

# pension perspectives

RETIRED/DROP MEMBER NEWSLETTER

## General Manager's Message

Welcome to our latest newsletter. Several noteworthy events have occurred over the past several months. First, retirees and DROP members will receive up to a 2.4% cost of living adjustment (COLA) increase in July; this is the highest annual COLA since 2008-09. Secondly, the Board approved an increase of 6.75% in the medical subsidy beginning July 2016. The Board also approved a retroactive subsidy increase of an additional 0.25% for FY 2015-16, based on new information about the medical trend rate for the current year. This action increased the medical subsidy rate to the maximum of 7% for FY 2015-16. The Board had a healthy discussion concerning the medical subsidy and requested the Plan's actuary to provide more information concerning the medical trend rate in the coming months.

For those of you who follow the stock market, you have probably noticed that the market has fluctuated over the past eleven months. Our investment portfolio has trailed the market fluctuations over the same time period. Currently, our fiscal year-to-date return is approximately less than 1%, which is short of our 7.5% assumed rate. However, be assured that our investment team is pursuing the best long-term strategies for the portfolio. Our average 30-year return continues to exceed the 7.5% assumed rate of return. The Board is currently discussing the portfolio's asset allocation to determine whether the current mix of stocks, bonds, real estate and private equity is still the appropriate investment strategy for the Plan.

On May 19, 2016, the Board formally dedicated the Boardroom to longstanding Commissioner Sam Diannitto. Commissioner Diannitto has served on the Board for over 40 years. Throughout his tenure, his consistent advocacy for members and his leadership has been instrumental in the growth of Fire and Police Pensions. See the Boardroom dedication article on page 13.

In mid-March we moved from our offices in Little Tokyo to our new location at the corner of 3rd and Alameda Streets, in the Arts District. We are excited to be in our new offices as we were housed in the former location for almost 30 years. The new building includes our own state-of-the-art Boardroom, three new counseling rooms, and new furniture designed to increase productivity among staff. Look for upcoming information concerning an open house this summer.

As always, please do not hesitate to contact me if you have questions or need assistance.

Sincerely,

Ray Ciranna  
General Manager

June 2016

## inside

<b>General Manager's Message</b>	<b>1</b>
<b>2016 COLA is 2.4%</b>	<b>2</b>
<b>2016 Retired Sworn Non-Medicare Health Subsidy Update</b>	<b>3</b>
<b>Medicare Benefits for Qualified Survivors</b>	<b>4</b>
<b>LAFPP Retirees Filing as California Tax Filers</b>	<b>4</b>
<b>The Fry Case</b>	<b>5</b>
<b>2016 Pension Payment Schedule</b>	<b>5</b>
<b>Sign up for E-Newsletters</b>	<b>6</b>
<b>LAFPP is 91.5% Funded</b>	<b>6</b>
<b>2015 Annual Report</b>	<b>6</b>
<b>Voter Empowerment Act of 2016</b>	<b>7</b>
<b>Keep Your Address Current with LAFPP</b>	<b>9</b>
<b>Save Time with Direct Deposit</b>	<b>9</b>
<b>Board Educational Offsite Meeting</b>	<b>10</b>
<b>LAFPP Has Moved!</b>	<b>11</b>
<b>About LAFPP Quarterly Review</b>	<b>12</b>
<b>Board of Fire and Police Pension Commissioners</b>	<b>13</b>
<b>Contact Information &amp; More</b>	<b>15</b>
<b>Health Tip</b>	<b>16</b>



# THE 2016 COST OF LIVING ADJUSTMENT IS 2.4%

Effective July 1, 2016



**T**he Cost of Living Adjustment (COLA) is 2.4% for 2016. All eligible pensioners, beneficiaries and DROP members will receive up to a 2.4% pension payment adjustment beginning with the pension payment dated July 29, 2016. A historical cost of living adjustments chart is available for viewing on our website.

First-year retirees (or DROP members) in Tiers 3-6 receive a COLA that is prorated by the number of complete months between their retirement effective date (or DROP entry date) and the following July 1. If you retired (or entered DROP) between July 2, 2015 and June 1, 2016, your monthly pension payment on July 29, 2016 will be adjusted by a prorated percentage of the COLA. For example, if you retired on December 15, 2015 you will receive a COLA based on six (6) complete months of retirement – January through June – one half of the 2.4% COLA.

