LACERA
Los Angeles County Employees Retirement Association

Summary Plan Description

Retirement Plans A and B
Safety Member
2004

Retirement Plans A and B
Safety Member

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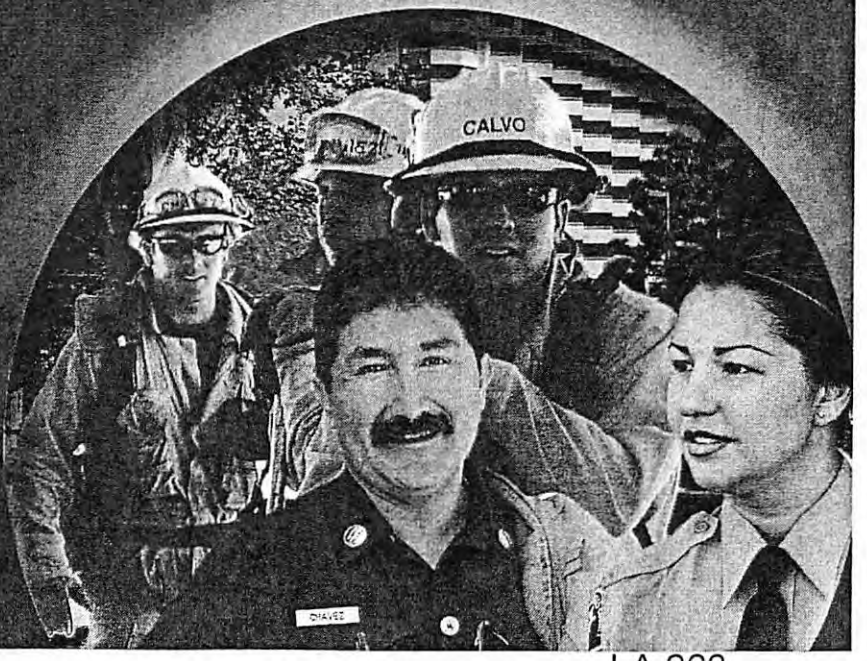

ASD 544 (7/04)

About LACERA

This guide to Retirement Plan A and Plan B for safety members serves as a Summary Plan Description and summarizes the terms and conditions of retirement and death benefits provided to safety members of Plan A and Plan B. It is designed to give you this information as simply and accurately as possible. Since LACERA (Los Angeles County Employees Retirement Association) is governed by the County Employees Retirement Law, the law prevails if any statement in this guide is in conflict with the law. Official decisions will be made only after referring to the official publication of the statutes and any regulations governing administration of LACERA.

LACERA is an independent association established under the authority of the County Employees Retirement Law of 1937 (see Government Code Section 31450 et seq.) and is subject to the laws governing fiduciaries. The Association provides retirement and associated benefits for eligible employees of the County of Los Angeles and outside districts which include the Little Lake Cemetery District, Local Agency Formation Commission, South Coast Air Quality Management District, and Los Angeles County Office of Education. New employees of the latter two districts now become members of retirement systems other than LACERA.

LACERA has technical and administrative staff responsible for collecting, depositing, investing, and managing the retirement funds collected from the County, outside districts, and their employees. It is responsible for controlling and accounting for contributions and investment income under the direction of a nine-member Board of Retirement (with one alternate member), and a nine-member Board of Investments. LACERA develops laws, rules, and policies that support the best interests of its members, and offers individual counseling and retirement seminars for members in preparation for retirement.

Since 1938, LACERA has been providing retirement, disability, and death benefits to eligible County employees, retirees, and their beneficiaries. LACERA has also administered a healthcare benefits program for retirees since 1971.

If you need additional information or have questions about anything in this guide, please call LACERA at 626-564-6132 or 800-786-6464; visit us online at www.lacera.com; or see us in person at:

- LACERA
  300 N. Lake Ave., Suite 130
  Pasadena, CA 91101-4199

Please address all correspondence to:

- LACERA
  PO Box 7060
  Pasadena, CA 91109-7060

Alternative formats of this guide are available upon request.

Understanding Your Retirement Plan

Frequently Asked Questions - Plans A and B

This booklet can help you understand the retirement benefits provided by LACERA's safety retirement Plans A and B. Some of the most frequently asked questions about safety Plans A and B are listed below. You can find the answers to the questions on the pages listed:

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- What type of retirement plans are Plan A and Plan B for safety members? Page 2
- Who is eligible to join Plan A and B? Page 2
- When does my membership begin? Page 2
- Do I have to pay income tax on my contributions and my retirement allowance? Pages 6, 35
- What if I formerly was a LACERA member? Page 7
- Can I purchase credit for County or non-County service prior to membership in LACERA? Page 9
- What basic benefits do I get with Plans A or B? Pages 18-19
- When am I eligible to retire? Page 20
- How will my age and years of service at retirement affect the amount of my monthly retirement allowance? Page 24-25
- Will Social Security coverage affect my retirement allowance? Pages 31
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General Information

Introduction

This guide gives you detailed information about LACERA member benefits under safety Plan A and Plan B.

As a permanent employee of the County of Los Angeles (except judges) or outside district working three-quarter time or more, you are entitled to LACERA retirement benefits. In addition, you are eligible to receive disability and death benefits through LACERA.

There are two types of members in LACERA—general members and safety members. Safety members are employees in law enforcement, firefighting, forestry, and lifeguard classifications. All other eligible employees are general members.

Safety Plans A and B

Plan A and Plan B are contributory retirement plans that provide retirement, disability, and death benefits. Plans A and B are *defined benefit plans*, which means retirement benefits are determined by your retirement age, length of service, and average final compensation. Plan A and Plan B participants are employees who became safety members as follows:

- Plan A—prior to September 1, 1977
- Plan B—on or after September 1, 1977

Membership in LACERA is effective the first of the month following your date of hire.

Contributions

As a member of Plan A or B, you make contributions to the retirement fund through monthly payroll deductions in addition to the contributions made by your employer (the County of Los Angeles). Your contributions are a percentage of your base salary (plus any other pensionable earnings) based on your nearest age when you became a member of LACERA. Rates are based on actuarial valuations, and are subject to change periodically. The table on page 61 showing Plan A and Plan B Member Contribution Rates can be used to estimate your monthly retirement contributions.

Your contributions will cease when you have been credited with 30 years of continuous service credit in a contributory plan. Therefore, you should purchase eligible service credit prior to your thirtieth year of service to avoid paying for more than 30 years of service.

Termination of Employment

1. **You automatically become a deferred member** if you are ***vested with 5 or more years*** of County retirement service credit (including reciprocal system and dual account). You must leave your contributions on deposit; they will continue to earn interest (see "Vesting Requirements" on page 11). No action is required until you wish to apply for retirement.
2. **You may leave your contributions on deposit** if you are ***not vested (fewer than 5 years of County service.)*** Your contributions will continue to earn interest.

a) *You are not eligible for future retirement benefits* from LACERA. No action is required until you wish to withdraw your contributions. Your contributions will earn interest and may be withdrawn at any time, *or*

b) *You may become eligible for future retirement benefits* if you return to County service or enter employment covered by a reciprocal retirement system (or become a member of that system) more than 6 months after your termination date. You are not eligible for the benefits of reciprocity described on pages 12-14, however:
   - The service credit earned in each system can be added together for the purpose of meeting minimum requirements for a service retirement or disability retirement provided you retire concurrently from each system.
   - You cannot withdraw your LACERA contributions unless you terminate employment and withdraw contributions from the reciprocal retirement system.

3. **You may establish reciprocity** whether you are ***vested or not.*** If you leave your contributions on deposit with LACERA and enter employment covered by a reciprocal retirement system (or become a member of that system) *within 6 months* after your termination date, you are eligible for the benefits of reciprocity described on pages 12-14. Your contributions must remain on deposit and will continue to earn interest.
4. **You may withdraw your contributions** and accumulated interest from LACERA (employer contributions are not refundable). Taking a withdrawal terminates your membership and you give up all rights to future retirement benefits from LACERA, including disability benefits. If you request a withdrawal of your contributions:
   a) You may have a check paid directly to you, minus 20% mandatory federal tax withholding, *or*
   b) You may *roll over* all or a percentage of the taxable portion of your contributions to an IRA or another employer's qualified plan. Your funds become subject to the terms of the IRA or qualified plan and are not taxed until you withdraw them.

