

LACERS NEWS

RETIRED MEMBERS
SPRING 2021



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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.

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

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.

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.



LACERS Cost-of-Living Adjustment for 2021

The Cost-of-Living Adjustment (COLA) ensures your value of money at retirement keeps up with the rate of inflation. Each year the LACERS Board of Administration determines a COLA for eligible LACERS Retired Members and Beneficiaries. It is a reflection of the Consumer Price Index (CPI) for the Los Angeles area, which has been determined to be 1.6% for 2021.

The maximum COLA for LACERS Members is set by the City of Los Angeles Administrative Code at 3.0% for Tier 1 and Tier 1 Enhanced Members and 2.0% for Tier 3 Members.

Effective July 1, 2021, retirees are entitled to a minimum COLA of 1.6% based on the change in CPI from 2020. However, for Tier 1 and Tier 1 Enhanced Members who have excess banked COLA, LACERS will pull from their accumulated balances to increase their COLA to a maximum of 3%.

Tier 3 Members do not have a bank and their COLA will remain 1.6%.

All Members who retired after June 30, 2020, will receive a COLA of 1/12th of the 1.6% for each full month of retirement completed by June 30, 2021.

For more information on the LACERS COLA, please visit lacers.org/cost-living-adjustments-cola.



1.6 % COLA for 2021

Summer Emergency Preparedness Tips



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.

Celebrating Older Americans Month

Did you know that May is Older Americans Month?

The Administration of Community Living spearheads the celebrations each year with programming to mark the strength, resilience, and unique life journeys of older Americans. As seen through the turbulence we have all faced together during this past year, connecting with others in your community is important.

To highlight community connectedness, the theme this year is "Communities of Strength." Celebrate and visit **acli.gov/oam** to find ways to take part in the different activities and resources available.

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

intended, and prepare a benefit packet to be completed by your beneficiaries and returned to LACERS. You should also notify LACERS if your spouse/domestic partner or listed beneficiary passes away. This will ensure that you are not paying additional health or dental benefits for a loved one unnecessarily.

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](https://www.lacers.org/forms)**.

A MESSAGE FROM CHIEF INVESTMENT OFFICER, ROD JUNE

"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..."



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 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.

Spring Into Action with LACERS Well Virtual Events

Although in-person events may be deferred at this time, the LACERS Well team has some exciting virtual programming coming up to help keep you informed and engaged with your fellow retirees! Some of our upcoming events include: an Aging Mastery Program, Technology Events, a Father's Day Get-Together, and a Virtual Movie Review Club.

For a full list of upcoming events and their descriptions, registration information, and more make sure to visit the LACERS Well Events page at lacers.org/lacers-well-events.

There's something for everyone!





Budget Friendly Activities for Spring

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?

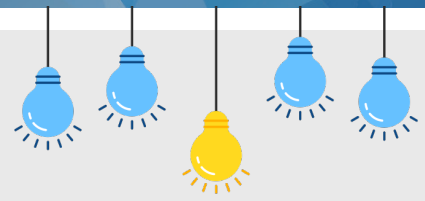
Resources Available for Older Adults

As we continue to navigate the COVID-19 pandemic, there are ongoing resources that are available to you in your communities.

If you live in the Los Angeles area you can find many resources, including information about COVID-19 vaccinations, the latest updates about senior center operations, and more, at the City of Los Angeles' Department of Aging website, aging.lacity.org.

Additionally, the City's Department of Parks and Recreation website, laparks.org, is also a great resource for more information about individual senior centers, outdoor activities, and more.

Don't live in the Los Angeles area? Try a web search on your local city or county government's website for more information on senior centers, activities, and resources.



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THE LATEST:

Learn About Your Paystub Codes

Do you have questions about the meanings of the different paystub codes on your monthly paystub? There is now a page on the LACERS website dedicated to paystub code explanations and is available as a resource to you.

Visit the page at lacers.org/paystub-codes-defined to learn more.

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 wellness opportunities, Medicare, financial resilience, 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!

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

Your MyLACERS Account is a valuable tool that allows Retired Members to view their monthly pay statements and tax documents, access forms, and sign up to attend events and seminars.



STEP 1

Request a PIN Letter. Make sure your address on file is current to ensure it does not get returned as 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 MyLACERS has to offer!



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

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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/lacersyoutube