The COLA is based on the change in the Consumer Price Index (CPI) for all urban consumers in the Los Angeles-Riverside-Orange County area (pursuant to the Los Angeles City Charter and the Administrative Code). The change in the CPI is calculated for a 12-month period from March to February of the following year and is published by the U.S. Bureau of Labor Statistics.

Members sometimes ask why the COLA issued by Social Security differs from the COLA issued by LAFPP. Both COLAs are based on the change in the CPI determined by the U.S. Bureau of Labor Statistics (BLS), however, the period measured and the population indexes used are different. The COLA for

Social Security benefits is based on the percentage increase in the CPI for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the last year a COLA was determined to the third quarter of the current year. Conversely, LAFPP bases its COLA on the annual increase (or decrease) in the CPI for All Urban Consumers (CPI-U) as of March 1 of that year from March 1 of the preceding year. For 2016, the COLA calculation for Social Security is zero percent. Below is a five-year history of the COLA for LAFPP pensioners and Social Security.

LAFPP COLA	Social Security COLA
July 2016 – 2.4%	January 2016 – 0.0%
July 2015 – 0.1%	January 2015 – 1.7%
July 2014 – 0.5%	January 2014 – 1.5%
July 2013 – 2.2%	January 2013 – 1.7%
July 2012 – 2.1%	January 2012 – 3.6%

For additional information regarding the COLA, please contact the Retirement Services Section at (213) 279-3125, and for detailed information regarding the CPI visit the U.S. Bureau of Labor Statistics at [www.bls.gov/cpi/](http://www.bls.gov/cpi/).

# 2016 Retired sworn non-Medicare health subsidy update

## Retroactive Increase to the Fiscal Year 2015-2016 Maximum Non-Medicare Health Subsidy

At its May 5, 2016 meeting, the Board of Fire and Police Pension Commissioners (Board) retroactively increased the fiscal year 2015-2016 maximum non-Medicare health subsidy by an additional 0.25% to \$1,438.49 per month, effective July 1, 2015.

Section 4.1154(e) of the Los Angeles Administrative Code grants the Board the authority to change the maximum non-Medicare health subsidy for retired members on an annual basis. The Board may make discretionary changes so long as no increase exceeds the lesser of 7% or the Plan's actuarial assumed medical trend rate. (The actuarial medical trend rate is a long-term projection of the average rise in health care costs per year.) The Board had previously adopted a maximum subsidy of \$1,435.13 for fiscal year 2015-2016 based on a medical trend rate of 6.75%. However, the Plan was recently advised by its consulting actuary that the correct medical trend rate used as a reference for this increase was actually 7.00%. Therefore, the Board could increase the subsidy an additional 0.25% based on the formula contained in the Los Angeles Administrative Code. This increase applies to retirees with non-frozen subsidies only.

LAFPP staff will be working to expeditiously process retroactive subsidy payments to the affected members in the next several months.

## Increase to the Fiscal Year 2016-2017 Maximum Non-Medicare Health Subsidy

The Board also approved an increase for the 2016-2017 maximum non-Medicare Health Subsidy at its May 5, 2016 meeting. Effective July 1, 2016, the maximum non-Medicare health subsidy is \$1,535.59, an increase of 6.75%. This is an increase of \$97.10 over the Fiscal Year 2015-2016 revised maximum of \$1,438.49.

The LAFPP non-Medicare Health Subsidy applies to eligible retired members who: (1) are at least age 55 (age 60 for members who retired before July 1, 1998) or age 65 and older who qualify for Medicare Part B only; (2) are receiving a monthly pension (member has exited DROP); (3) retired with at least 10 years of service; and (4) are enrolled in a Board-approved health plan.