Please notify LACERA of any address change and/or any change in your membership status with the reciprocal system.

Mandatory Distribution

If you terminate service and leave your contributions on deposit:

- You are required to notify LACERA of any change of address.
- LACERA will notify you by age 70 that distribution of your allowance or nonvested contributions must begin by April 1 of the year following the year in which you reach age 70-1/2.

General Information

- If you do not retire or claim your contributions by April 1 of the year following the year in which you reach age 70-1/2, your contributions and interest left on deposit will be transferred to the current Pension Reserves.

Taxes on Contributions

Member contributions are made through payroll deductions from your gross pay before the tax rate is applied (per Section 414(h)(2) of the Internal Revenue Code). Contributions are not taxed until you either terminate employment and withdraw your contributions and interest, or retire. (Prior to August 1983 contributions were made on an after-tax basis, so those contributions are not taxed when disbursed, but the interest is taxable.)

If you terminate County service and withdraw your retirement contributions, the law requires State withholding and mandatory Federal tax withholding of 20% on taxable lump sum distributions, unless your funds are directly rolled over into an IRA or other qualified retirement plan as specified by the law. In addition, you may elect to have State tax withheld at 2% or more.

You should consult with your own tax advisor before making a decision concerning withdrawal or rollover of your retirement funds when you terminate service.

Withdrawal from Active Membership

If you transfer from a position in which LACERA membership is compulsory to one that is not (e.g., a temporary position or permanent position of less than three-quarter time), you have two choices:

1. You may terminate your active membership in LACERA by submitting a request within 60 days of your transfer, and your monthly retirement contributions will be discontinued but must remain on deposit until you retire or terminate employment. Your contributions will continue to earn interest.
   a) *If you are vested* (with 5 or more years of County retirement service credit), you will be placed on deferred retirement status until you meet the age and service requirements to retire (see "Vesting Requirements" on page 11).
   b) *If you are not vested,* you will not be eligible for any retirement, death, or disability benefits from LACERA.
2. If you take no action, you will remain a contributing member of LACERA until you retire or terminate employment, but your membership status will change from safety to general membership. Your contributions and service credit will be prorated based on actual earnings if you are employed less than full-time.

Return to Active Membership

From Deferred (Vested) Status

If you are on deferred retirement status (that is, you are vested with 5 or more years of County

retirement service credit and your retirement contributions remained on deposit), and you either rehire with the County, reinstate or transfer to:

1. ***A permanent position of three-quarter time or more.***
   You will immediately return to active membership in your former LACERA retirement plan and retain your service credit. Your contribution rate will be based on the same entry age in effect at the time you most recently became a deferred member.
2. ***A temporary or permanent position of less than three-quarter time.***
   You may file a written election to cancel your deferred retirement status and return to active membership in LACERA. Your contribution rate will be based on the same entry age in effect at the time you most recently became a deferred member. You may also elect to purchase credit for any County service not previously credited to you, up to the date of your election, by depositing the required retirement contributions plus interest.

From Nonvested Status

If you terminated with less than 5 years of County retirement service credit (and left your nonvested contributions on deposit), you will be reinstated to your prior plan (A or B) when you return to active service (three-quarter time or more). Your contributions to Plan A or Plan B will resume and will be based on the same entry age in effect at the time you most recently terminated service. Your prior nonvested service credit will be added to any future service credit you earn.

Restoration to a Prior Plan

If you used to be a safety member in Plan A or Plan B and withdrew your retirement contributions and interest when you terminated your employment with the County, you can restore all the benefits of your former plan if you return to Plan A or B and redeposit the withdrawn contributions plus interest. Thereafter:

- You will be restored to your former plan.
- You are entitled to a credit of any excess contributions plus interest, if any, that you made before your restoration to a former plan was completed.
- Your rate of contribution will be based on your nearest age at the time you became a member upon return to the retirement system.

Retirement Service Credit

You earn one month of retirement service credit for each month of employment in which a retirement contribution is deducted from your paycheck. No credit is earned if you are without pay for an entire month because of illness or absence. However, when you return to active service after unpaid sick leave, you can purchase up to 12 consecutive months of service credit for each period of absence. The retirement service credit will be prorated if you work in a position that is less than full-time.

General Information

As a Plan A or Plan B safety member you may apply to purchase retirement service credit for:

1. A nonpermanent position with the County of Los Angeles or outside district (temporary, seasonal, intermittent, or part-time) up to the date you became eligible for LACERA membership;
2. A permanent position of less than three-quarter time with the County of Los Angeles or outside district;
3. Prior County service under Plan A or Plan B if those retirement contributions were withdrawn;
4. Absence due to illness for up to 12 consecutive months (maternity leave is limited to 5 months unless medically unable to return within 5 months);
5. Employment with the United States government (including military service), the State of California, and/or any public entity located within the State of California, provided you are not eligible now or in the future for:
   - A pension or retirement allowance for such public service, *or*
   - Reciprocal benefits if you either redeposit or are eligible to redeposit the contributions withdrawn from a reciprocal retirement system.
6. Additionally, if you have 5 years of safety service, you can purchase and convert up to 5 years of general member service credit you earned prior to becoming a safety member.

For a brochure and application about purchasing retirement service credit, please contact LACERA and request the companion publication, *Purchasing Retirement Service Credit.*

Additional Retirement Credit (ARC)

Contributory members with at least 5 years of County retirement service credit are eligible to purchase up to five years of Additional Retirement Credit (ARC). ARC does not need to be based on actual prior employment. ARC credit may not be counted to meet the minimum qualifications for service retirement or disability retirement or for purpose of establishing eligibility for any benefits based on 30 years of service, health care benefits, or any other benefits based upon service credit.

Members may pay for ARC through payroll deductions or through a rollover from a 401(k), an IRA, another employer's qualified plan, or a combination of these. The term of a payroll deduction contract may be up to 10 years. Payment must be completed prior to retirement. If retirement occurs earlier than anticipated, payment must be completed within 120 days after the retirement date or termination and deferral.

Vesting Requirements

For Plan A and B Only

You become vested in Plan A or Plan B when you have earned 5 years of County (or combined County and reciprocal system) retirement service credit. Vesting entitles you to receive a

retirement allowance when you terminate employment and meet the minimum age and service requirements.

Vesting with Dual Accounts

Members who earn service credit as both a general and safety member in LACERA will have a dual account. Service credit from each type of plan will be combined to determine your vesting status.

Reciprocal Benefits

Reciprocity is the special relationship that exists between certain public retirement systems. It is designed to protect your earned retirement benefits when you transfer from one public employer to another. While the reciprocity provisions included in the County Employees Retirement Law of 1937 (CERL) define the financial obligations of each reciprocal system, there is no transfer of funds or service credit between systems when a member establishes reciprocity.

Reciprocity exists between LACERA and the following systems:

- The other 19 county retirement systems in California that are governed by the County Employees' Retirement Law of 1937
- CalPERS (California Public Employees' Retirement System) which covers employees of the State of California, other counties, cities, and special districts in California
- CalSTRS (California State Teachers' Retirement System), effective January 1, 1999
- JRS (Judges' Retirement System I and II), effective January 1, 2002
- Additional public retirement systems by virtue of their reciprocal agreements with CalPERS, including San Luis Obispo County, the City and County of San Francisco, and the Los Angeles City Employees' Retirement System.

Please contact LACERA to determine if reciprocity exists between LACERA and another retirement system.

Full Reciprocity

To be eligible for full reciprocity, you must terminate employment and defer your retirement with the first system and enter employment covered by a reciprocal retirement system within 6 months after termination. You must retire on the same date from each reciprocal agency—unless prohibited from doing so because of different retirement age requirements.

