



Los Angeles County Employees Retirement Association

It's never too late to

plan

for retirement!

General and Safety Members Mid-Career Workshop

Mid-Career Workshop: OVERVIEW

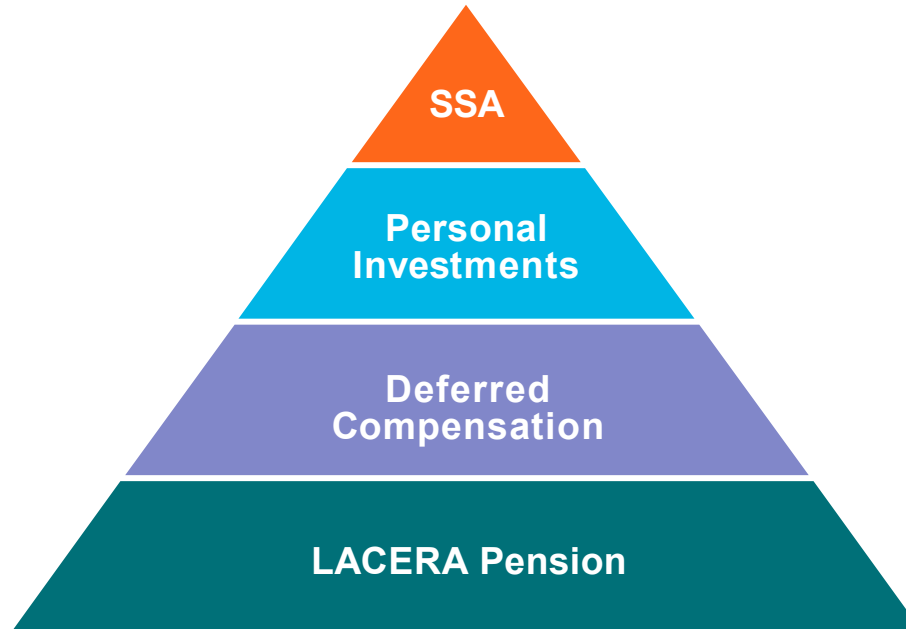
- Income Sources
- Retirement Eligibility
- Retirement Factors
- Maximizing Final Compensation
- Purchasing Service Credit
- Health Insurance Subsidy
- Tier 1 and Tier 2
- The 4 D's: Divorce, Departure, Disability and Death
- Durable Power of Attorney
- My LACERA at www.lacera.com

Income Source

How Will Your Retirement Picture Look?

How much income do I need?

Is 70%-80% of working income enough?



