

General Manager's Message

Back in 2004, I had a terrible bout with Stage III bladder cancer that the good doctors at USC Norris saved me from (and am now a diehard SC fan!). Since then, I have been a firm believer in getting the best information on staying healthy and strong, and using it for myself and family.

I recently attended a conference that reinforced much of the information I have received over the years. A lot was discussed, including some alarming statistics:

- Heart disease and cancer are the two leading causes of death in America;
- 1 out of 3 adults has high blood pressure, a leading cause of heart disease;
- 79 million adults have pre-diabetes, but 70 million don't know it;
- 60 million adults are obese and \$147 billion dollars in medical costs was attributed to obesity treatment in 2008.

The takeaway from this was no secret – making healthy lifestyle choices can prevent

many health problems and keep chronic conditions from getting worse. We often hear that we should eat right, exercise daily and stop smoking. According to another statistic from the conference, doing these three things can prevent 40% of the cancers and 80% of heart disease and diabetes! The list of benefits achieved through wellness is endless, ranging from having more energy to saving on doctor's visits and prescriptions.

It is never too late to start living healthy. I encourage all who haven't already made changes to start somewhere and consider cutting back on poor habits and exchanging them for healthy ones. You may also consider checking with your health plan to see what types of wellness programs and other resources are available to you.

I look forward to continuing to share information with you and hope to hear from you on your experiences as well.

Sincerely,
Mike Perez
Michael.Perez@lafpp.com

Inside

General Manager's Message
page 1

Cost of Living Adjustment for 2011
page 2

Retiree Health Subsidy Freeze
page 2

Health Insurance Subsidy Information
pages 3-4

Applying for Medicare
pages 5-6

Member Dental Insurance Subsidy
page 7

Questions on the Health and Dental Subsidy Program
page 7

Online Forms
page 7

How to Read Your Earnings Statement
pages 8-9

Voluntary Pension Deductions
page 10

Tax Exclusion Reminder
pages 11-13

December 2011 Pension Check
page 14

1099-R News Flash
page 14

Reporting the Death of a Pensioner and Applying for a Survivor Pension Benefit
page 15

Board of Fire and Police Pension Commissioners
page 16

A Message to Retired Police Officers – Update on the "Flat Badge"
page 17

Board Awards Two Distinguished Service Medals
pages 17-18

Contact Information
page 19

Cost of Living Adjustment for 2011

The Cost of Living Adjustment (COLA) for 2011 is 2.3%. Eligible pensioners and survivors of Tiers 1, 2, 3, 4 and 5, (including current DROP participants) received a 2.3% adjustment beginning with the pension payment dated July 29, 2011.

COLAs for eligible retirees and survivors are based on the movement in the Consumer Price Index (CPI). Per the Charter and the Administrative Code, we use the increase or decrease in the CPI for the Los Angeles-Riverside-Orange County area for all consumers. We look at the change in the CPI for the 12-month period ending each February. For more information on the COLA and to learn what goods and services are included in the CPI, visit our Web site, www.lafpp.com, and click on the COLA link from the "Retired Members" tab.

Contact the Retirement Services Section for questions regarding the COLA at (213) 978-4495, or (800) 787-2489, ext. 84495#.



Retiree Health Subsidy Freeze

On July 15, 2011, City Council approved an ordinance which froze the retiree non-Medicare and Medicare health subsidy benefits at the rates in effect on July 1, 2011. This freeze only applies to LAFPP members who enter DROP or retire on and after July 15, 2011 and who did not choose to "opt-in" during the designated period in order to receive an unfrozen subsidy benefit in retirement.

If you entered DROP or retired before July 15, 2011, your health subsidy benefit will remain unfrozen. You will continue to receive any future annual

subsidy changes authorized by the Board of Fire and Police Pension Commissioners (Board) and the Los Angeles Administrative Code (Ad Code).

The Ad Code gives the Board the authority to annually increase the non-Medicare subsidy up to a maximum of 7% or the actuarial medical trend rate (currently 10%), whichever is less. Per the Ad Code, the maximum Medicare subsidy is equivalent to the highest single-party Medicare plan premium offered by the Los Angeles City Employees' Retirement System.



Health Insurance Subsidy Information

Requirements

To qualify for a health insurance subsidy, a **Member** must:

- Retire with at least 10 complete years of service;
- Be at least age 55 with a retirement date after June 30, 1998, or at least age 60 with a retirement date before July 1, 1998;
- Enroll in a City-approved health plan; **and**
- Enroll in Medicare to the full extent of eligibility (usually at age 65).

A **Qualified Surviving Spouse/Domestic Partner (Qualified Survivor)** receives a health insurance subsidy if all of the following criteria are met:

- The member must have had at least 10 complete years of service;
- The member would have been at least 55 years of age;
- The Qualified Survivor is enrolled in a City-approved health plan; **and**
- The Qualified Survivor enrolls in Medicare to the full extent of eligibility (usually at age 65).

Note: The Qualified Survivor must not be receiving an active death health insurance subsidy from the Personnel Department.