Establishing reciprocity gives you certain advantages:

1. Your rate of contribution will be based on your age at your birthday nearest the entry in your first retirement system. ***Example:*** If you were 29 when you entered your first retirement system in March, and your birthday is in August, your official entry age would be 30.
2. Service credit accumulated under each reciprocal retirement system is added together to determine benefit eligibility. The total service credit counts toward

meeting the minimum 5-year service credit requirement for vesting and the minimum 10-year service credit requirement for retirement.*

3. Your final compensation, used to calculate your monthly retirement allowance, will be determined by averaging your earnings for the highest 12 consecutive months as a LACERA member, or as a member of a reciprocal system. (If you are a Safety B member and terminated County service and deferred before October 1, 2000, average your highest consecutive 36 months or final 3 years of service.)

* Reciprocal service credit does not count toward retiree health care benefits.

Limited Reciprocity

The Maffei vs. Sacramento County Employees' Retirement System decision, effective December 20, 2002, changed the rules of reciprocity. The court decided that even though a member transferred to another system *prior* to the establishment of reciprocity, they are eligible for one of the benefits of reciprocity provided they retire *after* the date that the two systems became reciprocal.

The final compensation used in computing a member's retirement allowance will be based on the member's highest salary earned in either retirement system. The court did not address other benefits of reciprocity, such as a member's entry age or contribution rate, so these benefits of full reciprocity are not applicable.

Limited reciprocity applies to members who terminated service and *transferred within 6 months* to LACERA from one of the following agencies, or vice versa, prior to the effective dates of reciprocity indicated below:

- CalSTRS (California State Teachers' Retirement System)—January 1, 1999
- JRS (Judges' Retirement System I and II)—January 1, 2002

Once you establish reciprocity, you cannot waive reciprocity in order to withdraw your contributions, if any, from your previous retirement system(s) unless you terminate employment and withdraw contributions from your current system. By withdrawing current contributions, you break the rules of reciprocity and forfeit your right to receive retirement benefits in the future from that system.

Redepositing Withdrawn Contributions

If you are a former member who left County service and withdrew your contributions, you may now elect to redeposit those contributions, provided you are currently an active member of any reciprocal retirement system and meet the following conditions:

1. ***Your current principal duties consist of active law enforcement or firefighting and prevention service*** as an employee of a law enforcement agency or fire department in a reciprocal retirement system.
   - You may redeposit contributions and interest for past County *general and/or safety member service.*

2. ***Your current service (in any capacity) is with an employer in a reciprocal system.***
   - You may redeposit contributions and interest for past County *safety service* provided you were an officer or employee of a law enforcement agency or fire department whose principal duties consisted of active law enforcement or firefighting and prevention service.

Your service credit earned in each reciprocal system can be added together for the purpose of meeting minimum requirements for a service retirement or disability retirement provided you retire concurrently from each system.

If you entered the reciprocal system:

- *Within 6 months after date of termination:* The current retirement system will base your ongoing contributions on the age of entry in the first system. Contributions will be based on this entry age effective the first day of the month following the date the current retirement system receives notice of the redeposit.
- *More than 6 months after date of termination:* You are not eligible for the reduced entry age.

You cannot withdraw your redeposited contributions unless you terminate employment and withdraw contributions from your current system. You are not eligible for any other reciprocal benefits described on pages 12-14.

Transferring to a Noncontributory Plan

As of June 4, 2002, the County implemented a provision allowing members in general Plan D to transfer "prospectively" to noncontributory general Plan E. This provision does not apply to safety members in Plan A or Plan B.

Benefit Statements

An Annual Benefit Statement is sent to all active and deferred members in the month following their birthday. It is personalized for you with the following applicable information:

- Your contribution balance as of the last day of your birth month
- The total interest earned on your contributions (posted every 6 months, on June 30 and December 31 of each year)
- The taxable status of your account
- Your years of retirement service credit, and any service credit you are purchasing
- An estimated monthly retirement benefit, if you are eligible to retire
- Your named beneficiary(ies) and a form to update your beneficiary information

Active employees should inform their personnel office of an address change. If you are a deferred member, please inform LACERA of your current address to receive your annual Benefit Statement.

Retirement Benefits

Planning for Retirement

A secure retirement often requires a lifetime of financial planning and personal savings. LACERA encourages you to plan for your future during your years of active employment, long before you approach retirement age. The steps below give an overview of what happens when your retirement date is within a year or two:

1. Contact LACERA to attend a retirement workshop for valuable information about retirement, financial planning, and the retirement application process.
2. Contact LACERA to request an estimate at least 6 months before your retirement date.
3. LACERA will send you a Retirement Benefit Estimate and Election form showing your retirement allowance options.
4. To apply for retirement, sign and return the Retirement Benefit Estimate and Election form prior to your retirement effective date.

Summary of Safety Plan A and B Basic Provisions

Member makes retirement contributions	Yes
Employer makes retirement contributions	Yes
Member vested in	5 years
Member entitled to a service retirement allowance after	10 years
Minimum service retirement age	50
Maximum percentage of final compensation member can receive as retirement allowance	100%
Final compensation based on monthly average of	1 year of service
LACERA pays disability benefits if active member is disabled	Yes
County pays disability benefits if active member is disabled*	Yes
LACERA pays death benefits if active member dies	Yes
County pays death benefits if active member dies*	Yes
LACERA pays 60% (or 65% if eligible) of retirement allowance to surviving spouse when retired member dies	Yes
County pays death benefits when retired member dies	No
May purchase credit for County service prior to membership**	Yes
May purchase credit for non-County service prior to membership**	Yes
May purchase additional retirement credit (ARC)	Yes
Eligible for reciprocity with a reciprocal retirement system	Yes
Eligible former members may be reinstated to prior contributory retirement plan	Yes
Pension Advance Option permitting coordination of payments for those entitled to Social Security benefits	Yes
Cost-of-living increases after retirement	Yes
Eligible for medical, dental, and vision insurance benefits after retirement	Yes
Life insurance provided by County if member dies in active service*	$2,000

* County-provided disability, death, and life insurance options vary for Megaflex participants. For Megaflex and Long-Term Disability benefits, contact your personnel officer.
** See "Retirement Service Credit" on page 9.

5. Notify your Department of your retirement date.
6. Your application is ratified by the Board of Retirement, which meets the first Wednesday of the month.

To rescind your application for retirement, LACERA must receive your request in writing prior to your retirement date.

Service Retirement Allowance

Active Members

As an *active* safety member of Plan A or Plan B you are eligible for a service retirement allowance when you meet the minimum age and County retirement service credit requirements listed below. (Reciprocal agency service credit can be used to meet the minimum County service requirements.)

- You reach age 50 and have at least 10 years of County service credit, *or*
- You have at least 20 years of County service credit regardless of your age.

Safety members hired before April 1, 1997 must retire no later than the first of the month following the month in which they reach age 60 as provided in a resolution adopted by the Board of Supervisors effective January 1, 1987. However, for safety members who were hired on or after April 1, 1997, there is no mandatory retirement based on a subsequent resolution adopted by the Board of Supervisors. District Attorney investigators and lifeguards in Los Angeles County are exempt from mandatory retirement at age 60 by order of the Federal Court.

Deferred Members

If you *terminate* before meeting the age and service credit requirements, and are vested with at least 5 years of County retirement service credit, you may defer your retirement (see "Vesting Requirements" on page 11). The payment of a deferred retirement allowance becomes mandatory on April 1 of the year following the year in which the member attains age 70-1/2. As a *deferred* member, you may retire when:

- You reach age 50 and reach the date on which you would have had 10 years of County service credit had you remained in service on a full-time basis, *or*
- You reach the date on which you would have had 30 years of County service credit, regardless of your age.

If you choose to withdraw or roll over your contributions, you will forfeit your right to receive retirement or disability benefits from LACERA in the future.

Combined General and Safety Service

Members who have **dual service credit** as both a general and safety member in LACERA will receive a combined retirement allowance after retirement. The benefits for each type of service will be added together to determine the total retirement allowance payable.

Terms Used in Determining Benefits

"Compensation Earnable" is the term that refers to the pensionable earnings base that is

used to compute the contributions you pay into the system before retirement and your benefits after retirement. (Overtime is not included as pensionable.) Compensation earnable includes:

- Your base salary; *and*
- Bonuses and other earnings that are deemed pensionable; *and*
- Compensation/benefits payable as a result of your participation in one of the County's Cafeteria Plan Programs, provided you were first hired before January 1, 1996, and the compensation is considered "compensation earnable" by the County and LACERA. (Depending on your Cafeteria Plan, pension able or nonpensionable benefit election, or date of membership, your compensation earnable may be increased by a specified percentage of your salary and bonuses, or by a fixed dollar amount; or decreased under the County's current Cafeteria Plan provisions.)

