Funded!

Based on the report from our actuary for the one-year period ending June 30, 2002, your pension plan remains fully funded! For the period ending June 30, 2002, on an actuarial basis and combining pension and health benefits, the plan is 105.1% funded. The actuarial value of assets is determined by phasing in the market value of assets over a five- year period.

The chart below reflects the actuarial funding progress from June 30, 1998.

Fiscal Year Ending	Benefits % Funded	Health % Funded	Combined % Funded
6/30/2002	108.3	66.4	105.1
6/30/2001	118.9	68.3	115.0
6/30/2000	114.4	65.6	110.7
6/30/1999	104.7	66.5	102.1
6/30/1998	94.2	59.3	91.9

Although our pension plans are fully funded, our health plans are not. We started prefunding the health plans in 1989. Since that time, we have achieved 66% funding. Your health subsidy is a negotiated benefit and is not dependent upon the funding status.

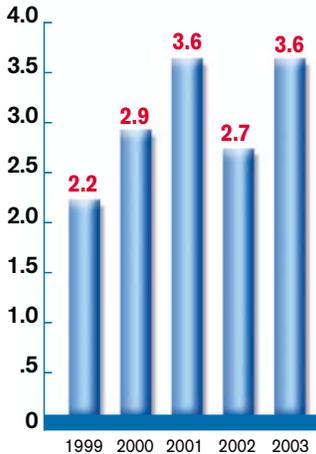
Please note that even though we are fully funded, the active members and the City continue to contribute to the pension system. ■

### Inside This Issue

- 1 Funding Status
- 2 Cost-of-Living Adjustment for 2003
- 2 Becoming Eligible for Medicare Before Reaching Age 65
- 3 Medicare Part B Premium and Reimbursement Increases
- 3 Dental Subsidy Increase
- 4 What is the Retired Fire and Police Association
- 5 Reporting the Death of Pensioners
- 6 Contact Information

# Cost-of-Living Adjustment 2003

History of the Cost-of-Living Percentages for the Past Five Years



Effective July 1, 2003, pensioners eligible for an uncapped cost-of-living adjustment (COLA) will receive a 3.6% increase to their pensions. The percentage is determined by the Consumer Price Index change for Los Angeles, Riverside and Orange County for the one-year period ending February 2003. The increase will be reflected on the July 31 payment.

**Tier 3, 4, and 5 Members –** the City charter allows a COLA maximum of 3%. If you received your first pension check during this fiscal year (July 1, 2002 to June 30, 2003), the increase you receive will be prorated by the number of full months you have been on the pension roll.

**Tier 5 Members, including Tier 5 members in DROP,** will have 0.60% deposited toward their COLA bank. ■

## Becoming Eligible for Medicare

### Before Reaching Age 65

Some of you may become eligible for Medicare **before** you reach age 65. This happens in cases where there is a disability or end-stage renal disease (permanent kidney failure requiring dialysis or transplant). If this happens to you, it is extremely important to notify your health care administrator. Your health plan administrator is one of the following:

**Department of Fire and Police Pensions**

**(213) 978-4560**

[www.lacity.org/pen](http://www.lacity.org/pen)

**Los Angeles Firemen's Relief Association**

**(800) 244-3439**

[www.lafra.org](http://www.lafra.org)

**Los Angeles Police Relief Association**

**(888) 252-7721**

[www.lapra.org](http://www.lapra.org)

**United Firefighters of Los Angeles City**

**(213) 895-4990**

[www.uflac.org](http://www.uflac.org)

For all other pensioners, you must enroll in Medicare to the fullest extent possible upon turning 65. Then you must contact the Department of Fire and Police Pensions to give notification of your Medicare status.

***Failure to notify Fire and Police Pensions may result in the loss of your health subsidy.***

If you are receiving your health subsidy through the Health Insurance Premium Reimbursement Program, you should contact this Department *whenever* you qualify for Medicare. If you have questions or comments on the subject of this article, you may contact your health plan administrator or this Department at (213) 978-4560. ■

# Medicare Part B Premium and Reimbursement Increases

Effective January 1, 2003

The U.S. Department of Health and Human Services increased Part B monthly premiums from \$54.00 to \$58.70 effective January 1, 2003 and the Part B reimbursement this Department provides was changed to reflect the increase. The \$4.70 increase was reflected on your December 2002 payment dated December 31, 2002. The Part B

premium covers medically necessary doctor's services, outpatient hospital care, and some other medical services that Part A does not cover, such as the services of physical and occupational therapists, and some home health care. For more information, visit the

Department of Health and Human Services Web page at [www.hhs.gov](http://www.hhs.gov) or call 1-800-MEDICARE.

[www.hhs.gov](http://www.hhs.gov)

or call

1-800-MEDICARE

## Dental Subsidy Increase

Effective January 1, 2003

The retiree dental subsidy monthly maximum increased from \$35.75 to \$38.38 effective January 1, 2003. The retiree dental subsidy will only be applied to the single-party premium of the City-approved dental plan that the retiree is enrolled in. The retiree dental subsidy is a member-only benefit and is not available to surviving spouses/domestic partners.