(continued on next page)

Non-Medicare Health Subsidy

Under Age 65, or Age 65 and Older with Medicare Part B Only

Members:

Effective July 1, 2011, the Non-Medicare/Medicare Part B Only Health Subsidy for Members increased. The maximum monthly subsidy increased from \$1,025.62 to \$1,097.41, a 7% increase.

Members who are at least age 55 and retired with 25 or more years of service qualify for the maximum subsidy of \$1,097.41, not to exceed the health plan premium. Members who retired prior to July 1, 1998 must be at least age 60 to qualify. For members with 10 to 24 years of service, the maximum subsidy is prorated at 4% per year, not to exceed the health plan premium.

It is expected that the Board will determine the change to the Non-Medicare/Medicare Part B Only Health Subsidy effective July 1, 2012 by May 2012.

Qualified Survivors:

Effective January 1, 2012, the Non-Medicare/Medicare Part B Only Health Subsidy for Qualified Survivors will decrease from \$595.60 to \$593.62 per month, a 0.3% decrease.

Medicare Health Subsidy

Age 65 and Over with Medicare Parts A and B

Effective January 1, 2012, the maximum Medicare Health Subsidy will decrease from \$480.41 to \$423.45, a decrease of 11.86%. Historically the subsidy has decreased only once in the last 10 years – a decrease of 10.34% on January 1, 2006. This subsidy applies to Members and Qualified Survivors enrolled in **both Medicare Parts A and B**. Consult the chart to the right to find out how this lower maximum subsidy affects you.

Depending on their health care plan and years of service, Retired Members enrolled in both Medicare Parts A and B may receive an additional subsidy amount for covered dependents.

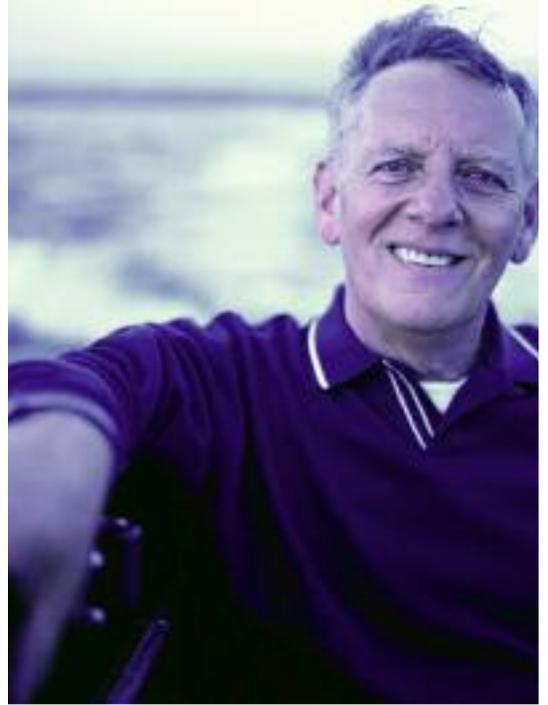
The health insurance subsidy for Qualified Survivors is limited to the single-party cost of their health plan, and no subsidy for dependent coverage is provided. However, they may cover dependents but are responsible for the additional cost above the single-party premium.

Medicare Health Subsidies	
Years of Service	Maximum Monthly Subsidy for 2012
Less than 10	No Subsidy
10 - 14	The lesser of: \$317.59 or 75% of the single-party premium of the participant's plan.
15 - 19	The lesser of: \$381.11 or 90% of the single-party premium of the participant's plan.
20 or more	The lesser of: \$423.45 or 100% of the single-party premium of the participant's plan.

Applying for Medicare

Medicare Enrollment at Age 65

All pensioners (members, qualified survivors) receiving a health subsidy are required to enroll in Medicare at age 65. A small number of Medicare beneficiaries qualify for Medicare coverage before reaching age 65. If you become eligible for Medicare prior to turning 65, please notify the Medical and Dental Benefits Section. Otherwise, all pensioners become eligible for Medicare Part B at age 65 and many will also qualify for Medicare Part A at that time. **Please note that while enrollment in Medicare Part B is required, enrollment in Medicare Part A is only required if you are eligible for it free of charge.**



At age 65 all pensioners must do the following to remain eligible for a health insurance subsidy or health insurance premium reimbursement:

- Provide Los Angeles Fire and Police Pensions with a copy of your Medicare card.
- Sign and return a Los Angeles Fire and Police Pensions Medicare Information Card.
- Enroll in a City-approved health plan or participate in the Health Insurance Premium Reimbursement program.
- Maintain your Medicare Part B enrollment by paying the required monthly premiums directly to Medicare or via Social Security.

Medicare Part A

Medicare Part A is hospital insurance that pays for inpatient hospital stays, care in a skilled nursing facility, hospice care and some home health care. You may qualify for Medicare Part A free of charge, if:

1. You or your spouse earned 40 or more quarters in Social Security covered employment, **or**
2. You were hired by the City of Los Angeles after March 1986.

