



**LACERA**

Los Angeles County Employees Retirement Association

It's never too late to

**plan**

for retirement!

General and Safety Members Mid-Career Workshop for LACMC

## Mid-Career Workshop: OVERVIEW

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- 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](http://www.lacera.com)

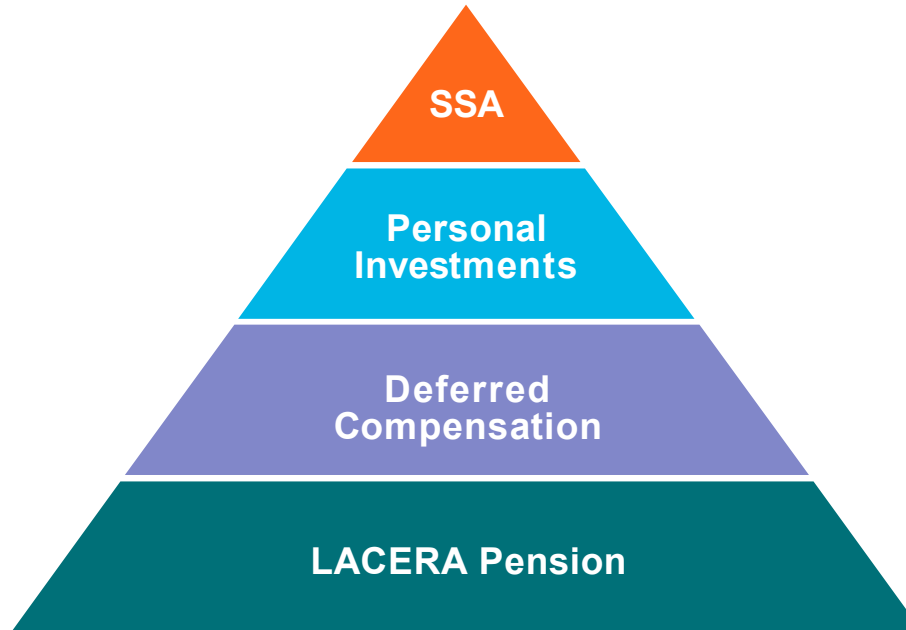
## Income Source

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How Will Your Retirement Picture Look?

How much income do I need?

Is 70%-80% of working income enough?

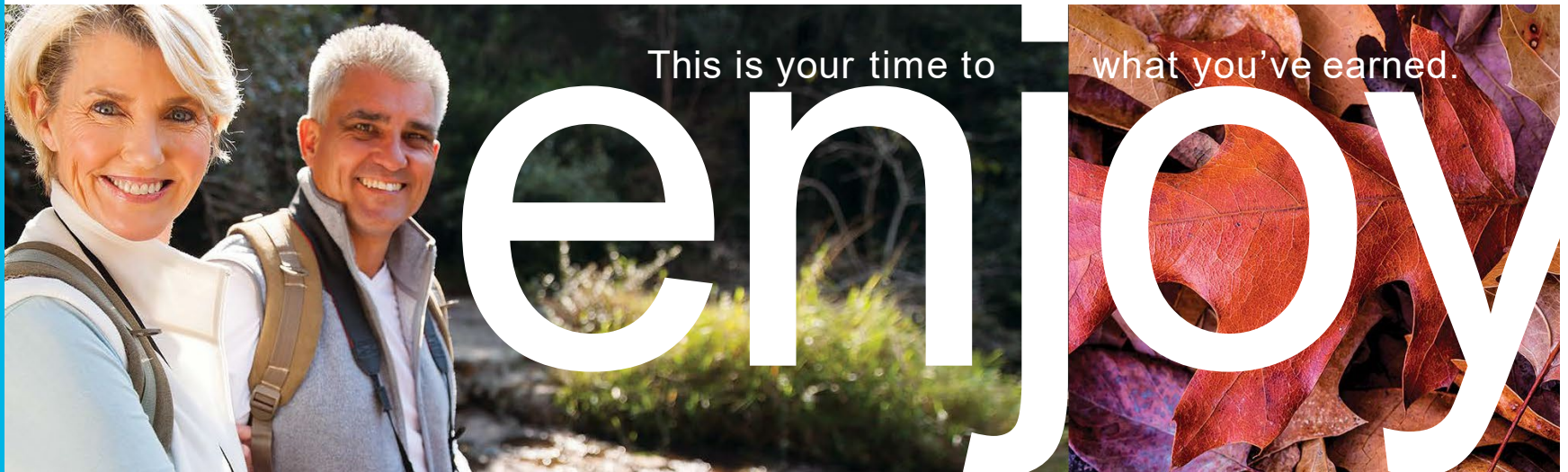


# Retirement Eligibility

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## 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