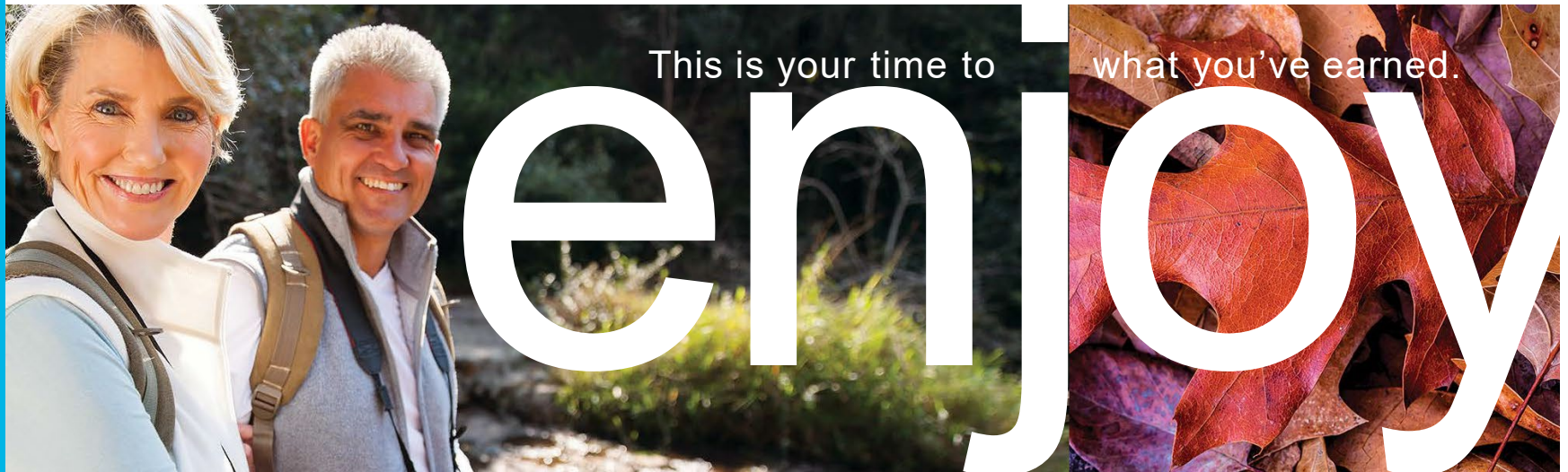
Poll Question #1 and #2



Retirement Eligibility

General Plans B, C and D

- Age 50 with 10 or more years of service
- Any age with 30 years of service
- Age 70 regardless of service
- Vesting: 5 years of service



Retirement Eligibility

General Plan E

- Age 55 with 10 or more years of service
- Age 70 regardless of service
- Vesting: 10 years of service

General Plan G

- Age 52 with 5 or more years of service
- Age 70 regardless of service
- Vesting: 5 years of service



Retirement Eligibility

Safety Plan B

- Age 50 with 10 or more years of service
- Any age with 20 years of service
- Vesting: 5 years of service

Safety Plan C

- Age 50 with 5 or more years of service
- Vesting: 5 years of service

Retirement Factors

Age

- Safety Plan B caps at age 55
- Safety Plan C caps at age 57
- General Plans B, C, D and E caps at age 65
- Plan G caps at age 67

Years and months of Service Credit

- Service credit and age determine your percentage
- $\text{Percentage} \times \text{Final Compensation} = \Monthly Allowance



Retirement Factors

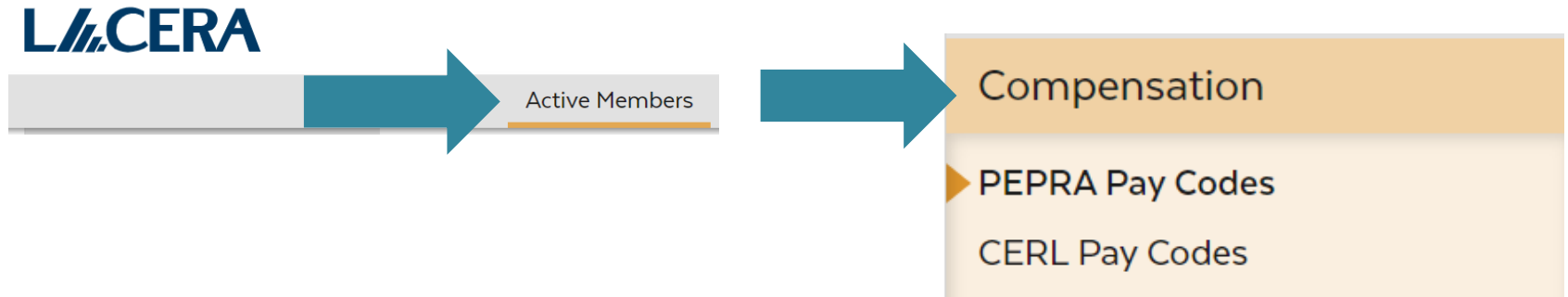
Final Compensation

- 1 year – 12 consecutive months
 - Safety Plan B
 - General Plans B, C, and D
- 3 years – Any three 12 consecutive months
 - Plan E
- 3 years - 36 consecutive months (2025 annual PEPPRA compensation limit: \$186,096)
 - Safety Plan C
 - General Plan G

Final Compensation – Pensionables

Base Salary

- Cafeteria Plan Contribution (before 1996)
- Other Pensionable Pay Items (visit www.lacera.com)



Buybacks (if available in your department):

- 6 days (48 hrs) sick buyback (except MegaFlex)
- 20 days (160 hrs) excess vacation buyback (except MegaFlex)
- 10 days (80 hrs) excess non-elective leave (only MegaFlex)