To determine your Medicare Part A eligibility, please contact your local Social Security office. **If you are eligible for premium-free Medicare Part A coverage, you must enroll in Medicare Parts A and B to qualify for a health subsidy.**

If you are receiving Social Security benefits, you may be signed up automatically for premium-free Medicare Part A, as well as Medicare Part B coverage. **Do not decline Medicare coverage if offered to you.**

If you do not qualify for premium-free Medicare Part A, **WE DO NOT REQUIRE** you to purchase this coverage.

(continued on next page)

Medicare Part B

Medicare Part B provides an array of medical benefits such as doctors' visits and out-patient care. It also covers other medical services not covered by Part A, such as some physical and occupational therapy services and some home health care services. All pensioners are eligible for Medicare Part B at age 65 (some pensioners may qualify before age 65).

If you qualify for Social Security benefits, you may be signed up automatically for Medicare Parts A and B. In this case, Medicare Part B premiums will be deducted from your Social Security benefits. **Do not decline Medicare Part B coverage if you would like to continue receiving a health subsidy from Los Angeles Fire and Police Pensions.**

If you do not qualify for Social Security benefits, you will be billed quarterly for your Medicare Part B premiums. If you enroll in Medicare after age 65, Medicare may impose a late enrollment penalty. Any penalty assessed will continue as long as you are enrolled in Medicare. You are responsible for paying any penalty due to late enrollment. Los Angeles Fire and Police Pensions does not reimburse penalty amounts.

Failure to pay your Medicare Part B premiums will terminate your Medicare Part B coverage and also make you ineligible for a health subsidy.

Medicare Part B Premium Reimbursement

For Those Enrolled in Medicare Parts A and B

At age 65 you will qualify for Medicare Part B. If you also qualify for Medicare Part A, you may receive reimbursement of your monthly Medicare Part B premium at the standard amount.

Effective January 1, 2012, the Medicare Part B standard premium amount will be \$99.90 per month. Members who paid the standard premium of \$96.40 per month in 2011 will see an increase, while those who paid the standard premium of \$110.50 or \$115.40 per month will see a decrease. In 2012, LAFPP will reimburse only the standard Medicare Part B premium of \$99.90 per month.

To be eligible for Medicare Part B premium reimbursement, you must:

1. Be receiving a Medicare health subsidy or health insurance premium reimbursement from Los Angeles Fire and Police Pensions, **and**
2. Be enrolled in both Medicare Parts A and B.

Those who qualify for only Part B, and not Part A of Medicare do not receive Medicare Part B premium reimbursement, but will remain qualified for a health subsidy.



Member Dental Insurance Subsidy

Effective January 1, 2012, the maximum member dental subsidy will increase from \$36.16 to \$44.14. Eligible members receive 4% (up to 100%) of this maximum for each completed year of service, not to exceed the single-party cost of the member's dental plan. Members must be at least age 55 and have a minimum of 10 complete years of service to qualify for this subsidy.

According to the Administrative Code, the maximum monthly dental subsidy shall be the lower of the Los Angeles City Employees' Retirement System maximum dental subsidy or the dental subsidy available to active members of any Fire and Police Pension Plan Tier.

There is no dental subsidy for Qualified Survivors or dependent coverage.



Questions on the Health and Dental Subsidy Program

If you have questions about qualifying for health or dental subsidies, please contact the Medical and Dental Benefits Section at (213) 978-4560, or (800) 787-2489, ext. 84560#.

Online Forms

Have a change of address? Need to change your income tax withholding? How about signing up for direct deposit? Instead of calling and requesting a form, why not complete a "fillable form" online?

You can access forms from our Web site, www.lafpp.com, by clicking on the "Forms" tab on the left. Locate the Retired Member forms near the bottom of the page. After selecting the desired form, enter the information directly from your computer.

Once the form is complete, you must print it by clicking on the "Print Form" tab in the upper left-hand corner. Be sure to sign the form and then you are ready to mail it to us!

We hope you find this new feature easy and more convenient. In the near future, we would like you to be able to submit forms electronically. This way there is no printing or mailing involved. Stay tuned – more "Go Green" enhancements are on the way!

How to Read Your Earnings Statement

Since our transition to the Northern Trust Benefit Payment Processing System in October 2010, we continue to look for ways to improve your Earnings Statement. Based on your feedback, we recently made some changes beginning with your July 29, 2011 pension payment. The layout has been revised, the print enlarged and more detailed descriptions of your adjustments and deductions are now included. The sample below includes a key to the various types of earnings and deductions that may apply to you. If you need further assistance with understanding your Earnings Statement, please contact the Retirement Services Section at (213) 978-4495, or (800) 787-2489, ext. 84495#.