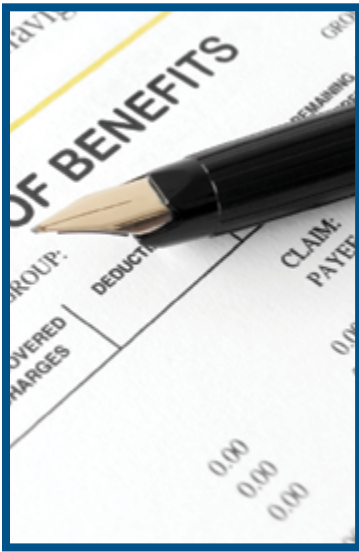
(NOTE: Members not enrolled in a Board-approved health plan may be eligible to receive a health subsidy through participation in the LAFPP Health Insurance Premium Reimbursement Program – please visit our website, [www.lafpp.com](http://www.lafpp.com), for more information on this program.)

Non-Medicare Health Subsidy for Retired Members						
Effective Date	July 1, 2016					
Maximum Monthly Subsidy*	\$1,535.59					
Calculating Your Monthly Subsidy**	Member's Whole Years of Service	x	4%	x	Maximum Subsidy Amount	= Monthly Subsidy
*If the member: (1) entered DROP or retired after July 14, 2011, and (2) <b>did not</b> opt in during the designated period to make the additional 2% bi-weekly pension contribution, the <i>Maximum Subsidy Amount</i> may not exceed the July 1, 2011 rate of \$1,097.41.						
**The actual Monthly Subsidy provided may not exceed the premium of the health plan in which the participant is enrolled.						

## Questions on Health Subsidy Benefits?

For questions concerning the LAFPP Health Subsidy program, please contact the Medical and Dental Benefits Section at (213) 279-3115 or (844) 88-LAFPP, EXT. 93115. Information is also available from the *Retired Members and Qualified Survivors* sections of [www.lafpp.com](http://www.lafpp.com).





## Medicare Benefits for Qualified Survivors

### *You may be eligible for the Basic Part B Reimbursement*

If you are receiving a survivor's pension and you qualify for Medicare Parts A & B at age 65, you are eligible to receive a reimbursement for your basic Medicare Part B premium from LAFPP if you also meet the qualifications to receive a LAFPP health subsidy. It's as simple as completing the *Medicare Part B Premium Reimbursement Agreement* available at [www.lafpp.com](http://www.lafpp.com). Send it in (as instructed on the form) along with a COPY of your Medicare card. If you are unsure whether you're already being reimbursed for Part B, please check your monthly pension statement under "Adjustments" for the Medicare Part B reimbursement.

## IMPORTANT INFORMATION FOR

# LAFPP Retirees Filing as California Tax Filers

LAFPP has learned there are two distinct issues impacting some of our California tax filers: 1) there is a potential discrepancy between 2015 tax information LAFPP's pension payment vendor, Northern Trust, originally provided to the California Franchise Tax Board (CFTB) and what filers have reported; and 2) CFTB is experiencing a technical problem that is causing a discrepancy between withholding amounts for some portion of 2015 income. Northern Trust has provided the explanation below, as well as the measures taken to resolve the first issue.

**ISSUE 1:** Northern Trust was delayed in submitting to the CFTB 2015 Quarter 1 and Quarter 2 tax information at the individual payee level. As a result, our California tax filers may have received a *Notice of Tax Return*. As of June 14, 2016, Northern Trust has confirmed that the CFTB is re-validating the tax returns affected by this delay. If this delay is the only issue causing a tax filing discrepancy and an LAFPP pension is the only source of income, then filers may receive a *Second Notice of Tax Return Change* from the CFTB, to allow your California withholding credits as claimed. This means no further action on your part is required based on your pension tax withholdings.

We apologize for any inconvenience this issue may have caused. Northern Trust will be accountable and has implemented a secondary audit

as part of its quality control measure to ensure future accurate state tax posting and oversight by its management. Northern Trust will also reimburse individual filers for related penalties, should any be assessed by CFTB.

**ISSUE 2:** The CFTB is experiencing a technology issue which may have created discrepancies in tax withholding information for Quarter 2 and Quarter 4 of 2015. We were informed this issue affects many California taxpayers, regardless of the employer. Therefore, for pensioners who have other sources of income in addition to their LAFPP pension, further efforts may be necessary to resolve this issue. These efforts include providing copies of W-2s and year-end earnings statements, to substantiate the California state tax amounts withheld from all sources of income.