Safety C and General Plan G – **Buybacks are not pensionable**

Maximizing Final Compensation

Safety Plan B – Sheriff/DA (non-MegaFlex)

- Sick buyback
 - 5 days (40 hours) June 30
 - 3 days (24 hours) December 31
- Excess vacation
 - 20 days or 160 hour limit



Maximizing Final Compensation

Safety Plan B – Firefighter (non-MegaFlex)

- 1½ Shifts (36 hours) Sick Buyback each 6 months
- 6 Shifts (144 hours) Holiday Buyback
- 10 Shifts (240 hours) Excess Vacation



Purchase Service Credit

All Plans B, C, D or G (Plan E not eligible)

- Purchasing service increases retirement
- Counts toward insurance and retirement eligibility
- County Service
 - Temporary Time
 - Sick Without Pay (SWOP)
 - Redeposit of withdrawn contributions
- Other Public Agency (OPA)
 - Military/Federal
 - Other Public Agency (California Only)

Poll Question #3 and #4



Purchase Service Credit

Purchases Increase Retirement Benefits

Years of Service	Ages															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65 and over
23	27.18	28.59	29.96	31.36	32.80	34.32	35.96	37.74	39.68	41.7	44.08	45.80	48.10	50.55	53.15	55.94
24	28.36	29.83	31.26	32.72	34.22	35.82	37.53	39.38	41.40	43.60	46.00	47.79	50.19	52.74	55.46	58.37
25	29.55	31.07	32.57	34.09	35.65	37.31	39.09	41.03	43.13	45.41	47.92	49.78	52.28	54.94	57.77	60.80
26	30.73	32.31	33.87	35.45	37.08	38.80	40.66	42.67	44.85	47.23	49.83	51.77	54.37	57.14	60.08	63.24
27	31.91	33.56	35.17	36.81	38.50	40.29	42.22	44.31	46.58	49.05	51.75	53.76	56.47	59.34	62.39	65.67
28	33.09	34.80	36.47	38.18	39.93	41.79	43.78	45.95	48.30	50.86	53.67	55.75	58.56	61.53	64.70	68.10
29	34.27	36.04	37.78	39.54	41.35	43.28	45.35	47.59	50.03	52.68	55.58	57.74	60.65	63.73	67.01	70.53
30	35.46	37.29	39.08	40.91	42.78	44.77	46.91	49.23	51.75	54.50	57.50	59.74	62.74	65.93	69.33	72.97
31	36.64	38.53	40.38	42.27	44.21	46.26	48.47	50.87	53.48	56.31	59.42	61.73	64.83	68.13	71.64	75.40
32	37.82	39.77	41.69	43.63	45.63	47.75	50.04	52.51	55.20	58.13	61.33	63.72	66.92	70.33	73.95	77.83
33	39.00	41.01	42.99	45.00	47.06	49.25	51.60	54.14	56.93	59.94	63.25	65.71	69.01	72.52	76.26	80.26
34	40.18	42.26	44.29	46.36	48.48	50.74	53.16	55.79	58.65	61.76	65.17	67.70	71.11	74.72	78.57	82.69
35	41.36	43.50	45.59	47.72	49.91	52.23	54.73	57.44	60.38	63.58	67.08	69.69	73.20	76.92	80.88	85.13
36	42.55	44.74	46.90	49.09	51.34	53.72	56.29	59.08	62.10	65.39	69.00	71.68	75.29	79.12	83.19	87.56
37	43.73	45.98	48.20	50.45	52.76	55.22	57.86	60.72	63.83	67.21	70.92	73.67	77.38	81.31	85.50	89.99

Payment Methods

Lump Sum

- From any source, except ROTH IRA
- Rollovers (May use deferred compensation 457 Horizons or 401k)

Monthly Payroll Deduction

Combination

- Partial lump sum and payroll deduction



Payment Methods

After-tax contract

- No tax benefit on payroll deductions
- Revisable – may not be mixed with any before-tax dollars

Before-tax contract

- Tax-deferred payroll deductions
- Irrevocable

Poll Question #5



Plan Transfers

Open Window Plan Transfer (E to D) Prospective Plan Transfer

- D to E or
- E to D
- Incremental Purchase
- Must stay in new plan for at least 3 years after PPT Transfer