LOS ANGELES FIRE & POLICE PENSIONS
 360 E. Second Street, Suite 400
 Los Angeles, CA 90012
 213-978-4495 or 800-787-2489 ext. 84495
 www.lafpp.com



Account Number	Payment Date	Reference Number	ID Number
BOX 1	BOX 2	BOX 3	BOX 4

Important Federal tax Election Notice
 You have the right to elect not to have withholding apply to your pension, or to certify that you are exempt from Federal Withholding. An election not to have withholding apply will remain in effect until you revoke it, which you may do at any time. You may elect not to have withholding apply or revoke a prior election not to have withholding apply by completing, signing and returning an Income Tax Withholding Form. Contact LAFPP for an Income Tax Withholding Form or visit www.lafpp.com. If you elect not to have withholding apply, or if you do not have enough Federal income tax withheld from your pension, you may incur IRS penalties under the estimated tax rules.

Current Tax Withholding Elections

Federal	BOX 5
State	BOX 6

EARNINGS AND DEDUCTIONS

Current Gross	Federal W/H Tax	State W/H Tax
BOX 7	BOX 9	BOX 11
YTD Gross	YTD Fed. Tax	YTD State Tax
BOX 8	BOX 10	BOX 12
Adjustments	Other Deductions	
BOX 13	BOX 14	
Net Pay		
BOX 15		

Member Name
 Member Address

ADJUSTMENTS

Adjustment Description	Amount	YTD Amt	Adjustment Description	Amount	YTD Amt
BOX 16	BOX 17	BOX 18	BOX 16	BOX 17	BOX 18
MEDICARE PART B REIMBURSEMENT	\$96.40	\$771.20	LAFPP DENTAL SUBSIDY	\$36.16	\$72.32
LAFPP MEDICAL SUBSIDY	\$480.41	\$960.82			

OTHER DEDUCTIONS

Deduction Description	Amount	YTD Amt	Deduction Description	Amount	YTD Amt
BOX 19	BOX 20	BOX 21	BOX 19	BOX 20	BOX 21
LAPRA ANTHEM BC PPO	\$44.39	\$133.17	L.A. RETIRED F&P ASSN	\$5.00	\$40.00
LAPRA BC DENTAL PPO	\$24.84	\$178.72	POLICE RELIEF GROUP LIFE INS	\$8.50	\$68.00
LAPRA ANTHEM BC PPO SUBSIDY	\$480.41	\$960.82			
LAPRA BC DENTAL PPO SUBSIDY	\$36.16	\$72.32			

IMPORTANT MESSAGES

BOX 22



- Box 1 Account Number – The last four digits of the bank account into which the pension payment is directly deposited. (Does not apply to pensioners receiving checks.)
- Box 2 Payment Date – The date the check was mailed or directly deposited.
- Box 3 Reference Number – The check reference number.
- Box 4 ID Number – This field is currently not in use.

Current Tax Withholding Elections

This section summarizes the federal and California state withholding elections.

- Box 5 Federal – The federal tax withholding status.
- Box 6 State – The California state tax withholding status.

Earnings and Deductions Section

This section summarizes the monthly pension amount, adjustments and deductions.

- Box 7 Current Gross – The current gross pension amount for this month.
- Box 8 YTD Gross (year-to-date) – The total gross pension amount for the year.

Note for Tax-Free Pensions: Boxes 7 and 8 will not contain any information. Instead, these amounts are reported under “ADJUSTMENTS” in Boxes 17 and 18.

- Box 9 Federal W/H Tax (withholding) – The federal tax amount withheld from the Current Gross (Box 7) pension amount. (Based on your withholding election in Box 5.)
- Box 10 YTD Fed. Tax (year-to-date) – The total federal tax amount withheld from the YTD Gross (Box 8) pension amount for the year.
- Box 11 State W/H Tax (withholding) – The total California state tax amount withheld from the Current Gross (Box 7) pension amount. (Based on your withholding election in Box 6.)
- Box 12 YTD State Tax (year-to-date) – The total California state tax amount withheld from the YTD Gross (Box 8) pension amount for the year.

Note for Tax-Free Pensions: Boxes 9-12 will not contain any information due to the tax-free status.

- Box 13 Adjustments – The sum total of the “ADJUSTMENTS” reported in all of the Box 17 fields.
- Box 14 Other Deductions – The sum total of the “OTHER DEDUCTIONS” reported in all of the Box 20 fields.
- Box 15 Net Pay – The total net amount of the check or direct deposit for the month. Formula: Box 15 = Box 7 - Box 9 - Box 11 + Box 13 - Box 14.

Adjustments Section

This section lists, where applicable, the medical subsidy, dental subsidy and/or Medicare Part B reimbursement amounts. The sum total of the amounts stated in all of the Box 17 fields is reported in Box 13.

- Box 16 Adjustment Description – The type of adjustment.
- Box 17 Amount – The amount of the adjustment for this month.
- Box 18 YTD Amt (year-to-date) – The total amount of the adjustment received for the year.

Note for Tax-Free Pensions: Additionally, this section reports your current gross pension amount for the month in Box 17, and your total year-to-date gross pension amount in Box 18.

Other Deductions Section

This section lists, where applicable, the voluntary deductions, the medical and/or dental subsidy applied to the premium(s) and any remaining out-of-pocket expenses for the premium(s).