*The basic provisions of the dental subsidy are as follows:*

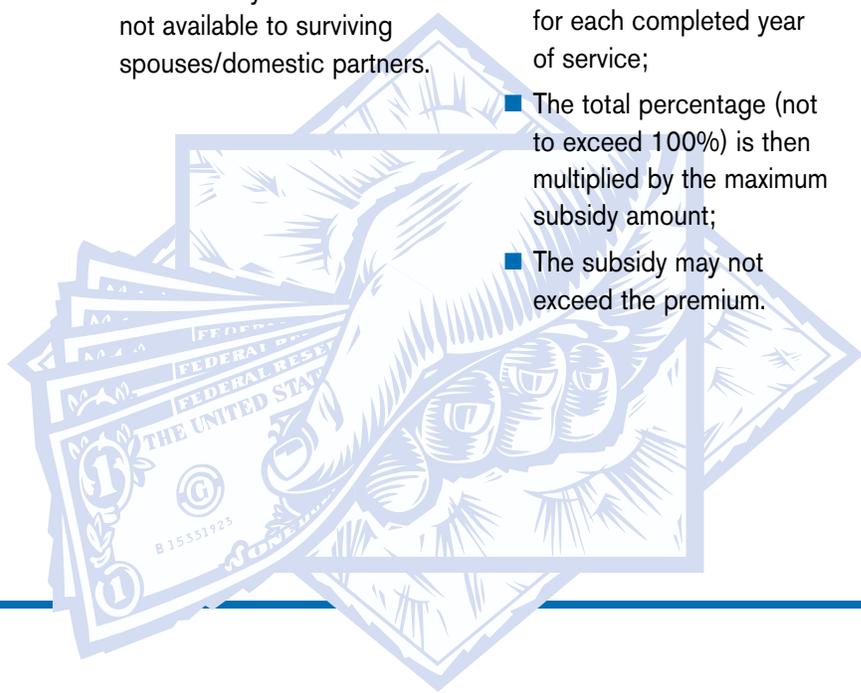
- Members must be enrolled in a City-approved dental plan;
- Members must have at least 10 years of service;
- Members must be at least 55 years of age;
- Four percent is allotted for each completed year of service;
- The total percentage (not to exceed 100%) is then multiplied by the maximum subsidy amount;
- The subsidy may not exceed the premium.

The table below illustrates the increase in dental subsidy.

Percentage	Years of Service	2002 Subsidy	2003 Subsidy
40%	10	\$14.30	\$15.35
44%	11	\$15.73	\$16.89
48%	12	\$17.16	\$18.42
52%	13	\$18.59	\$19.96
56%	14	\$20.02	\$21.49
60%	15	\$21.45	\$23.03
64%	16	\$22.88	\$24.56
68%	17	\$24.31	\$26.10
72%	18	\$25.74	\$27.63
76%	19	\$27.17	\$29.17
80%	20	\$28.60	\$30.70
84%	21	\$30.03	\$32.24
88%	22	\$31.46	\$33.77
92%	23	\$32.89	\$35.31
96%	24	\$34.32	\$36.84
100%	25	\$35.75	\$38.38

**Formula:**

**Years of service x 4% x \$38.38 = SUBSIDY**



What is the –

# Retired Fire and Police Association?

A Note from Lee Kebler, Director, LARFPA

The Los Angeles Retired Fire and Police Association (LARFPA) was founded in 1928. Its goal was “to improve the welfare of our retirees” and this is still our goal today.

LARFPA operates a social welfare and advocacy organization on a non-profit, non-sectarian, non-political basis for the pensioners of the Los Angeles Fire and Police Departments, their spouses, widows, widowers and dependent children and parents.

What do you get as a member of LARFPA? For starters, the Association publishes a quarterly newsletter to keep the membership informed of current events. A roster book is published every other year and lists most of the names and addresses of our 11,000 members. The roster has a geographical section that helps locate old friends and coworkers while traveling. There is an important information section on how to seek assistance in time of financial need or bereavement and lists the addresses and phone numbers of related organizations (i.e., Department of Fire and Police Pensions, Fire and Police Relief Associations, United Firefighters of Los Angeles, Police Protective League, etc.).

We host general meetings the first Wednesday of the month at Grace Simons Lodge in Elysian Park, featuring interesting guest speakers for our members. We sponsor a barbeque and a Christmas party with great food, entertainment, and a chance to meet old friends.

Some of the advocacy items the Association is involved in are the liaison committees with the Department of Fire and Police Pensions, City Council members, Fire and Police Relief Associations, Police Protective League and United Firefighters of Los Angeles. Through activities and efforts with these various organizations we have achieved several important benefits in recent years. We now have a retired Firefighter and a retired Police Officer elected to the Fire and Police Pension Commission; widows and domestic partners receive medical subsidies; widows who remarried and lost their pensions have had their spouse's pensions reinstated.

