

LACERS NEWS

ACTIVE MEMBERS
SPRING 2021



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**LACERS
NEWS**



A MESSAGE FROM BOARD PRESIDENT, CYNTHIA M. RUIZ



There have been so many changes in the world and in our communities since we last spoke and I just want to start off by saying that I hope you and your loved ones are staying safe and well.

As President of the LACERS Board of Administration, I am a fiduciary to you, our Members, first and foremost. In this role, I have an obligation to protect the Fund and to act upon your best interests. While some of you may have a lot of knowledge about investing and finance, others may prefer to leave investment decisions to professionals. I think most of us fall somewhere in between the spectrum.

The LACERS Board strives to make decisions that balance the demands of the Fund, mostly paying for retirement allowances and health benefits, with prudent investment decisions. We currently are in the middle of an Asset/Liability Study. This study details different options that weigh many factors in our pursuit of:

- Higher expected returns
- Better diversification
- Sufficient liquidity to meet cashflow needs

In each proposed “mix,” the factors being considered are:

- The expected funded status (50th percentile) is projected to improve versus the current mix under all proposed asset mixes
- Contribution rates are projected to be lower than the current target with all proposed mixes
- Focusing on liquidity, all mixes look favorable under expected and stressed environments

Further, the Asset/Liability Study is presented here to provide an example of our care and consideration that is taken to gain the best investment outcomes for LACERS. Supported by this framework, investments at LACERS are a product of policy and guidelines and do not follow trends or market fluctuations.

I encourage you to visit [youtube.com/lacersyoutube](https://www.youtube.com/lacersyoutube) to view a video about LACERS Asset Allocation, presented by our Investments team.

I also would like to invite you to join our Board of Administration Zoom meetings at 10:00 a.m. every 2nd and 4th Tuesday of the month.

Stay Safe and Healthy.

A MESSAGE FROM GENERAL MANAGER, NEIL GUGLIELMO



While many organizations and businesses have stalled during these difficult times, LACERS has created opportunities for growth in benefit delivery and services to our Members. Like most City employees, LACERS staff have been working from home. At first, our focus was making sure we were able to

provide our Members the most basic, essential services. Fortunately, the transition has been a smooth one for LACERS and the initial trial turned into a building block for an expansion of our services to you. Fueling this growth was the City of Los Angeles, as Plan Sponsor, to implement retirement incentive programs that literally quadrupled our workload in this new, remote-working environment.

LACERS responded by accelerating our website redesign and social media platforms to provide seminars, education, videos, and forms to transition more than 2,300 Active Members into Retired Members.

While the Los Angeles World Airports Separation Incentive and the City of Los Angeles Separation Incentive Programs (LAWA SIP and CSIP, respectively) have been completed successfully, we are now preparing to process the Port of Los Angeles Separation Incentive Program.

This was made possible, in part, by our Retirement Services Division whom created a more efficient process to guide our Members into retirement through a new Managed Retirement Application.

Due to the workload and the challenges to some of our Members, we've had to offer new ways to best serve you with our offices closed to the public. For instance, normally our annual Health Benefits Open Enrollment for Retirees occurs from October 15 to November 15. Because of the pandemic, our Health Benefits Administration Division extended Open Enrollment through March 2021 to better accommodate Retired Members.

Meanwhile, our Investments Division implemented an in-office/remote work hybrid model to manage our \$21 billion portfolio while undertaking an Asset/Liability Study with the Board of Administration. Our Investments team has turned an upheaval into a new normal for investments.

Supporting our new way of doing business is our Systems team. Our business is sensitive in all aspects; therefore, keeping your information confidential is a top priority. LACERS' Systems staff transitioned our office to a work from home environment for most of our employees, while protecting our data. Additionally, our Member Services Division helped setup a remote call-center to ensure our Members continued to receive live assistance through our (800) number. They have been working hard to keep you connected and informed about your benefits and field more than 1,000 calls weekly. Truly an example of teamwork at its best!

Similarly, our Administrative Services Division has given tremendous support to in-office employees, our new headquarters design and future transition, financial reporting, and general office management.

Given the scope of all this work, I am very proud to be General Manager of a great team at LACERS.

All the best.



Things to Keep in Mind: Choosing a Retirement Date

Members who are planning to retire should contact LACERS approximately 90 days prior to their preferred retirement date.

Members are required to submit their applications during the 30-60 calendar days prior to their Retirement Effective Date. Therefore, contacting us 90 days prior will provide you enough time to prepare to submit your application in our new online Retirement Application Portal (launching soon).