A list of all voluntary deductions is available on page 10.

- Box 19 Deduction Description – The description of the deduction.
- Box 20 Amount – The amount of the deduction.
- Box 21 YTD Amt (year-to-date) – The total amount of the deduction taken for the year.

Important Messages Section

- Box 22 Look for important information or reminders from LAFPP here!

VOLUNTARY PENSION DEDUCTIONS

DEDUCTION CODE	DESCRIPTION
ACEBSA	ALL CITY EMPLOYEES BENEFITS SERVICE ASSOCIATION
AFSRCH36	AFSCME RET CHAPT 36
DSTRFGPO	DESERT REFUGE PEACE OFFICERS
FPBCPPO	F&P BLUE CROSS PPO/MEDI SUPP
FPDENMET	METLIFE DENTAL
FPDENTAD	DENTAL INS ADJ
FPHLTHAD	HLTH INS ADJ
FPKAISER	F&P KAISER/SR ADVANTAGE
FPSCHZAZ	F&P SECURE HORIZONS – AZ
FPSCHZCA	F&P BLUE CROSS HMO/S HORIZONS
FPSCHZNV	F&P SECURE HORIZONS – NV
FREIFASS	FIRE RELIEF ASSESSMENT
FRELDULA	FIRE RELIEF DUES, LTC, WODFF
FRKAISER	FIRE RELIEF KAISER
FRMEDPPO	FIRE RELIEF MEDICAL
HLTINSSC	HLTH INS SURCHARGE
LACLFEIN	CITY EMPLOYEES CLUB LIFE INS
LACRDTUN	L.A. CREDIT UNION
LAFHISSC	L.A. FIRE HISTORICAL SOCIETY
LAPHSTS	L.A. POLICE HISTORICAL SOC.
LAPMENFN	L.A. POLICE MEMORIAL FNDTN
LAPRTPAC	L.A. PORT POLICE ASSOC
LARETFPA	L.A. RETIRED F&P ASSN
LATNALEA	LATIN AMERICAN LAW ENFORCEMENT ASSOCIATION
P381ALEG	POST 381-AM. LEGION
POCRDTUN	POLICE CREDIT UNION
POLPLINS	POL PROTECT LEAGUE INS
PPLDENT	POL PROTECT LEAGUE DENTAL INS
PRADUES	POLICE RELIEF DUES
PRAEXTD	POLICE RELIEF EXTRA DEDUCTIONS
PRALIFE	POLICE RELIEF GROUP LIFE INS
PRBCPPO	POLICE RELIEF BLUE CROSS
PRCALCRE	POLICE RELIEF CALIFORNIA CARE
PRDENHMO	POLICE RELIEF BLUE CROSS HMO DENTAL
PRDENPPO	POLICE RELIEF BLUE CROSS PPO DENTAL
PRKAISER	POLICE RELIEF KAISER
RBIDUES	POLICE RELIEF RBI DUES
STENTRNS	STENTORIANS
UFLACBC	UFLAC BC PRUDENT BUYER PPO
UFLACCC	UFLAC CA CARE
UFLACDEN	UFLAC DENTAL INSURANCE
UFLD&B	UFLAC DUES & BENEFITS
UFLGRPIN	UFLAC GROUP INS
UNCOLFND	UNITED NEGRO COLLEGE FUND
USSVGBND	US SAVINGS BONDS
UWAYACE	UNITED WAY – ACE
WKCMPRCP	WORK. COMP. RECAP

Tax Exclusion Reminder

Under the Pension Protection Act of 2006, Section 845, retired public safety officers who meet eligibility requirements may have a tax exclusion from gross income for up to \$3,000 per year for health and dental insurance premiums deducted directly from their pension checks and paid directly to their health and/or dental plans by LAFPP. This exclusion from gross income will have a positive tax advantage. **Please note any subsidy amounts paid by LAFPP to members' health or dental plans do not qualify for this tax exclusion. This includes subsidy amounts in the "OTHER DEDUCTIONS" section of your monthly pension earnings statement.**

IRS instructions for Form 1099-R state that there are no special reporting requirements for payments of qualified health, dental, accident or long-term care insurance by retired public safety officers. Qualified recipients of these distributions should claim the associated tax benefits on their own income tax documents filed with the IRS. Members can locate the end-of-year deduction totals for their 2011 health and dental premium payments on their December 30, 2011 pension check or direct deposit statement, as shown in the example below. Please confer with your tax advisor as to specific reporting requirements on your individual tax filings with the IRS.

How to Determine Your Tax Exclusion - Example

1. In the "OTHER DEDUCTIONS" section of your **December 30, 2011** pension earnings statement, locate the line items detailing your out-of-pocket health and/or dental premium expenses, shown here as "a." and "b."