Our Board of Directors is composed of all volunteers and we have a full-time staffed office for service to the membership. Any Director can be reached through the office. Now for the best news – What does all of this cost? A “BUCK” a month dues are paid by payroll deduction and have been in existence at this rate for over 25 years. To be eligible for all of this, you must be a retired Firefighter or Police Officer or an active member of either Department with at least 20 years of service.

Applications and/or information may be requested from the Association office by writing, telephone, E-mail, or our Web site.

## Los Angeles Retired Fire and Police Association

9521 Las Tunas Dr., Suite 4  
Temple City, CA 91780

(626) 285-5138, (626) 283-4441,  
(888) 288-5073

**E-mail:** [larfpa@pacbell.net](mailto:larfpa@pacbell.net)

**Website:** [www.larfpa.org](http://www.larfpa.org)

## Making a Difficult Time a Little Easier – Reporting the Death of Pensioners

**W**hen a death in the family occurs, attending to the arrangements can be difficult and stressful. When the death of a pensioner occurs, it is necessary that the Department of Fire and Police Pensions be contacted immediately.

The advantage of reporting a death at once is the immediate processing of pension checks for qualified survivors eligible to receive pension benefits. Once the death is reported, the Department can expedite the payment of the deceased pensioner's last check and begin the paperwork to process the pension benefits of the qualified survivors.

### When the Pensioner Dies:

- 1** Contact the Service Pensions Section at (213) 978-4575 to report the death.
- 2** The Department will process the documents to terminate the pension and terminate direct deposit if applicable.
- 3** If there is an eligible surviving spouse/domestic partner, the Application for Survivor Pension Benefits will be mailed by the Department.
- 4** The Application for Survivor Pension Benefits should be mailed back to the Department along with 1) a copy of the death certificate and, 2) a copy of marriage certificate (if requested).
- 5** Upon approval from the Board of Fire and Police Pension Commissioners, the qualified survivor's pension should commence the following month.

If there is a delay in reporting the death of a pensioner, the overpayment will be charged to the surviving spouse. The overpayment can be paid to the Department in a lump sum amount or may be deducted from the surviving spouse's pension check. Additionally, this may result in remitting more taxes than necessary to the Federal and State agencies, creating an additional burden for the survivors to rectify this problem with the IRS and State Tax Board.

### When the Pensioner's Spouse Dies:

Contact the Service Pensions Section (213) 978-4575. The member's file will be updated.

Avoid any unnecessary hardship on your loved ones. Inform your survivors ahead of time of the importance of immediately notifying the Department of Fire and Police Pensions of your death. If, as the pensioner, you have no surviving spouse or any other qualified survivors, you should designate someone such as your attorney or the executor of your estate to notify the Department. The Service Pensions Section can be reached at (213) 978-4575 for notification or if you have questions. ■

### Helpful Web sites

The Department of Labor and the Office of Management and Budget say that there are 25 new federal benefit programs (and \$34 billion in annual benefit dollars) available at [www.GovBenefits.gov](http://www.GovBenefits.gov), a Web site designed to facilitate the interaction between individuals and government.

There's a new place to go for a wealth of information about Social Security's programs and services: [www.socialsecurity.gov](http://www.socialsecurity.gov)

The new address takes you to a redesigned site that is easier to navigate, more attractive, and more accessible to all visitors, including people with visual impairments or physical disabilities.

**Los Angeles Firemen's Relief Association**  
[www.lafra.org](http://www.lafra.org)

**Los Angeles Police Relief Association**  
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**United Firefighters of Los Angeles City**  
[www.uflac.org](http://www.uflac.org)



## Contact Information

Staff is available Monday through Friday (except holidays) from 8:00 AM to 5:00 PM to assist you. We changed offices and telephone numbers in early 2002. Please refer to the following directory so that a staff member can address your specific need.

### **(213) 978-4523** **Communications Section**

- Newsletters
- Web Page Updates

### **(213) 978-4560** **Medical and Dental Plans**

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

### **(213) 978-4500** **Disability Pensions**

- Disability Pension Reviews
- Review of Dependent Children and Dependent Parent Qualifications

### **(213) 978-4575** **Service Pensions**

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

### **(213) 978-4495** **Retired Member Services**

- Direct Deposit
- Tax Withholding
- Cost-of-Living Adjustments

### **(213) 978-4568** **DROP Administration**

- Information on the Deferred Retirement Option Program

### **Other Ways to Contact Us**

Fax: (213) 978-4450 TDD: (213) 978-4455  
E-mail: [PENSIONS@FPPEN.LACITY.ORG](mailto:PENSIONS@FPPEN.LACITY.ORG)  
Web site: [www.lacity.org/pen](http://www.lacity.org/pen)

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

Domestic Partnership Declaration Form, Health Insurance Premium Reimbursement Claim Form, Notice of Termination of Domestic Partnership Form, and Income Tax Withholding Form (for pensioners).