"Final Compensation" refers to your average monthly compensation earnable during any one year of service you select or during your last 12 months of service. (If you are a Safety B member and terminated County service and deferred before October 1, 2000, average your highest consecutive 36 months or final 3 years of service.)

Beneficiary Designation

As an active LACERA member in a contributory plan, you are asked to designate a beneficiary and update the designation when changes such as birth, death, marriage, domestic partnership, divorce, or termination of domestic partnership occur. Please see the preretirement and postretirement sections (pages 47-59) for specific benefits for your spouse, domestic partner, survivors and/or beneficiaries.

Upon your death after retirement, a $5,000 death benefit will be paid in a lump sum to your named beneficiary. If no one is specifically named to receive this death benefit, it will be paid to your surviving spouse, child, domestic partner, or the next beneficiary(ies) in priority order, or to your estate.

Domestic Partners

Effective August 26, 2003, the Board of Supervisors adopted a resolution implementing a retirement law stating that retirement plan benefits granted to a spouse may be granted to a registered domestic partner.* A domestic partnership is defined in the Family Code and may be established when all the following requirements are met:

- Both persons file a Declaration of Domestic Partnership with the Secretary of State.
- Both persons have a common residence.
- Both are jointly responsible for each other's basic living expenses.
- Neither person is married or a member of another domestic partnership that has not been terminated.
- The two persons are not related by blood in a way that would prevent them from being married to each other in this state.
- Both persons are at least 18 years of age.

- Either of the following:
  - Both persons are members of the same sex.
  - If of the opposite sex, one or both of the persons are over the age of 62.
- Both persons are capable of consenting to the domestic partnership.

* Effective July 2004, retiree health care benefits are available for registered domestic partners. Please visit www.lacera.com or contact LACERA for details.

Benefit Formula

Unmodified Benefit Option

The *unmodified service retirement allowance* is the basic or highest monthly retirement allowance payable to you. It is most advantageous for members who are married or in a registered domestic partnership and in reasonably good health when they retire.

- Your monthly retirement allowance (using the unmodified service retirement formula) is a percentage of your final compensation based on age and years of service. This percentage increases with each quarter year of age up to 55. Plan A and Plan B member benefits range from 20% of final compensation for members with 10 years of service who retire at age 50, to 100% of final compensation for members with 38 years, 3 months of service retiring at age 60. Please refer to the table on pages 62-63 which shows the percentages of final compensation for estimating retirement allowances. The formula to compute an unmodified allowance is shown on page 30.
- Your retirement allowance will be reduced if you were ever a general member covered by Social Security as a County employee prior to January 1983 (see "Social Security" on page 31).
- If a Plan A or Plan B member retires *on or after* June 4, 2002, upon the retiree's death, his or her ***eligible surviving spouse*** will receive a continuing allowance equal to 65% of the member's Plan A or B allowance. This applies to domestic partners after August 26, 2003, if they registered their domestic partnership at least one year prior to retirement.
- The ***eligible surviving spouse*** of a member who retired prior to June 4, 2002 will receive a continuing allowance equal to 60% of the Plan A or Plan B allowance.
- The ***surviving spouse*** is eligible for this continuing allowance if he or she married the member at least one year prior to the member's date of retirement whether named as beneficiary or not. As of August 26, 2003, the ***domestic partner*** is eligible for this continuing allowance if he or she registered as a domestic partner *at least one* year prior to the member's date of retirement.
- If there is ***no eligible surviving spouse*** or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.
- If there is a ***surviving domestic partner*** and no eligible children, the domestic partner will be eligible for a continuing allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time

the monthly allowance will be paid to the domestic partner for his or her lifetime.

In addition, if you retired with a service retirement or nonservice-connected disability retirement, and if you die without an eligible surviving spouse or minor child before you have received all the contributions you paid when employed, your named beneficiary is entitled to receive the balance of those contributions.

You can also provide a monthly allowance to a named beneficiary (who is not the eligible suviving spouse, child, or domestic partner) if you elect from the following alternatives to the unmodified benefit option.

Other Benefit Options

There are several alternatives to the unmodified retirement allowance that let you reduce your retirement allowance to provide continuing benefits to your named beneficiary(ies) upon your death. These options may be appropriate for a prospective retiree with a beneficiary who does not qualify for a continuing allowance under the unmodified retirement option, or for a member with a short life expectancy who wishes to leave a higher benefit to his or her eligible spouse or domestic partner. Your named beneficiary must have an insurable interest in your life (see "Eligible Beneficiary Codes" on pages 28-29) to receive benefits under the following options:

Option 1—Lump sum benefit. Your unmodified service retirement allowance will be reduced during your lifetime so that any unpaid contributions remaining in your account will be paid in a lump sum to your named beneficiary at your death. You may change your beneficiary at any time under Option 1, which makes it a possible choice for a retiree who does not have a spouse, minor child, or domestic partner eligible for the continuing allowance.

Option 2—100% of benefit. Your unmodified service retirement allowance will be reduced during your lifetime to provide the same monthly allowance at your death (100% of your benefit) for the lifetime of your named beneficiary. This option may be appropriate for a prospective retiree with a beneficiary who does not qualify for a continuing allowance under the unmodified retirement option, or for a member with a short life expectancy.

Option 3—50% of benefit. Your unmodified service retirement allowance will be reduced during your lifetime to provide half (50%) of your monthly allowance at your death for the lifetime of your named beneficiary.

Option 4—Customized benefit. You may reduce your unmodified service retirement allowance to provide a set income or any percentage up to 100% of your monthly allowance at your death for the lifetime of one or more named beneficiaries.

Note: Under Options 2, 3, and 4 the continuing allowance is based on your age and the age of your beneficiary(ies). Therefore, the benefit can only be paid to the priority 1 beneficiary(ies) named at the time of retirement, and you may not change the beneficiary(ies) after retirement even if your priority 1 beneficiary(ies) dies before you. In that event, the lump sum $5,000 death benefit would be payable to your priority 2 beneficiary(ies). All payments cease upon the death of the beneficiary(ies).

Safety Plan A and B Survivor Benefits

PRERETIREMENT DEATH/SURVIVOR BENEFITS p.47		POSTRETIREMENT DEATH/SURVIVOR BENEFITS p.56		
Type of Retirement Allowance	Eligible Beneficiary Codes*	Type of Retirement Allowance	Survivor Benefits	Eligible Beneficiary Codes*
a) Lump sum, *or*	1, 3, 4	Unmodified *or*	65% (60% if member retired before 6/4/2002) of member's allowance (or 100% if service-connected disability)	1
b) 65% of member's applicable allowance (60% if member died before 6/4/2002, *or*	1	Option #1 *or*	Lump sum	1, 2, 4
		Option #2 *or*	100% of member's reduced allowance	1, 2
c) Combination benefit		Option #3 *or*	50% of member's reduced allowance	1, 2
		Option #4	Customized allowance for 1 or more beneficiaries	1, 2
	1 (except eligible children)	Death/Burial Benefit	$5,000 Lump sum	1, 3, 4

***Eligible Beneficiary Codes:**
1–Surviving eligible spouse, eligible children, or domestic partner
2–One who has an insurable interest**
3–Anybody you name
4–Estate
** Every person has an insurable interest in the life and health of:

- Him or herself;
- Any person on whom he depends wholly or in part for an education or support;
- Any person under a legal obligation to him for the payment of money or respecting property or services, of which death or illness might delay or prevent the performance;
- Any person upon whose life any estate or interest vested in him or her depends.

Retirement Benefits

How to Estimate Your Retirement Allowance

Use the following formula to estimate your monthly retirement allowance:

STEP 1 Find your *percentage of final compensation* from the table on pages 62-63 (based on your age and years of service at retirement) and enter it on *Line 1*.

STEP 2 Calculate your *estimated final compensation* by finding your average monthly salary* for your last year of service or any higher one-year period you select, and enter it on *Line 2*.