OTHER DEDUCTIONS					
Deduction Description	Amount	YTD Amt	Deduction Description	Amount	YTD Amt
BOX 19	BOX 20	BOX 21	BOX 19	BOX 20	BOX 21
LAPRA ANTHEM BC PPO	\$44.39	a. \$133.17	L.A. RETIRED F&P ASSN	\$5.00	\$40.00
LAPRA BC DENTAL PPO	\$24.84	b. \$178.72	POLICE RELIEF GROUP LIFE INS	\$8.50	\$68.00
LAPRA ANTHEM BC PPO SUBSIDY	\$480.41	\$960.82			
LAPRA BC DENTAL PPO SUBSIDY	\$36.16	\$72.32			

2. Item "a." under BOX 21 details the member's total out-of-pocket deduction for the year for his/her Anthem Blue Cross health premium - \$133.17.
3. Item "b." under BOX 21 details the member's total out-of-pocket deduction for the year for his/her Blue Cross dental premium - \$178.72.
4. To get the total yearly deduction for health and dental premiums, combine "a." and "b."

\$133.17	+	\$178.72	=	\$311.89
(a.)		(b.)		
Total Health Deduction for the Year		Total Dental Deduction for the Year		Total Deduction for the Year

The member may take a total tax exclusion of \$311.89.

(continued on next page)

Summary of the Tax Exclusion Rules

What does the law provide?

The law says that qualified public safety employee retirees may deduct insurance premiums paid from their retirement benefits for health, dental, accident or long-term care up to \$3,000 per year.

Who is a qualified public safety employee?

All retired Los Angeles City firefighters, police officers and port police officers* who retired on or after achieving eligibility for normal retirement or who retired on a disability retirement meet the definition.

Vested members who left prior to being eligible to retire are not covered.

If you worked as a police officer, firefighter or port police officer* but retired from the City in a different employment category, you may not be covered. Please consult with your personal tax advisor if you have questions.

** Port police officers who are members of LAFPP.*

Does it cover only my individual premiums or does it apply to family members?

The retiree can use the exclusion for his or her own premium or the premium

covering a spouse or a dependent. A dependent is defined as someone for whom you can take a deduction on your tax return.

Your individual tax advisor or accountant should be consulted on qualification as a dependent.

Is a domestic partner a spouse?

No. A domestic partner is not a spouse. A spouse must be a person to whom you are legally married.

A domestic partner may be claimed as a dependent if he or she otherwise qualifies as a dependent for tax purposes.

If I am legally married to another retired member of the Fire and Police Pension Plan, can we each claim an exclusion?

Yes, as long as the eligible deductions are taken from both retirees' pension checks.

Are there any rules about how the premium is paid?

Yes, the pension plan must pay the premium directly to the provider of the health, accident, or long-term care coverage. Money paid directly by the retiree to the provider (for example, via check or credit card) is ineligible for the tax exclusion.

Can I claim the \$3,000 tax exclusion from several plans?

No. The total that can be claimed by a retiree for premiums paid for the retiree, spouse and dependents is up to \$3,000 from all sources.

Are survivors of qualified public safety employees eligible to take advantage of the tax exclusion?

No. The benefit is intended only for the retired member.

How will the income paid for insurance be reported to the IRS?

Each calendar year, the December pension earnings statement contains the final year-to-date dental and health premium deductions for the year. **You can include these amounts (up to the combined \$3,000 maximum) as a taxable income exclusion on your individual tax returns.**

How do I report the exclusion on my tax form?

The IRS requires retirees to report total distributions on Form 1040, line 16a; Form 1040A, line 12a; or Form 1040NR, line 17a. The taxable amount should be reported on Form 1040, line 16b; Form 1040A, line 12b; or Form 1040NR, line 17b. Also, retirees should write "PSO" (Public Safety Officer) next to the appropriate line where the taxable amount is reported.

What about members in the Health Insurance Premium Reimbursement program?

Most members in the Health Insurance Premium Reimbursement program pay their premiums directly to their health plan providers. Any direct payment from the member to the health plan does not count towards the

\$3,000 tax exclusion. Reimbursements paid by LAFPP to the member **do not** count toward the \$3,000 exclusion. However, participants of the program may still be able to claim the tax exclusion if premiums are paid directly from their deferred compensation account to the insurance provider(s). You will need to contact the City's deferred compensation staff at (888) 457-9460 to make arrangements for direct payment of your insurance premiums.

December 2011 Pension Check

Reminder

As a result of our transition last year to a new benefit payment system, we want to remind you that your December 2011 pension payment will be mailed or directly deposited on December 30, 2011, the last business day of the year, instead of the first business day in January.

A schedule of pension payments for 2012 is listed below and is also available online under the "Retired Members" tab at www.lafpp.com.

For inquiries, you may contact the Retirement Services Section at (213) 978-4495, or (800) 787-2489, ext. 84495#.