For more information regarding the collection of California taxes withheld, please contact the Employment Development Department at (888) 745-3886.

**If you have received a *Notice of Tax Change* from the California Franchise Tax Board, please contact CFTB at (800) 852-5711. We understand that callers may leave a call back number in order to avoid the long call wait time.**

Please contact the LAFPP Retirement Services Section at (213) 279-3125 if you have any questions or concerns.



# The Fry Case

## The “freeze ordinance” is still in effect.

The Fry, et al. v. City of Los Angeles case concerns the ordinance that froze the retiree health subsidy benefit by the City for those LAFPP members who retired or entered DROP on or after July 15, 2011, and who did not elect to contribute an additional 2% of their salary. Approximately 30% of the active membership did not choose to contribute the extra 2% of salary. The petitioners sued the City and argued that the City’s “freeze ordinance” illegally impaired their vested rights to a retiree health subsidy that would increase over time.

On March 7, 2016, the California Second District Court of Appeal reversed the September 5, 2014, Writ of Mandate issued by the Los Angeles Superior Court authorizing the Board of Fire and Police Pension Commissioners

(Board) “to exercise its discretion, previously delegated to it by the City in an ordinance, to set the maximum subsidy...without regard to later City ordinances ‘freezing’ the subsidy...” The Court of Appeal agreed with the City’s position that there was not a vested right to an LAFPP Board-determined subsidy. The Court of Appeal ruled that the City Council retains the final decision authority over the subsidy even while currently delegating to the LAFPP Board determination of subsidy increases.

The plaintiffs (Fry) filed a petition for rehearing and on March 25, 2016, that petition was denied by the Second Appellate Court. On April 14, 2016, LAFPP was informed that the plaintiffs filed a Petition for Review with the California Supreme Court.

Based on this latest ruling, LAFPP will continue to provide a frozen subsidy to current and future pensioners who chose not to “opt-in” to contribute an additional 2% of their salaries. If there are any new developments regarding this case we will quickly update members through postings on our website.

For more information on the events and rulings in this case please visit [www.lafpp.com](http://www.lafpp.com).

# 2016 Pension Payment Schedule

The schedule below will assist you in determining when you can expect your remaining 2016 pension payments.

Pension payment	Make changes no later than 3pm PT*	Payable date**
June	June 21, 2016	June 30, 2016
July	July 20, 2016	July 29, 2016
August	August 19, 2016	August 31, 2016
September	September 21, 2016	September 30, 2016
October	October 20, 2016	October 31, 2016
November	November 18, 2016	November 30, 2016
December	December 20, 2016	December 30, 2016

*\*This is the deadline to make any changes to your contact information, tax withholding elections or Direct Deposit information for the pension payment indicated. The deadline for self-service changes made using the BPP Web Passport is 4:00 p.m.*

*\*\*Availability of funds from Direct Deposit may vary according to your financial institution.*

For questions regarding your pension payments, please contact the Retirement Services Section at (213) 279-3125.

## LAFPP IS 91.5% FUNDED

For the Fiscal Year ending June 30, 2015, on an actuarial basis, LAFPP is 91.5% funded for pension benefits and 45.4% funded for health benefits, an increase of 4.9% and 2.2% respectively. The combined funded status of pension and health benefits is 85.0%, an increase of 4.2% from the previous year.

An actuarial valuation is conducted once a year to determine whether the Plan's assets and the employer and member contributions are sufficient to provide member benefits. A schedule of benefits, membership data and a set of actuarial assumptions (life expectancy, inflation, salary increases, etc.) are used to estimate the cost of benefits.

The study also includes the calculation of the employer contribution rate. The employer will contribute an amount equal to: 1) the employer's share of defined entry-age normal costs (designed to fund a member's total plan benefit over the course of his/her career); 2) the percentage necessary to amortize the "unfunded liability" of the System (the Plan's obligations in excess of the Plan's projected assets); and 3) the amount to provide for health plan subsidies.