STEP 3 Multiply *Line 1* by *Line 2* and enter the total on *Line 3*.

Your estimated monthly retirement allowance is calculated as follows:

(1) _____%
(2) x $ _____
(3) = $ _____**

Example: Percentage of final compensation from table at age 55 with 25 years' service (65.50%) x final compensation ($3,150) = monthly allowance ($2,063.25).

* Refer to "Compensation Earnable," page 21.
** See page 31 regarding Social Security reduction, if applicable.

Social Security

Safety members have never been covered by Social Security while members of LACERA. The following information is provided in the event you were covered by Social Security as a previous general member in Plan A, B, C or D.

The County of Los Angeles withdrew its general member employees from the federal Social Security program in December 1982. Your LACERA retirement allowance will be reduced by a fixed dollar amount for each year of service that was covered by Social Security while employed by the County prior to 1983 in a general member retirement plan. If you were hired after December 31, 1982, your retirement allowance will not be affected.

If you were previously a Plan E general member, please contact LACERA to determine the reduction of your retirement allowance.

Example: A former Plan A general member retiring at age 55 with 10 years of Social Security coverage as a County employee would have his or her retirement allowance reduced by $22.70 based on the table on page 32 (10 times $2.27= $22.70).

Retirement Allowance Reduction Amounts for Members Covered by Social Security

Age at Retirement	Reduction per YOS* Plan A	Plan B	Plan C	Plan D
50	$1.72	$1.45	$ 1.38	$ 4.14
51	1.83	1.53	1.45	4.35
52	1.94	1.62	1.52	4.56
53	2.03	1.72	1.59	4.77
54	2.15	1.83	1.66	4.99
55	2.27	1.94	1.74	5.22
56	2.40	2.03	1.82	5.47
57	2.55	2.15	1.91	5.74
58	2.65	2.27	2.01	6.04
59	2.75	2.40	2.12	6.36
60	2.85	2.55	2.24	6.71
61	2.95	2.65	2.32	6.97
62	3.05	2.75	2.44	7.32
63	3.05	2.85	2.56	7.69
64	3.05	2.95	2.70	8.09
65+	3.05	3.05	2.84	8.51

*"YOS" means years of service covered by Social Security as a County employee.

Pension Advance Option

If you retire at age 60 or before and are fully insured under Social Security (with 40 credits) earned either during County employment prior to 1983, or through another employer, you may elect the Pension Advance Option. (Members who elect retirement Option 2, 3, or 4, or who receive a disability retirement are not eligible for the Pension Advance.)

Here's how it works: LACERA's actuary estimates your age 62 Social Security benefit. A percentage of the estimate is added to your LACERA allowance until you reach age 62. At 62, the full Social Security estimate is subtracted from your allowance. The reduced LACERA allowance after age 62 plus your actual Social Security benefit should provide you with approximately the same income you had before age 62. However, your income may not be the same because the Social Security estimate used by LACERA may be more or less than your actual Social Security benefit at age 62. If you ask Social Security for an estimate when you retire, LACERA will use it for this option.

Example: Mr. A and Mr. B both retire at age 55, with a basic (unmodified) retirement allowance of $2,040.55 per month, and an estimated Social Security (ESS) benefit of $535.00 per month.

Mr. A's allowance before age 62:	
Basic LACERA monthly allowance:	$2,040.55
Plus (51.14% x $535 ESS):	+ 273.60
Allowance before age 62:	**$2,314.15**

Mr. A's allowance after age 62:	
Allowance was:	$2,314.15
Less $535 full ESS:	- 535.00
Allowance after age 62:	**$1,779.15**
Plus actual Social Security benefit:	+ 535.00
Income after age 62:	**$2,314.15**

What's the advantage? Mr. A's income at retirement, with the Pension Advance Option, is increased by $273.60 per month over the basic amount, until he reaches age 62 and begins receiving Social Security. Mr. A will receive $22,982.40 more than Mr. B in the first seven years ($273.60 x 84 months) with this

option. Mr. A will have received more money than Mr. B until they are approximately 69 years old. Then, the scale will tip in Mr. B's favor because his basic allowance ($2,040.55 per month) has been $261.40 per month more than Mr. A's since age 62.

The best option for you may depend on how long you expect to live, and whether it is to your advantage to receive a higher retirement income prior to age 62.

If a member receiving the Pension Advance Option dies, before or after age 62, the eligible surviving spouse, minor children, or domestic partner will receive 60% (or 65% if eligible) of the basic allowance the member would have received had the member not selected the Pension Advance Option (or 60% of $2,040.55 in the above example). The survivor's allowance will include 60% (or 65%) of the cost-of-living amount the member had been receiving.

Safety Plan A and B
Pension Advance Option Percentage*

Age at Retirement	Pension Advance Option Percentage
50	32.72%
51	35.72
52	39.02
53	42.67
54	46.69
55	51.14
56	56.08
57	61.55
58	67.64
59	74.43
60	82.00
61	90.48

*These percentages are subject to change based on recommendations by LACERA's actuary.

Taxes on Retirement Allowances

Retirement allowances are considered taxable income under both Federal and State of California income tax laws. Federal and State taxes are withheld from your monthly retirement allowance, unless you elect to have no withholding.

If you receive a service-connected disability retirement allowance, an amount equal to 50% of your final compensation may be exempt from taxes. Any amount over 50% is taxable.

California will collect state income tax on your retirement allowance, which was earned in California, only if you are a California resident.

State tax requirements on retirement income differ from state to state. If you reside in another state, your LACERA retirement income may be taxable in that state. You should consult with your own tax advisor and contact the appropriate state tax authority for its rulings. You may elect to withhold California State taxes from your retirement allowance to satisfy other California tax obligations.

Cost-of-Living Adjustment for Retirees

Each year, the change in the Consumer Price Index (CPI) as of January 1 is reviewed by the LACERA Board of Retirement to determine whether a cost-of-living adjustment COLA may be granted. This adjustment can increase or decrease your retirement allowance up to a *maximum* of 3% if you are in Plan A, or 2% if you are in Plan B, effective April 1 of each year.

Termination of Benefits

Retirement benefits terminate upon the death of the member.

- If there is a ***surviving spouse*** eligible for a continuing allowance, or other beneficiary(ies) eligible for Option 2, 3, or 4, their monthly allowance is payable for their lifetime. If there is no eligible surviving spouse, or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.

- If there is a ***surviving domestic partner*** and no eligible children, the domestic partner will be eligible for a continuing allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.

Medical and Dental/Vision Insurance for Retirees

Health insurance coverage is a vested benefit for LACERA retirees receiving a retirement allowance. Only you, your spouse, and eligible dependents* may receive health care benefits. You must enroll in a LACERA-sponsored medical and dental/vision insurance plan within 60 days after retirement. Late enrollment procedures require proof of good health or a 6-month waiting period for coverage, depending on the plan chosen.

Eligible surviving spouses or dependent children receiving a continuing allowance will have no lapse in their prior LACERA medical and/or dental/vision coverage. If they were not previously covered by LACERA insurance, they must comply with the late enrollment procedures.

Your cost for this insurance varies according to your insurance plan, covered dependents, and years of retirement service credit with LACERA (excluding ARC or reciprocal retirement service credit). For members with 10 years of retirement service credit, the County contributes 40% of your health care plan premium or 40% of the

benchmark plan rate (Blue Cross Plans I and II and the CIGNA Dental/Vision Plans), whichever is less. The percentage paid increases 4% for each additional completed year of retirement service credit and provides 100% (of your premium or of the benchmark rate, whichever is less) after 25 years of service. If the premium for your plan and coverage exceeds the benchmark rate, you are required to pay the difference, even if you have 25 years of service.

* Unmarried, dependent children are eligible for health coverage until age 19, or until age 23 if enrolled as full-time students in an accredited school or university and fully dependent on you for financial support. Effective July 2004, retiree health care benefits are available for registered domestic partners. Please visit www.lacera.com or contact LACERA for details.