Healthcare



Health Insurance Subsidy

County Subsidy – Retiree Health Care:

First 10 Years of Service Credit =	40%
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Each Additional Year =	Additional 4%
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25 Years of Service Credit =	100%
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- County subsidy based on Benchmark Plan–Anthem Blue Cross Indemnity
- County subsidy may be subject to change

Health Insurance Subsidy

Membership or Reciprocity Prior to 8/1/14 – Tier I

- County will subsidize retiree and eligible dependents

Membership 8/1/14 and later – Tier II

- County will subsidize Retiree-Only rate
- Member can insure eligible dependents, but pays the difference



Beware of the 4 D's

Divorce

Departure

Disability

Death Before Retirement



Divorce

Joinder—Hold placed until retirement

Court Order (DRO, QDRO) required

Brown Formula

Options 4

Re-Marriage—Carnall Rights (claim on surviving spouse's allowance)

Departure

4 Choices

- Defer your retirement
- Enter reciprocal agency
- Withdraw contributions
- Retire



Defer Your Retirement

Defer Contributions

- Accrue interest up to the assumed rate of return
- Age 73 mandatory distribution
- Retire when you become eligible
- Plan E must have 10 years minimum
- Establish reciprocity—helps to meet minimum eligibility requirements

Remember to keep your address up to date with LACERA

My LACERA at www.lacera.com

Enter Reciprocal Agency

Requirements:

- Join within 6 months of leaving prior system
- No overlap in service
- Must retire from all agencies on the same day
- Must apply with each agency separately
- May not withdraw while employed at either agency



Enter Reciprocal Agency

Benefits:

- Helps meet minimum retirement eligibility requirements
- Highest final compensation either agency
- Separate retirement checks
- Must apply with each agency separately
- LACERA health insurance based on LACERA service only (LA City exception)

Withdraw Your Contributions

Plan A, B, C, D and G

Waive your right to future benefits

2 Methods

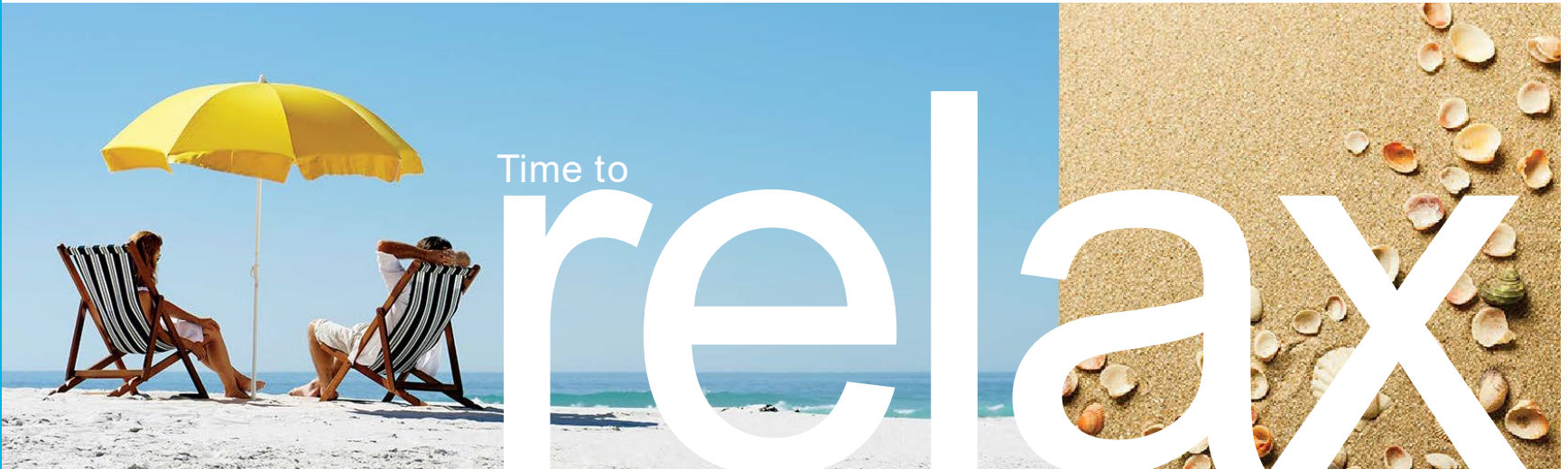
- Direct rollover into Tax-Qualified Plan (**preserves your savings for retirement**)
 - EXCEPTION: After-tax contributions cannot be rolled over
- Paid directly to you:
 - 20% mandatory Federal tax withheld
 - Possible Tax penalty under age 59 1/2

Retirement

Receive a guaranteed life-time pension!