The ongoing health emergency

and the Separation Incentive Programs have impacted LACERS' operations and processing timeline, and currently LACERS is using the Managed Service Retirement Application to streamline the retirement process.

While every effort will be made to honor your requested retirement effective date, LACERS will notify you of your official date if your preferred date is not available.

We appreciate our Members' patience and flexibility.

Visit the LACERS FAQ Page

Have a question about your LACERS benefits? Chances are you're not alone!

Head to our Frequently Asked Questions page at lacers.org/frequently-asked-questions and find the answers to common questions asked by Members just like you.

Meet Your Retirement Goals with Service Credit Purchases

You may be eligible to purchase service credit if you have worked part-time (in the pensions savings plan) with the City or with another government agency. Purchasing service credit counts towards your retirement benefits!

Visit lacers.org/service-credit-purchases to see service purchase options, requirements and applications. Remember to submit your applications early - some are calculated based on your current salary at the time your application is processed and the longer you wait to get the process started, the more it could cost you.

Currently, LACERS has a backlog of cases and processing time for applications is 10-12 months. If agencies outside of LACERS are involved, it can take additional time.

Don't wait until LACERS provides the total cost information to start preparing for your purchase. Start saving now! The money you save now can help offset the service purchase cost.

Don't forget, you can use your Deferred Compensation funds to pay for a service purchase! Contact the Deferred Compensation Plan at la457.com for more information.



Attend a Planning for Retirement Webinar

It's never too early to begin thinking about retirement. Whether retirement is around the corner, or in the distant future, there are important things to consider to prepare yourself for the retirement planning process.

Take the first step toward a successful retirement by attending a Planning for Retirement webinar. You'll learn about a variety of retirement topics from the comfort of your own home. For upcoming dates and to sign up, visit lacers.org/attend-seminar. Don't have time to attend a live webinar?

Check out and subscribe to our YouTube channel at youtube.com/laceryoutube to view a recording of one along with single topic videos and more!

DIVISION SPOTLIGHT:

Survivor Benefits Unit

LACERS' Survivor Benefits Unit is here to support you and your loved ones through the process of claiming survivor benefits after you pass away.

When you pass away, your loved ones should notify LACERS of your passing and be prepared to provide their contact information. The Survivor Benefits Unit will use that information as a starting point to seek out your beneficiaries. Staff will review your LACERS account to ensure that benefits will be paid out as you wished, and prepare a benefit packet to be completed by your beneficiaries and returned to LACERS.

Remember to keep your beneficiaries updated so that your benefits will be paid as you intend them to be paid. You can view a list of your current beneficiaries on your MyLACERS account. To change your beneficiaries you can download the form through your MyLACERS account or by visiting lacers.org/forms.

A MESSAGE FROM CHIEF INVESTMENT OFFICER, ROD JUNE



The past 12 months has seen an unprecedented level of economic stimulus injected into the U.S. economy. While essential to a strong rebound recovery, these stimulus programs have the potential to lead to rising inflation. Is the Board of Administration concerned about inflation and how do they consider its impact on the LACERS investment program?

We know that inflation erodes purchasing power due to higher prices for goods and services; moderate levels of inflation are a sign of a healthy economy. But rising rates of

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inflation cause economic uncertainty, reduced capital investment, and slowing of economic growth.

Further, inflation is a key consideration when adjusting the LACERS investment asset weightings. For example, equity valuations may keep pace with rising inflation but bond valuations do not fare as well due to fixed income streams. Real assets, such as real estate and Treasury Inflation-Protected Securities (TIPS), generally outperform during inflationary periods, helping to protect the value of the investment portfolio.

The LACERS Board is currently discussing the impact of inflation (plus other key factors such as growth, liquidity, interest rates, and diversification) on the LACERS investment portfolio to ensure an optimal asset allocation policy that can deliver promised benefits to plan members and their beneficiaries well into the future.



Summer Emergency Preparedness

No matter where you reside, natural and human-made disasters are a part of life and can strike without warning. This summer, make sure you and your family are prepared for an emergency with these top three tips:

Make an emergency kit. Critical services may be disrupted after a hazardous event or disaster and you should prepare to be self-sufficient for at least 7 to 14 days. An emergency kit should have at minimum: a gallon of water per person in your household, with a two-week supply for your home;

Nonperishable food (i.e. canned foods); flashlight with extra batteries; a first aid kit; and a seven-day supply of your necessary medications. Learn the types of disasters or emergencies that may likely occur in your area to better tailor your emergency kit to your needs at [emergency.lacity.org](https://www.emergency.lacity.org).