COBRA Insurance for Dependents

Effective July 1, 1992, dependents enrolled in a LACERA-sponsored health insurance or dental/vision plan who become ineligible for coverage can temporarily continue their group health insurance in certain instances where eligibility for coverage under their plan would otherwise end. Your dependents have 60 days from the date their present coverage terminates to apply for continuation coverage under the COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) plan. The cost for continuation coverage is solely the responsibility of the member/dependent and is not paid in any part by the County. Contact the LACERA Insurance Section for eligibility details and an application.

Life Insurance

As a permanent full-time County employee you are automatically covered by a $2,000 County-paid life insurance policy under an ordinance adopted by the Board of Supervisors.* You designate the beneficiary for this policy with your personnel office.

*Benefit levels differ for MegaFlex participants. For MegaFlex and Long-Term Disability benefits, contact the County's Department of Human Resources.

Legal Considerations

Confidentiality of Records

Retirement law requires that all member records remain confidential. Such records may not be disclosed to anyone other than the member, except in the administration of the retirement system, upon order of a court of competent jurisdiction or with the member's written consent.

Dissolution of Marriage

- A married member's retirement account with LACERA is considered to be community property, and is subject to division upon divorce. Orders of the court dividing a member's community property interest in the pension plan are binding on LACERA if LACERA is joined as a party to the proceedings and the orders are in accordance with the terms of the retirement plan. The order should specify a monthly amount or a percentage of the retired member's allowance that is to be paid. The funds are not payable to the ex-spouse until the member retires. If the ex-spouse should die while receiving or entitled to receive court-

ordered payments, those payments may continue to the ex-spouse's named beneficiary. All payments cease upon the death of the member.

- An ex-spouse does not qualify as a "surviving spouse" eligible to receive a monthly continuing allowance upon the death of the member. However, if the member dies before or after retirement leaving an eligible surviving spouse, a portion of the surviving spouse's allowance may be payable to the ex-spouse upon order of the court. If the ex-spouse should die while receiving a portion of the surviving spouse's allowance, those payments may continue to the ex-spouse's named beneficiary but will terminate upon the death of the surviving spouse.
- LACERA's legal counsel is available to review proposed court orders prior to the time they are submitted to the court. Orders that violate the terms of the plan are subject to being nullified upon the filing of a motion with the court by LACERA.

Beneficiary Designation following Divorce

If you divorced your spouse on or after January 1, 2002, current laws could affect your beneficiary designation. If you selected:

Unmodified Retirement Option

You may designate a new Priority 1 beneficiary. However, your ex-spouse is not an eligible surviving spouse and *will not* receive a monthly continuing allowance. Under California law, your ex-spouse is not eligible for any benefit upon your death unless payment is mandated by court order or you name her or him as beneficiary *after* the divorce.

Option 1

You may designate a new Priority 1 beneficiary. Under California law, your ex-spouse is not eligible for *any* benefit upon your death unless payment is mandated by court order or you name her or him as beneficiary *after* the divorce.

Options 2, 3, and 4

You may not change your beneficiary. If you named your ex-spouse as Priority 1 beneficiary at retirement, she or he will receive a continuing allowance after your death for her or his lifetime.

Garnishment

In general, a member's retirement allowance is not subject to garnishment or other levies except as follows:

- A court may order LACERA to pay a portion of a member's retirement allowance to cover a judgment for spousal or child support.
- A member's retirement allowance is subject to levy by the Internal Revenue Service (IRS) or the California Franchise Tax Board for payment of delinquent Federal or State income tax.

County Service after Retirement

Retired members may not be paid for service to the County except as follows:

- As an employee in a County position requiring special skills or knowledge for a period not to exceed 120 working days (960 hours) in any one fiscal year;
- As a juror, election officer, field deputy for registration of voters, or temporarily as a judge when assigned by the Chairman of the Judicial Council;
- As a member of the Board of Retirement or Board of Investments;
- As an independent contractor with the County;
- As an elected County official;
- For suggestions made for the improvement of County or district activities;
- As a court commissioner (receiving court commissioner compensation less the retirement allowance) assigned by the presiding judge of a court.

The Board of Supervisors adopted a resolution effective July 6, 1993 which permits a member who received a service retirement to be re-employed by the County or an outside district. Each application for re-employment must be approved by the Board of Supervisors. The applicant may return to active membership in LACERA, if the member:

1. Makes application to the Board of Retirement for reinstatement; *and*
2. Is determined by the Board of Retirement not to be incapacitated for the duties assigned to the member, based on medical examination; *and*

3. Is eligible for membership (i.e., a permanent employee working three-quarter time or more).

The Board of Retirement will cancel your retirement allowance and reinstate you to active LACERA membership. You will become a safety member of Plan B, regardless of your prior plan. Your retirement allowance will be resumed only upon your subsequent termination from County employment. If you retired under the 1992-1993 Early Separation Program (ESP), you are not eligible for rehire.

Disability Retirement Benefits

General Information

As a Plan A or Plan B safety member, you are entitled to Disability Retirement Benefits from LACERA. For application procedures and additional information about LACERA disability retirement benefits, please contact LACERA and request the companion publication, Disability Retirement.

Note: See page 55 for information about the County Long-Term Disability and Survivor Benefit Plan for active employees.

Definition of Disability

There are two types of *disability retirement benefits:*

1. **Nonservice-Connected Disability:** An illness or injury, not caused by your employment, that permanently incapacitates you from performing the duties of your job.
2. **Service-Connected Disability:** An illness or injury, either caused or aggravated by your employment, that permanently incapacitates you and prevents you from performing the duties of your job.

Minimum Service Requirements

To be eligible for a disability retirement allowance, you must meet the following qualifications:

- **Nonservice-Connected Disability**—Five or more years of County (or combined County and reciprocal system) retirement service credit.
- **Service-Connected Disability**—No minimum service requirement.

When Application Must Be Made

You must submit your application for a nonservice-connected or service-connected disability:

- While you are still employed; *or*
- Within 4 months after you have terminated employment; *or*
- Any time after terminating employment provided you are continuously physically or mentally unable to perform your duties from the date of separation to the time you apply.

You may not apply if you have withdrawn your retirement contributions.

Advanced Disability Pension Payments

Workers' Compensation law permits the County to make advanced disability pension payments to safety members while the members are awaiting approval or disapproval of their LACERA disability retirement application. The member must reimburse the County for these advanced disability payments. If the disability retirement is approved, LACERA will deduct the advanced payments from the retroactive disability retirement allowance payable to the member. If the retroactive disability allowance is not sufficient to reimburse the total amount owed to the County, LACERA will deduct the remaining balance from the member's future disability retirement allowance at a monthly rate no greater than 10%. If the disability application is denied, the member must reimburse the County directly.

Effective Date of Disability Retirement Allowance

After disability retirement is granted by the Board of Retirement, the disability retirement allowance generally becomes effective as of the date the application is filed with LACERA, but not earlier than the day following the last day of regular compensation.

Disability Retirement Benefits

Benefit Amount

Nonservice-Connected Disability

The disability retirement benefit is:

- Generally equal to 1/3 of your final compensation (but could be more or less depending on your age and length of service), *or*
- Equal to a full service retirement allowance, *whichever is greater.*

Service-Connected Disability

The disability retirement benefit is:

- 50% of your final compensation, *or*
- The equivalent of a full service retirement allowance, whichever is greater.

Cost-of-Living Adjustment for Disability Retirees

A disability allowance may be increased or decreased up to a *maximum* of 3% if you are in Plan A or 2% if you are in Plan B, effective April 1 of each year.

Termination of Benefits

Disability retirement benefits end:

- When you are no longer permanently disabled from performing the duties of your job, and you are reinstated to County service; *or*
- If you refuse to submit to medical examination while under age 55; *or*
- Upon your death, unless your surviving spouse, children, domestic partner, or named beneficiary is eligible for continuing monthly benefits. (See "Postretirement Death/Survivor Benefits" on page 56.)

Appeal Rights

Your application for a disability retirement will be evaluated by LACERA staff and submitted to the Board of Retirement with a recommendation. If the Board of Retirement denies your application, you will have 30 days to appeal that decision and request a hearing before a hearing officer appointed by the Board. You have 90 days to appeal any subsequent Board of Retirement decision to the Superior Court.