Receive subsidized medical, dental and vision insurance

(with 10+ years of service)



Disability Retirement

Contributory plans only

Permanent incapacity due to injury or illness

- Service-Connected Disability
- Non-Service Connected Disability

Apply with LACERA's Disability Division

Process may take 12 months or more

Board of Retirement approves

Rules differ for PPT transfers to Plan D

Long Term Disability (LTD)

LTD administered by the County **not LACERA**

Contributory Plans

- After 2 years on LTD, you must apply for LACERA Service or Disability retirement
- No retirement service credit earned
- LTD is offset by LACERA retirement

Speak to LTD to find out about their eligibility requirements.

Long Term Disability (LTD)

Plan E

- LTD provided in lieu of LACERA disability
- Earn retirement service credit while on LTD (even after termination)
- LTD payments stop upon retirement

Earn service credit while on any disability plan sponsored by the employer



Pre-Retirement Death Benefits

Nonservice-Connected Death Benefits from Injury or disease
NOT CAUSED by employment

Service-Connected Death Benefits from injury or disease
CAUSED by employment

Nonservice-Connected Death

Less than 5 years – Lump-sum Basic Death Benefit

- Contributions and interest
- 1 Month salary each year of service credit – up to 6 months

5 years or more – Choice of a Payment option

- Lump-sum Basic Death Benefit
- Monthly allowance (Eligible spouse, DP, or minor children only)
- Combined benefit (Eligible spouse, DP, or minor children only)

Service-Connected Death

No minimum service requirement

Choice of a Payment option:

- Lump-sum Basic Death Benefit
- Monthly allowance (Eligible spouse, DP, or minor children only)
- Combined benefit (Eligible spouse, DP, or minor children only)



Service-Connected Death

Death during the performance of duty

Violent Death Benefit for spouse of a Safety member

- Added percentage to monthly survivor benefit
 - 1 child – 25%
 - 2 children – 40%
 - 3 or more children – 50%
- Special Death Benefit – 12 months salary

Plan E Death

Pre-retirement death benefits do not apply to Plan E

Long-Term Disability (LTD)

- Provides death benefits
- Survivor Income Benefit (SIB) for MegaFlex participant – **must enroll!**



LACERA Special Durable Power of Attorney

Allows trusted individual to act in your place

DPOA

- Allows another to do whatever you elect
- No need to obtain court ordered conservatorship
- Can stop upon your incapacity
- If “Durable” then POA continues upon your incapacity
- May give authority over
 - Retirement Benefits, or
 - Retirement Accounts, or
 - Retirement pension benefits
- Stops upon death

Ready to Retire section on www.lacera.com

Please visit the Ready to Retire section on lacera.com to print any documents needed for the retirement process.

The screenshot displays the LACERA website interface. At the top, the LACERA logo is on the left, and a search bar is on the right. Below the logo, a navigation bar includes links for 'About LACERA', 'Active Members', 'Retirees and Families', and 'Retiree Healthcare'. The 'Active Members' link is highlighted with a teal arrow pointing to a large blue banner. The banner is divided into three columns: 'Active Members' (with a photo of people walking and a right arrow), 'GENERAL PLANS' (listing 'Plans A/B/C', 'Plan D', and 'Plan E'), and 'Active Service' (listing 'Contributions', 'Service Credit', and 'Compensation'). A second teal arrow points from 'Compensation' to the 'Retirement Planning' column, which lists 'Benefit Estimates', 'Steps to Prepare', and 'Ready to Retire' (highlighted in orange). Below the banner, a light gray box contains an icon of a person at a computer, the text 'Ready to Retire', and the description 'One-stop reference page for your retirement process'.