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## 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

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## 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
- Age 70 regardless of service
- Vesting: 5 years of service

# Retirement Factors

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## 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
- $\text{Percentage} \times \text{Final Compensation} = \text{\$Monthly Allowance}$



# Retirement Factors

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## Final Compensation

- 1 year
  - Safety Plan B
  - General Plans B, C, and D
- Any 3 years
  - Plan E
- 36 consecutive-months (2022 annual limit: \$161,969)
  - Safety Plan C
  - General Plan G



## Maximizing Final Comp

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### General Plans B, C, D, (Mega Flex) Non-Elective Leave Buyback

- Excess time ( more than 480 hrs)
- Occurs end of December, must be on active payroll
  - 10 days or 80-hour limit



# Maximizing Final Comp

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## Safety Plan B – Firefighter (Mega Flex) Non-Elective Leave Buyback

- Occurs end of December. Must be on active payroll
- 120 excess hrs. ( more than 720) for 56 Hour Scheduled firefighter
- 80 excess hrs. ( more than 480) for 40 Hour Scheduled firefighter



# Maximizing Final Comp

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## Safety Plan C and General Plan G – **No Buybacks**

- **Overtime Pay NOT Pensionable**
- **Termination Pay NOT Pensionable**

# Purchase Service Credit

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## 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)

# 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               | <del>27.18</del> | <del>28.59</del> | <del>29.96</del> | <del>31.36</del> | <del>32.80</del> | <del>34.32</del> | <del>35.96</del> | <del>37.74</del> | <del>39.68</del> | <del>41.7</del> | 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

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## 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

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## 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

# Plan Transfers

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## Open Window Plan Transfer (E to D)

### Prospect Plan Transfer

- D to E or
- E to D
- Incremental Purchase





## Healthcare



Stay

# healthy

happy and wise.

# Health Insurance Subsidy

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## County Subsidy – Retiree Health Care:

|                                    |               |
|------------------------------------|---------------|
| First 10 Years of Service Credit = | 40%           |
| Each Additional Year =             | Additional 4% |
| 25 Years of Service Credit =       | 100%          |

- County subsidy based on Benchmark Plan–Anthem Blue Cross Indemnity
- County subsidy may be subject to change

# Health Insurance Subsidy

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## 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

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Divorce

Departure

Disability

Death Before Retirement



## Divorce

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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

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## 4 Choices

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



# Defer Your Retirement

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## Defer Contributions

- Accrue interest up to the assumed rate of return
- Age 72 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](http://www.lacera.com)**

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# Enter Reciprocal Agency

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## 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

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## 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

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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