Preretirement Death/Survivor Benefits

Death Benefits

When an active member dies before retirement, the member's surviving spouse, named beneficiary(ies), or domestic partner may be eligible to receive death benefits from LACERA.

The benefit payable depends on whether the member's death was service-connected (death occurring as a result of illness or injury that is related to employment) or nonservice-connected (death not related to employment).

If a deferred member dies before retirement, the only benefit payable to the named beneficiary or

estate is a return of member contributions and interest.

Nonservice-Connected Death

When a member with *less than 5 years* of service dies before retirement as a result of nonservice-connected causes, the only benefit payable is a ***basic death benefit (lump sum).*** It is payable to the *named* beneficiary or to the member's estate.

If the member was vested with *5 or more years* of County (or combined County and reciprocal system) retirement service credit, the surviving spouse or domestic partner, *if named,* may also choose the basic death benefit; or may choose between two other options. Retirement law provides that upon the death of an active member, the rights and claims of a surviving spouse, eligible minor children, or domestic partner to receive a monthly allowance may be superior to and supersede the rights and claims of any other named beneficiary. Therefore, even if the spouse or domestic partner is not named, he or she may choose either the ***optional monthly allowance*** or the ***combined benefit.***

The benefits are as follows:

1. The ***basic death benefit (lump sum)*** consists of:
   - The member's retirement contributions and credited interest, *and*
   - A month's salary for each completed year of service (not exceeding 6 months) based on the member's average compensation earnable during the 12 months immediately preceding the member's death.

This basic death benefit is payable to the named beneficiary or estate. It will be paid in a lump sum unless the beneficiary chooses to receive it in installments over 120 months (10 years).

If there is a surviving domestic partner and eligible minor children, and the children elect the lump sum benefit, the payment will be shared proportionately among the surviving children and the domestic partner.

2. The ***optional monthly allowance*** is a lifetime monthly benefit for a surviving spouse or domestic partner equal to:
   - 65% of the allowance the deceased member would have received had he or she been retired for a nonservice-connected disability, if death occurred on or after June 4, 2002, or 60% if death occurred prior to June 4, 2002. (This benefit is generally equal to 20% of the member's final compensation, but could be more or less depending on the member's age and years of service.)
   - If there is no *eligible surviving spouse,* or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor (natural, adopted, or step-) children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.

Preretirement Death/Survivor Benefits

- If there is a *surviving domestic partner* and no eligible children, the domestic partner will be eligible for a continuing allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.

3. The ***combined benefit*** is a two-part benefit for the surviving spouse or domestic partner consisting of:
   - A lump sum payment equal to a month's salary for each completed year of service (not exceeding 6 months) based on the member's average salary over the last 12 months, *and*
   - A monthly allowance, as described in (2) on page 49, that is reduced by the actuarial equivalent of the lump sum payment based on the age of the surviving spouse or domestic partner.

Minor children are not eligible to choose the combined benefit option.

Service-Connected Death

When a member dies before retirement as a result of service-connected causes, a ***basic death benefit (lump sum)*** is payable to the named beneficiary or to the member's estate, regardless of the member's years of service.

The surviving spouse or domestic partner, *if named*, may also choose the basic death benefit, or may choose between two other options. Retirement law provides that upon the death of an active member, the rights and claims of a surviving spouse, eligible minor children, or domestic partner to receive a monthly allowance may be superior to and supersede the rights and claims of any other named beneficiary. Therefore, even if the spouse or domestic partner is *not named*, he or she may choose either the ***optional monthly allowance*** or the ***combined benefit.***

The benefits are as follows:

1. The ***basic death benefit (lump sum)*** consists of:
   - The member's contributions and credited interest, *and*
   - A month's salary for each completed year of service (not exceeding 6 months) based on the member's average compensation earnable during the 12 months immediately preceding the member's death.

This basic death benefit is payable to the named beneficiary or estate. It will be paid in a lump sum unless the beneficiary chooses to receive it in installments over 120 months (10 years). If there is a surviving domestic partner and eligible minor children, and the children elect the lump sum benefit, the payment will be shared proportionately among the surviving children and the domestic partner.

2. The ***optional monthly allowance*** is a lifetime monthly benefit for a surviving spouse or domestic partner equal to:

- 100% of the allowance the deceased member would have received had he or she been retired for a service-connected disability at the time of death. This benefit is equal to 50% of the member's *final compensation,* but could be more depending on the member's age and years of service.
- If there is no *eligible surviving spouse,* or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor (natural, adopted, or step-) children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.
- If there is a *surviving domestic partner* and no eligible children, the domestic partner will be eligible for a continuing allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.

3. The ***combined benefit*** is a two-part benefit for the surviving spouse or domestic partner consisting of:
   - A lump sum payment equal to a month's salary for each completed year of service (not exceeding 6 months) based on the member's average salary over the last 12 months; *and*
   - A monthly allowance, as described in (2) on pages 51-52, that is reduced by the actuarial equivalent of the lump sum payment based on the age of the surviving spouse or domestic partner; *and*
   - *A lump sum death benefit* is payable to the surviving spouse of a safety member who is killed or dies as the result of an accident or injury caused by external violence or physical force incurred in the performance of duty. The benefit is equal to 12 months' pay based on the monthly rate of compensation at the time of death.

Minor children are not eligible to choose the combined benefit option.

Additional monthly benefits under (2) on pages 51-52 are payable to the surviving spouse (or to the person having legal custody) for each of the member's minor (natural, adopted, or step-) children if the member's death occurs as a result of an accident or injury caused by external violence or physical force incurred in the performance of duty. The benefit amount is a percentage of the optional monthly allowance described under (2) on pages 51-52.

No. of Children	Percentage of Optional Monthly Allowance
1	25%
2	40%
3 or more	50%

This additional benefit is payable only until the children marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.

Cost-of-Living Adjustment for Surviving Spouse or Domestic Partner

The allowance for a surviving spouse, children, or domestic partner may be increased or decreased up to a *maximum* of 3% if the member had been in Plan A, or 2% if the member had been in Plan B, effective April 1 of each year.

Termination of Benefits

Survivor benefits terminate upon the death of the eligible surviving spouse or domestic partner:

- If there is a ***surviving spouse*** eligible for an allowance, the monthly allowance is payable for life. If there is no eligible surviving spouse or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.
- If there is a ***surviving domestic partner*** and no eligible children, the domestic partner will be eligible for a monthly allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.

Appeal Rights

The surviving spouse or domestic partner has 30 days to appeal any decision of the Board of Retirement and request a hearing before a hearing officer appointed by the Board. The surviving spouse or domestic partner has 90 days to appeal any subsequent Board of Retirement decision to the Superior Court.

County Long-Term Disability and Survivor Benefit Plan

In addition to the Disability and Preretirement Death Benefits available from LACERA, you may be entitled as an active County employee to benefits under the Long-Term Disability and Survivor Benefit Plan which is administered by the County. Benefit levels differ for MegaFlex participants. For MegaFlex and Long-Term Disability benefits, please contact your personnel officer.

Postretirement Death/Survivor Benefits

Death Benefits

Effective June 4, 2002, when a member dies after retirement, the named beneficiary is entitled to receive a one-time $5,000 death benefit from LACERA. If no one is specifically named to receive the $5,000, it will be paid to your surviving spouse, child, domestic partner, or next beneficiary(ies) in priority order, or to your estate.

A monthly continuing allowance may be payable depending on whether the member chose a regular service retirement or a disability retirement (service-connected or nonservice-connected) and which benefit option the member selected at retirement.

Service Retirement or Nonservice-Connected Disability Retirement

The surviving spouse, minor children, or domestic partner of a member is entitled to:

1. 65% of the member's unmodified service or nonservice-connected disability retirement allowance if the member retired on or after June 4, 2002 (60% if the member retired prior to June 4, 2002), provided the spouse was married to the member at least one year prior to the member's date of retirement whether named as beneficiary or not. This applies to domestic partners after August 26, 2003 if they registered their domestic partnership at least one year prior to retirement.
   - If there is no *eligible surviving spouse,* or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor (natural or adopted) children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.
   - If there is a *surviving domestic partner* and no eligible children, the domestic partner will be eligible for a continuing allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.
2. If the member selected a modified allowance at retirement—***Option 2, 3, or 4***—the percentage of the beneficiary's allowance will be based on the option chosen. (The Option 1 lump sum benefit is described on pages 26-27.)