2012 Pension Payment Schedule

Check #	Pension Roll Month	Mail/Direct Deposit Date	Tax Reporting Year
1	January 2012	1/31/2012	2012
2	February 2012	2/29/2012	2012
3	March 2012	3/30/2012	2012
4	April 2012	4/30/2012	2012
5	May 2012	5/31/2012	2012
6	June 2012	6/29/2012	2012
7	July 2012	7/31/2012	2012
8	August 2012	8/31/2012	2012
9	September 2012	9/28/2012	2012
10	October 2012	10/31/2012	2012
11	November 2012	11/30/2012	2012
12	December 2012	12/31/2012	2012

1099-R News Flash

It is almost that time of the year again – tax season! Northern Trust, our benefit payment servicer, will mail your Form 1099-R for tax year 2011 by January 31, 2012.

If you do not receive your 1099-R, please allow at least five (5) working days from the mailing

date before calling to request a duplicate. To request a duplicate copy, or if you have any other 1099-R related inquiries, please contact the Accounting Section at (213) 978-4420, or (800) 787-2489, ext. 84420#.

Reporting the Death of a Pensioner and Applying for a Survivor Pension Benefit

The death of a loved one can be a traumatic experience. Unfortunately, while coping with a death, survivors must often manage the deceased's financial and personal affairs. We understand how difficult this time can be. This article summarizes the steps survivors should take in the event a member passes away.

Reporting the Death

When the death of a pensioner occurs, it is important to contact the LAFPP Retirement Services Section as soon as possible by calling (213) 978-4495, or (800) 787-2489, ext. 84495#.

Once the death is reported, we can expedite the payment of the deceased pensioner's last check and begin the paperwork to process the pension benefits for any qualified survivors. If there is a delay in reporting the death of a pensioner, any overpayment will be charged to the qualified survivor.

If, as the pensioner, you have no qualified surviving spouse or any other qualified survivor, you should designate someone such as your attorney or the executor of your estate to notify us.

Applying for a Survivor Pension Benefit

1. Once the death of a member is reported to the Retirement Services Section, an Application for Survivor Pension Benefits will be mailed to the eligible survivor within one to two business days.
2. The application should be completed and returned with: i) a certified copy of the death certificate, ii) a certified copy of the marriage certificate (if requested) and any other requested documents. **Please note: It can take approximately 30-90 days to receive a death certificate from the county or other agency.**
3. Once the Retirement Services Section receives the completed application and required documents, the request for a survivor pension benefit will be scheduled for review at the next available meeting of the Board of Fire and Police Pension Commissioners. The Board normally meets on the first and third Thursdays of the month at 9:00 a.m. It is not necessary for the survivor applicant to be present at the Board meeting.
4. Upon Board approval, the qualified survivor's pension will commence the following month.

Once a complete Application for Survivor Pension Benefits and all required documents are received, **it can take approximately 30-60 days before the first payment is issued to the qualified survivor.** Incomplete applications and/or missing documents will delay the payment. Because the survivor benefit application process can be fairly lengthy, it may be necessary to ensure that enough personal savings are available for use until benefits begin to be paid.

Information on survivor benefits and the application process are available online at www.lafpp.com under the "Qualified Survivors" tab. You may also contact the Retirement Services Section for more information at (213) 978-4495, or (800) 787-2489, ext 84495#.

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 (Board) elected Commissioner Robert von Voigt as President and Commissioner Brenda Maull as Vice President.

Rafael Bernardino was appointed to the Board by the Mayor. Welcome Commissioner Bernardino!

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	6/30/2015
Brenda Maull, Vice President	Appointed by the Mayor	6/30/2012
George Aliano	Elected by Retired Police Members	6/30/2014
Rafael Bernardino	Appointed by the Mayor	6/30/2016
Sam Diannitto	Elected by Retired Fire Members	6/30/2015
Dean Hansell	Appointed by the Mayor	6/30/2015
Wayne Moore	Appointed by the Mayor	6/30/2014
Ruben Navarro	Elected by Active Fire Members	6/30/2012
Raúl Pérez	Appointed by the Mayor	6/30/2013

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.



A Message to Retired Police Officers – Update on the “Flat Badge”

From Retired Police Officer and Board Commissioner, George Aliano

I received word that the City Council passed the Flat Badge motion in April that removes the January 1993 restriction on who can receive the badge. The new badges will say ‘Honorably Retired’ instead of just ‘Retired’. The next step will be for the LAPD to work out the details with the badge company and how they will collect the old badges. I would have hoped they would have put out some information or a memo to let us know the current status. The issue regarding the Reserve Officers wanting a flat badge for serving 20 years as a volunteer is a separate issue and not connected to the current or future retirees.

Please know that all I did during this quest was to follow the process as it went on its journey through the Attorney General’s Office to the City Attorney’s Office to City Council Committee and to full Council vote, which all took about 3 years. It was done to get an answer for a member who asked a question of why there was a 1993 date restriction preventing retirees from getting a flat badge. I’m sure the Department started this process because of the many complaints they received. I’m pleased that it finally has ended in a way that allows all honorably retired officers to obtain the badge of their choice.