LACERA

Search

About LACERA **Active Members** Retirees and Families Retiree Healthcare

Active Members

GENERAL PLANS

Plans A/B/C

Plan D

Plan E

Active Service

Contributions

Service Credit

Compensation

Retirement Planning

Benefit Estimates

Steps to Prepare

Ready to Retire

Ready to Retire

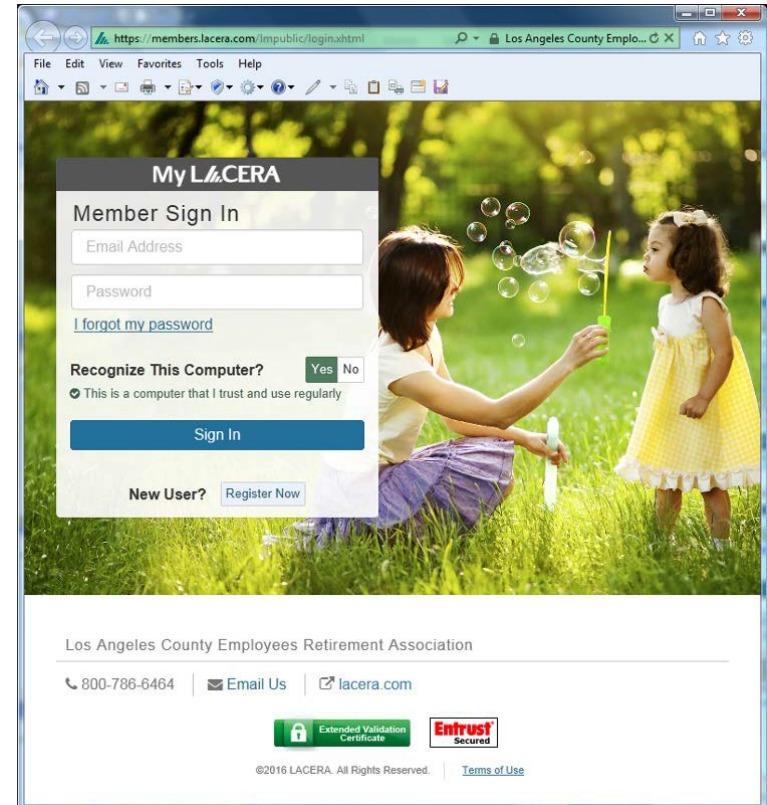
One-stop reference page for your retirement process

Visit LACERA Online

LACERA's website: www.lacera.com

Register on **My LACERA**

- Access your personal retirement information
- Submit your retirement election via E-Signature
- Calculate your retirement
- Update your email address
- Send confidential emails through the Secure Message center
- Change your beneficiary(ies)
- Upload documents
- And more!



Poll Questions



How Do I Contact LACERA?

Phone: 800-786-6464 (7:00am – 5:30pm Mon-Fri)