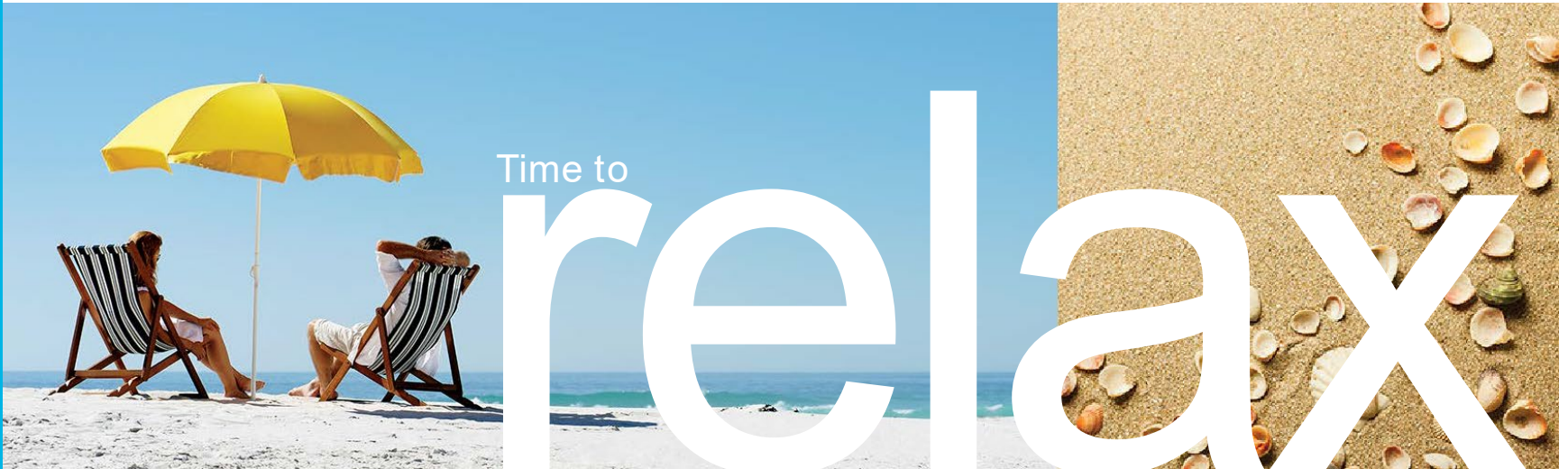
# Retirement

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Receive a guaranteed life-time pension!

Receive subsidized medical, dental and vision insurance

**(with 10+ years of service)**



# Disability Retirement

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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)

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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.**

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# Long Term Disability (LTD)

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## 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

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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

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## 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

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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

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## 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

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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

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Allows trusted individual to act in your place

## DPOA

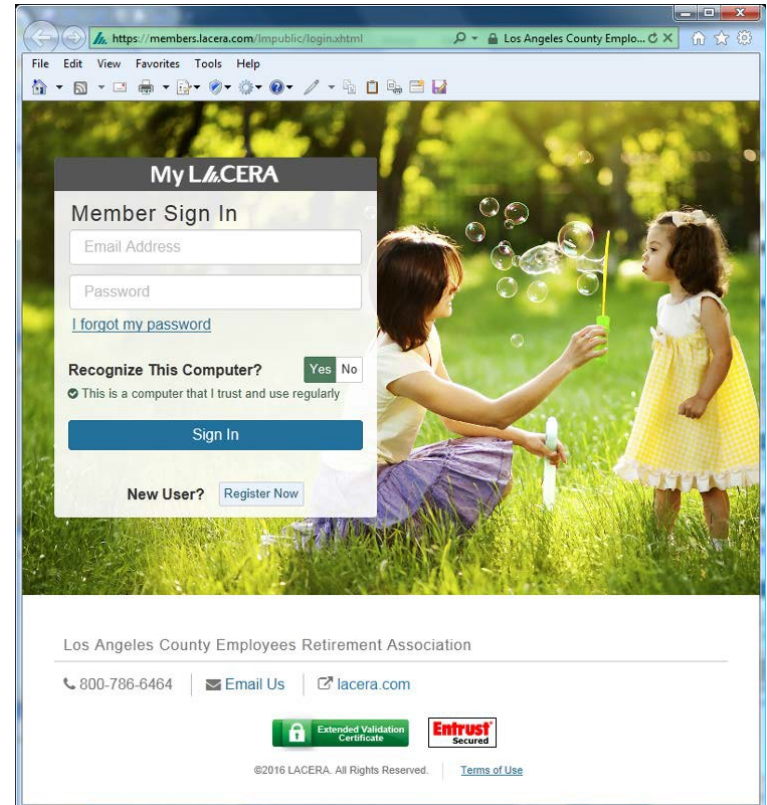
- Allows another to do whatever you elect
- No need to obtain court ordered conservatorship
- Can stop upon your incapacity
- If “Durable” then POA continues upon your incapacity
- May give authority over
  - Retirement Benefits, or
  - Retirement Accounts, or
  - Retirement pension benefits
- Stops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

# Visit LACERA Online

## Brochure and Forms

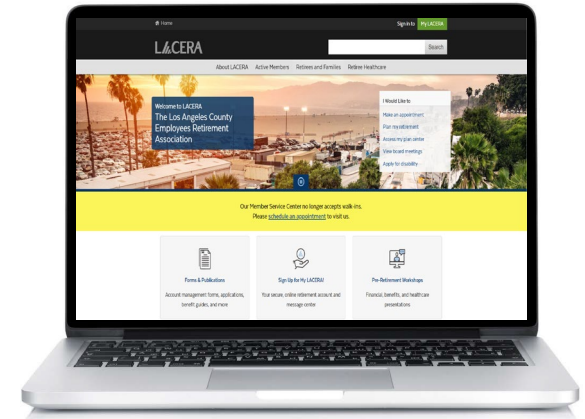
### My LACERA on [www.LACERA.com](http://www.LACERA.com)

- My LACERA – Access to your personal retirement information online, 24/7
- Retirement Calculator
- Upload Documents
- Secure Message Center