Create an Emergency Plan. Discuss with your household members what meet-up locations and contacts you should have so that you can keep in touch in the case of an emergency. Keep this information handy, such as in your wallet or in your cellphone.

Stay Informed. Identify how local authorities will notify you during a disaster and how you will get information, whether through local radio, TV, or social media channels. Many areas also offer apps that you can download to your phone for the latest notifications and updates.

Are My Bonuses Pensionable?

Members often ask, "Are my bonuses going to be included in my retirement allowance?" Based on the Administrative Code, Compensation included in the calculation of Final Compensation is limited to base salary and regularly assigned bonuses or premium pay designated as salary by an ordinance of the City or Memorandum of Understanding (MOU).

The MOUs delineate which bonuses are pensionable or non-pensionable. The main determining factor for a bonus to be considered pensionable is it must be "regularly assigned." However, there are exceptions. Please refer to the "Salary Notes" or the specific bonus section of your MOU <https://cao.lacity.org/erd/index.htm> to determine if the bonus is pensionable or non-pensionable.

If questions remain after review of your MOU, please consult the Personnel or Payroll section of your City department for clarification and further assistance.

Budget Friendly Activities for Summer

Developing and following new hobbies can make every day refreshing. With quarantine orders still a part of 2021, it is helpful to have a mix of do-it-yourself-at-home and out and about hobbies to turn to. Here's a short list of budget-friendly ideas to keep things interesting:

Write 1,000 Words a Day - Journal your thoughts on a daily basis with a goal of writing at minimum 1,000 words. It sounds a bit difficult at first, but this worthwhile habit will improve your writing skills and allow you to reflect upon your ideas later.

Go Outside - Set aside some time each day to breathe fresh air and explore the beauty of nature. Not up for a trip to your local hiking spot? That's okay, even a walk around your block can unlock good tidings.

Discover New Music - The Internet provides a plethora of music to consider. Will 2021 be the year you curate that perfect playlist?



THE LATEST :

Explore the LACERS YouTube Channel

Information about your retirement is now more accessible than ever! Over the past year LACERS has continued to embrace the use of digital resources for our Members, including expanding our YouTube channel. The channel now holds over 50 videos about topics including the retirement process, service credit, legal planning, and much more.

Explore the channel today at youtube.com/lacersyoutube, and make sure to subscribe. When you subscribe, you'll join over 800 other Members to be notified when new content is posted!

Brand-New LACERS Retirement Application Portal - Coming Soon!

LACERS has developed a new and convenient way to apply for retirement - the online Retirement Application Portal is launching soon in mid-June!

This safe and secure portal offers 24/7 access to your retirement application and removes the need to mail in forms and documents. Stay tuned for more information in our upcoming Eblasts and on our website. Retiring has never been so easy!



LACERS NEWS

STAFF

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- Heather Ramirez** Sr. Benefits Analyst I
- Nathan Herkelrath** Benefits Analyst
- Tiffany Obembe** Benefits Analyst
- Vanessa Lopez** Benefits Analyst
- Gabriel Perez** Benefits Analyst
- Linda Aparicio** Public Information Director



Creating Your MyLACERS Account is as Easy as 1 -2 -3 !

Your MyLACERS Account is a valuable tool that allows Active Members to view their account balance, run retirement estimates, access forms, and sign up to attend seminars.

STEP 1

The first step in creating your account is to request a PIN Letter. Make sure your address on file with LACERS is current to ensure that your PIN letter does not get returned undeliverable.

STEP 2

To request the PIN letter, head to mylacers.lacers.org. Click the "Enroll Now" button, then click the link titled "Request an Enrollment PIN." Enter your information and click submit to request the PIN. You may also request the PIN letter by calling LACERS.

STEP 3

The PIN letter will come with detailed instructions for creating your account. When you are done, you will be able to log in and enjoy access to all your MyLACERS account has to offer!

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. For additional information or to make a request for documents in an alternative format, please contact (800) 779-8328 or RTT (888) 349-3996.

THERE'S MORE THAN ONE WAY TO REACH US!

WEBSITE:

LACERS.org

EMAIL:

lacers.services@lacers.org

lacers.health@lacers.org

MAILING ADDRESS:

PO Box 512218
Los Angeles, CA
90051-0218

VISIT:

202 W. First Street, Suite 500
Los Angeles, CA 90012

(Currently suspended due to COVID-19)

CALL:

(800) 779-8328

RTT (888) 349-3996

FAX:

(213) 473-7297

(Delayed processing due to COVID-19)

FACEBOOK:

facebook.com/lacerswell

YOUTUBE:

youtube.com/laceryoutube