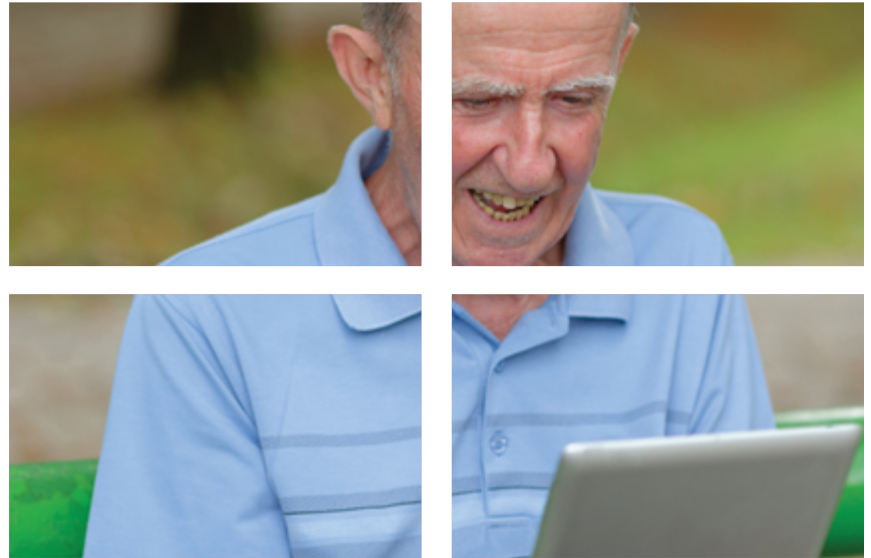
The employer contribution rate (the City and the Harbor Department combined) for FY 2016-17 is as follows (assumes payment is made on July 15, 2016):

- **Pension Benefits** – 32.61% of sworn payroll, a decrease of 2.67% from FY 2015-16
- **Health Benefits** – 11.83% of sworn payroll, an increase of 0.70% from FY 2015-16

Based on the City and the Harbor Department's budgeted sworn payroll for FY 2016-17, the total employer contribution for FY 2016-17 is estimated to be \$620.8 million.

## BE THE FIRST TO KNOW!

*Sign up for E-Newsletters*



Go paperless to receive your newsletters quickly and conveniently. It saves time and money and it's easy to sign up. Visit [www.lafpp.com](http://www.lafpp.com) and log into MyLAFPP. The *Paperless Option* is available at the top of every page. Once you fill in your email address and consent to the Notification Agreement, your next newsletter will be sent electronically. Keep yourself up-to-date on pension issues!

## 2015 ANNUAL REPORT



The 2015 Annual Report for the fiscal year ending June 30, 2015, is available on our website. Please check the *Financial Reports* section of [www.lafpp.com](http://www.lafpp.com), located under the *About LAFPP* menu, to view this and other reports.



# Voter Empowerment Act of 2016

California pension reform proponents have postponed their efforts to place one of their initiatives on this year's November ballot. Instead, former San Jose Mayor Chuck Reed and former San Diego Councilman Carl DeMaio aim to place a pension reform initiative on the November 2018 ballot. Proponents believe that 2018 will provide a more favorable environment for pension reform. The Board of Fire and Police Pension Commissioners, management and staff will continue to monitor this and other legislation that may affect Plan member benefits.

limited government employers from paying more than half of the total cost of retirement benefits for new employees, unless voters approved a higher proportion. The Government Pension Cap Act would have limited how much government employers could pay for new hires' retirement benefits to a certain percentage of their salary (13% for new public safety employees).

**January 2016** – Proponents decide not to pursue their efforts to place a measure on the November 2016 ballot and will instead focus on the November 2018 ballot.



## TIMELINE OF EVENTS

**June 2015** - Former San Jose Mayor Chuck Reed and a bi-partisan group of current and former local government officials filed a pension reform initiative known as the "Voter Empowerment Act of 2016" that would change how California state and local government employee compensation and retirement benefits are determined.