Service-Connected Disability Retirement

The surviving spouse, minor children, or domestic partner of a member is entitled to:

1. 100% of the member's unmodified service or service-connected disability retirement allowance provided the spouse was married to the member prior to the date of retirement, whether named as beneficiary or not. This applies to domestic partners after August 26, 2003 if they registered their domestic partnership prior to retirement.

Postretirement Death/Survivor Benefits

- If there is *no eligible surviving spouse,* or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor (natural or adopted) children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.
- If there is a *surviving domestic partner* and no eligible children, the domestic partner will be eligible for a continuing allowance. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.

2. If the member selected a modified allowance at retirement—***Option 2, 3, or 4***—the percentage of the beneficiary's allowance will be based on the option chosen. (The Option 1 lump sum benefit is described on pages 26-27.)

Cost-of-Living Adjustment for Surviving Spouse or Domestic Partner

The allowance for a surviving spouse, children, domestic partner, or a beneficiary receiving an unmodified, Option 2, 3, or 4 allowance may be increased or decreased up to a *maximum* of 3% if the member had been in Plan A, or 2% if the member had been in Plan B, effective April 1 of each year.

Termination of Benefits

Survivor benefits terminate upon the death of the eligible surviving spouse or domestic partner.

- If there is a ***surviving spouse*** eligible for a continuing allowance, or other beneficiary(ies) eligible for Option 2, 3, or 4, their monthly allowance is payable for their lifetime. If there is no eligible surviving spouse, or the spouse dies while receiving the benefit, the continuing allowance is payable to the member's minor children until they marry or turn 18, or through age 21 if they remain unmarried and are enrolled as full-time students in an accredited school.
- If there is a ***surviving domestic partner*** and no eligible children, the domestic partner will be eligible for a continuing allowance payable for life. However, if the member has eligible children and there is a domestic partner, the children will receive the monthly allowance until they are no longer eligible, at which time the monthly allowance will be paid to the domestic partner for his or her lifetime.

Tables - Plan A and B

How to Estimate Your Monthly Plan A and B Contribution

Use the following formula to estimate your Plan A or Plan B monthly contribution:

1. Enter your monthly salary* on *Line 1*.
2. Find your age in the corresponding Plan table on page 61 that reflects your age at your nearest birthday when you became a LACERA member.** Enter the rate next to that age on *Line 2*.***
3. Multiply *Line 1* by *Line 2* and enter the total on *Line 3*.

Your estimated monthly contribution under Plan A or Plan B is calculated as follows:

(1) $_____

(2) x_____%

(3) = $_____

*If you were first hired before January 1, 1996 and are now returning to employment, your monthly retirement contribution is calculated by using your monthly salary, pensionable bonuses, and other earnings, plus the portion of your current County Cafeteria Plan that is subject to retirement. Please contact your payroll office for this information.

** **For example,** if you were 29 when you entered LACERA in March and your birthday is in August, your official entry age would be 30.

***Rates are subject to change based on recommendations from LACERA's actuary and adoption by the Board of Investments and the Board of Supervisors. Rates for members in outside districts may vary. Call LACERA.

Member Contribution Rates

Plan A				Plan B			
AGE	RATE	AGE	RATE	AGE	RATE	AGE	RATE
18	6.90%	34	9.19%	18	6.02%	34	9.11%
19	6.94	35	9.41	19	6.18	35	9.33
20	6.97	36	9.63	20	6.36	36	9.57
21	7.01	37	9.81	21	6.53	37	9.81
22	7.16	38	10.00	22	6.70	38	10.06
23	7.30	39	10.20	23	6.87	39	10.30
24	7.43	40	10.38	24	7.06	40	10.54
25	7.61	41	10.55	25	7.25	41	10.78
26	7.75	42	10.73	26	7.43	42	10.99
27	7.89	43	10.87	27	7.62	43	11.21
28	8.08	44	11.01	28	7.82	44	11.39
29	8.25	45	11.14	29	8.02	45	11.53
30	8.43	46	11.20	30	8.22	46	11.62
31	8.60	47	11.22	31	8.43	47	11.63
32	8.79	48	11.22	32	8.66	48	11.63
33	8.99	49+	11.22	33	8.87	49+	11.63

SAFETY MEMBERS – PLAN A AND B
PERCENTAGE OF FINAL COMPENSATION USED TO COMPUTE RETIREMENT ALLOWANCE ESTIMATE

(If Member Not Covered Under Social Security as a County Employee*)

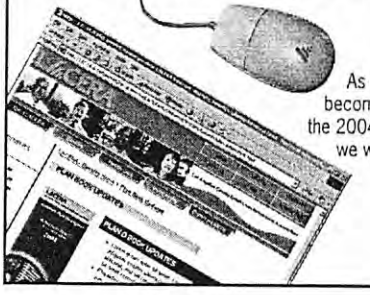
Years of service	AGES															Years of service
	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55 & over	
10										20.00%	21.03%	22.16%	23.38%	24.67%	26.20%	10
11										22.00	23.14	24.37	25.72	27.14	28.82	11
12										24.00	25.24	26.59	28.06	29.61	31.44	12
13										26.00	27.34	28.80	30.40	32.07	34.06	13
14										28.00	29.44	31.02	32.74	34.54	36.68	14
15										30.00	31.55	33.23	35.08	37.01	39.30	15
16										32.00	33.65	35.45	37.41	39.48	41.92	16
17										34.00	35.75	37.67	39.75	41.94	44.54	17
18										36.00	37.86	39.88	42.09	44.41	47.16	18
19										38.00	39.96	42.10	44.43	46.88	49.78	19
20	25.03%	26.50%	28.02%	29.59%	31.22%	32.90%	34.71%	36.34%	38.09%	40.00	42.06	44.31	46.77	49.34	52.40	20
21	26.28	27.83	29.42	31.07	32.78	34.55	36.45	38.16	39.99	42.00	44.17	46.53	49.11	51.81	55.02	21
22	27.54	29.15	30.82	32.55	34.34	36.19	38.18	39.97	41.90	44.00	46.27	48.74	51.44	54.28	57.64	22
23		30.48	32.22	34.03	35.90	37.84	39.92	41.79	43.80	46.00	48.37	50.96	53.78	56.75	60.26	23
24			33.62	35.51	37.46	39.48	41.65	43.61	45.71	48.00	50.48	53.17	56.12	59.21	62.88	24
25				37.00	39.03	41.13	43.39	45.43	47.61	50.00	52.58	55.39	58.46	61.68	65.50	25
26					40.59	42.78	45.13	47.24	49.51	52.00	54.68	57.61	60.80	64.15	68.11	26
27						44.42	46.86	49.06	51.42	54.00	56.79	59.82	63.14	66.61	70.73	27
28							48.60	50.88	53.32	56.00	58.89	62.04	65.48	69.08	73.35	28
29								52.69	55.23	58.00	60.99	64.25	67.81	71.55	75.97	29
30									57.13	60.00	63.10	66.47	70.15	74.02	78.59	30
31										62.00	65.20	68.68	72.49	76.48	81.21	31
32										64.00	67.30	70.90	74.83	78.95	83.83	32
33										66.00	69.41	73.11	77.17	81.42	86.45	33
34										68.00	71.51	75.33	79.51	83.68	89.07	34
35											73.61	77.55	81.84	86.35	91.69	35
36												79.76	84.18	88.82	94.31	36
37													86.52	91.29	96.93	37
38														93.75	99.55	38
39															100.00	39

*Note: If you were covered under Social Security as a County employee, see page 32 for the Social Security reduction computation.

Look for updates to the Plan Booklets at...

www.lacera.com

(Look in the **BENEFITS** section.)



As new information becomes available for the 2004 Plan Booklets, we will post updates **online.**

LACERA

We have... Calculators!!

- **Retirement Calculator** — Get a retirement benefit estimate instantly
- **Transfer Calculator** — See Plan E to D transfer and purchase options
- **ARC Calculator** — See the cost and payment options of purchasing up to 5 years of Additional Retirement Credit

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