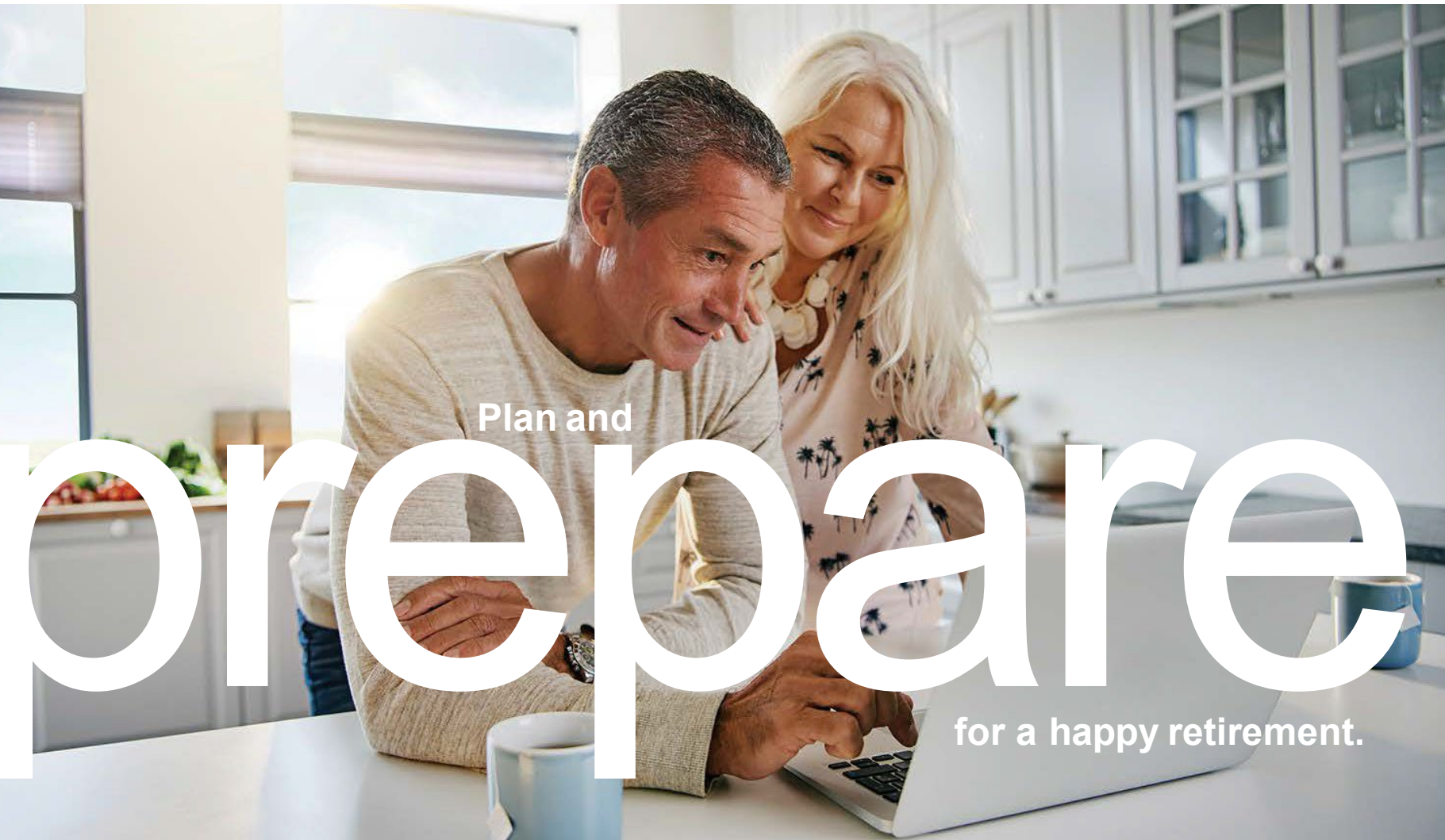


# How Do I Contact LACERA?

- By Phone: 1-800-786-6464 or Fax: 1-626-564-6155
- By email: [welcome@lacera.com](mailto:welcome@lacera.com)
- Online: [www.lacera.com](http://www.lacera.com)
  - MyLACERA Portal: Secure Message Center
- In Person\*: 300 N. Lake Ave. Pasadena, CA 91101
  - By appointment only – No walk-ins
  - Must wear face a facemask at all times
  - Limit of one guest with member
- [Virtual appointments available](#)
- Document drop off slot available outside of LACERA office



**\*In-person appointments suspended at this time due to COVID-19 Pandemic**



Plan and

# prepare

for a happy retirement.