George Aliano

BOARD AWARDS TWO DISTINGUISHED SERVICE MEDALS

At its November 17, 2011 meeting, the Board of Fire and Police Pension Commissioners awarded the Distinguished Service Medal to Lee Kebler, Retired Fire Captain and Tom Lopez, LAFPP Chief Investment Officer for their years of loyal and dedicated service to the System. The purpose of the Distinguished Service Medal is to recognize present or former Commissioners, Department employees or others who have made an outstanding contribution to the Board or to the Department of Fire and Police Pensions.

Lee Kebler, Retired Fire Captain

Lee Kebler served 31 years with the Los Angeles Fire Department and retired in 1978 as a Fire Captain. During this time, Lee devoted himself to several projects that were important to the



fire and police personnel. These included serving as a Delegate for the Fire and Police Protective League and as a Director for the Firefighters Association.

Since 1998, Lee has served as a Director for the Los Angeles Retired Fire and Police Association,

and was President from 2002 to 2003. In this role he has been active in pension issues and has been instrumental in several critical initiatives that have helped secure the retirements of members. Most notably, Lee helped restore pensions for widows who remarried prior to 1997, he initiated the Memorial Paver Program, he advocated for retired member representation on the Board under the new Charter and lobbied heavily for and signed the ballot initiative that established the Survivor Benefit Purchase Program.

Lee also volunteers with the LAFD Historical Society, using his experience to help build the Fire Department Fallen Firefighters Memorial, two Fire Department Museums and to help restore historic Fire Boat 2.

Lee is celebrating this award with his wife of 60 years, Mary, and sharing his legacy with his children Michael, Patricia and Jeffrey, as well as with his grandchildren Chris and Drew.

Tom Lopez, Chief Investment Officer

Tom Lopez was honored for his 31 years of dedicated service to the System, its members and the City of Los Angeles. Tom began his career with the City in 1980 as a Management Assistant in the Investments Section of LAFPP. He quickly promoted to Management Analyst

and then Investment Officer. In 2003, Tom was appointed Chief Investment Officer.

During Tom's tenure, the Fund expanded from utilizing a single money manager invested in a few stocks and bonds to numerous money managers invested in over a dozen different asset classes. Pension fund assets under management grew from approximately \$800 million in 1980 to approximately \$14 billion in 2011.

As Chief Investment Officer, Tom has been instrumental in:

- Safely navigating the Fund through several market downturns and various financial crises while maintaining a pension funding status of over 90%.
- Guiding the Fund's asset allocation and ensuring that the Fund is adequately diversified to weather the various market cycles and financial storms.
- Facilitating the Board's adoption of the real estate asset class through his work in developing the ballot initiative and the Board's Real Estate Policy.
- Establishing the Board's Ethics Policy and upholding the highest ethical and professional standards.
- Developing the expertise of investment staff and growing the Section into a division of over ten professionals.

Tom has been invaluable to Los Angeles Fire and Police Pensions, maintaining his integrity as a fiduciary of the System, always mindful of his duty of undivided loyalty to the members.



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. When calling our toll-free number (800) 787-2489, please use the extension numbers provided for each section, followed by the pound sign (#).

Accounting (for Pensioners only)

(213) 978-4420 (or 84420#)

- Workers' Compensation (offset inquiries, balances due, etc.)
- Form 1099-R (current and prior tax years)

Communications & Special Projects

(213) 978-4530 (or 84530#)

- Newsletters
- Web Site Updates

Medical and Dental Benefits

(213) 978-4560 (or 84560#)

- Health Insurance Subsidy
- Medicare Part B Reimbursement
- Dental Insurance Subsidy
- Health Insurance Premium Reimbursement
- Year-to-Date Insurance Deduction Totals

Disability Pensions

(213) 978-4500 (84500#)

- Disability Pension Processing and Inquiries
- Disability Pension Reviews
- Survivor Pensions - Active Members
- Review of Dependent Children/Dependent Parent Qualifications

Retirement Services Section

(213) 978-4495 (or 84495#)

- DROP - Information on the Deferred Retirement Option Plan
- Service Pension Processing and Inquiries
- Retired Members:
 - Retired Member Records and Information
 - Change of Address
 - Discontinuance of Benefits (on death or other ineligibility)
 - Cost of Living Adjustments
 - Direct Deposit
 - Earnings Statements
 - Tax Withholding
 - Survivor Pensions
 - Survivor Benefit Purchases - Post Retirement Marriages and Domestic Partnerships

Other Ways to Contact Us

Toll Free: (800) 787-CITY (2489)

Fax: (213) 978-4450

TDD: (213) 978-4455

E-mail: pensions@lafpp.com

Web site: www.lafpp.com

Address: 360 E. Second St.,
STE 400
Los Angeles, CA 90012

For your convenience, the following forms and pamphlets can be printed from our Web site: Change of Address for Pensioners, Direct Deposit (for pensioners only), Declaration of Domestic Partnership, Notice of Termination of Domestic Partnership, DROP Beneficiary Designation, DROP Distribution Election, Income Tax Withholding, Retired Health Insurance Premium Reimbursement Claim, Survivor Benefits Handbook and the Voluntary Deduction Code Description List.



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