Fax: 626-564-6155

In Person: By appointment only

No Walk-In Counseling

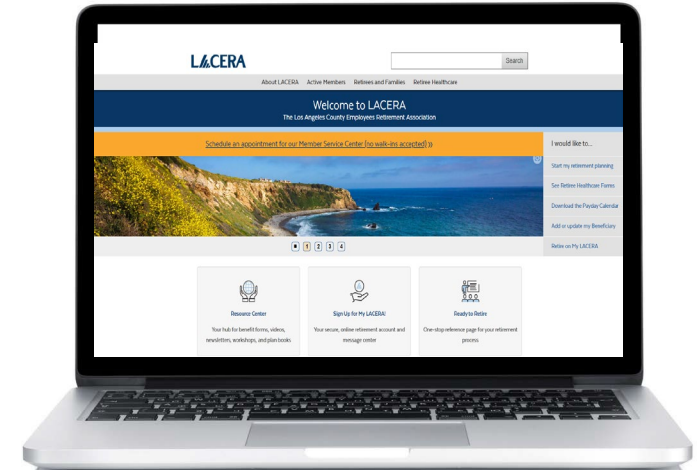
Virtual appointments available

Secure Document drop off slot outside the building

Email: welcome@lacera.com

Online: www.lacera.com

MyLACERA: Secure Message Center



Resource Center

Your hub for benefit forms, videos, newsletters, workshops, and plan books



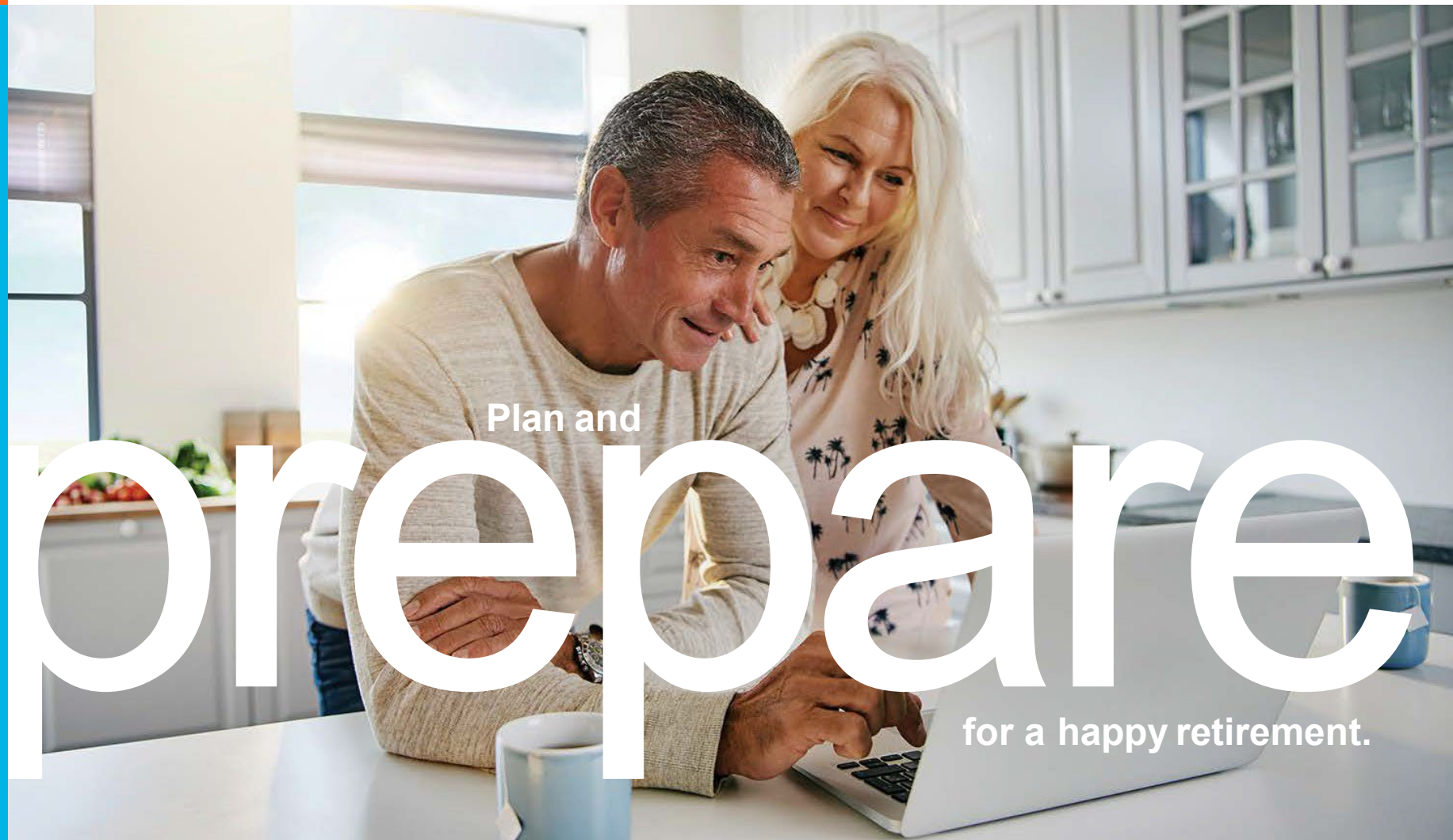
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Ready to Retire

One-stop reference page for your retirement process



Plan and

prepare

for a happy retirement.