**October 2015** - After the California Attorney General issued the official title and summary, which determines the language used to collect signatures, the proponents were not satisfied with the language and proceeded to file a new alternative version of the "Voter Empowerment Act of 2016" and a new initiative entitled, "Government Pension Cap Act of 2016." The proponents planned to qualify one of the two measures for the November 2016 ballot. The Voter Empowerment Act would have required voter approval for new government employees hired on or after January 1, 2019, to participate in defined benefit pension plans (like LAFPP), and

(See the **Summary of Initiatives** on Page 8)

## Summary of Initiatives

The initiative's proponents are as follows:

**Chuck Reed**  
former San Jose Mayor

**Stephanie Gomes**  
former Vallejo Mayor

**Pat Morris**  
former San Bernardino Mayor

**Carl DeMaio**  
former San Diego council member

**Bill Kampe**  
Pacific Grove Mayor

**Tom Tait**  
Anaheim Mayor

### **"Government Pension Cap Act of 2016"** (Initiative #15-0077)

- Limits government employers from making retirement benefit contributions of more than 13% of base compensation for new public safety employees and not more than 11% for new general employees. All other costs, including unfunded liability costs, are the responsibility of the new employee, unless voters establish a new limit. New employees are considered those hired on or after 1/1/2019.
- Limits government employers from paying more than 1/2 of the total cost of retirement benefits for new employees, unless voters approve a higher proportion.
- The Act shall not alter any current labor agreement in effect, but shall apply to future labor agreements, renewals or extensions entered into after the effective date of the Act.
- Government employers may continue to offer defined benefit pension plans, defined contribution plans, or a combination of both plans, but the plans are subject to the limitations of the Act.
- Disability and death benefits are not subject to the limitations outlined in the Act.

### **"Voter Empowerment Act of 2016"** (Initiative #15-0076)

- Limits government employers that sponsor defined benefit pension plans from providing benefit enhancements, unless approved by voters.
- New government employees (hired on or after 1/1/2019) may be enrolled in defined benefit pension plans only if approved by voters.
- Limits government employers from paying more than 1/2 of the total cost of retirement benefits for new employees, unless voters approve a higher proportion.
- Limits placement of financial conditions upon government employers closing defined benefit plans to new employees.
- The Act shall not alter any current labor agreement in effect, but shall apply to future labor agreements, renewals or extensions entered into after the effective date of the Act.
- The Act does not modify or limit any disability or death benefits, or require voter approval for these benefits.

### **"Voter Empowerment Act of 2016"** (Initiative #15-0033 – Public Employees. Pension and Retiree Healthcare Benefits. Initiative Constitutional Amendment

- Eliminates constitutional protections for vested pension and retiree healthcare benefits for current public employees, including those working in K-12 schools, higher education, hospitals, and police and fire protection, for future work performed.
- Adds initiative/referendum powers to Constitution, for determining public employee compensation and retirement benefits.
- Bars government employers from enrolling new employees (hired after 1/1/2019) in defined benefit plans, paying more than 1/2 of the cost of new employees' retirement benefits, or enhancing retirement benefits, unless first approved by voters.



## PLEASE KEEP YOUR ADDRESS CURRENT WITH LAFPP

To update your mailing address you may either submit the change electronically using *BPP Web Passport* or mail a completed "Change of Address Form" to LAFPP's Retirement Services Section. Address updates are not accepted by telephone. Updating your address helps to ensure that you receive important pension benefit information.

More importantly, by keeping your address current, you can avoid interruptions to your monthly pension payments. If LAFPP receives returned mail on your behalf and we are unable to contact you, your future pension payments will be suspended as a fraud prevention measure until you submit an updated address.

When updating your address online or with the form, be sure to provide your current email address. Your email address provides another way to connect with you and deliver important news quickly, especially if we are unable to reach you by mail or telephone.

If you have any questions, please contact the Retirement Services Section at (213) 279-3125.

## SAVE TIME WITH DIRECT DEPOSIT!

Direct Deposit is convenient, saves money, and is a huge time-saver! By signing up for Direct Deposit, you are electing to have your monthly pension payment electronically deposited to the checking or savings account you designate. Direct Deposit is:



### RELIABLE

Checks delivered by mail can be delayed during times of inclement weather or when the postal service experiences high volume mailings (holidays, election year or tax time). With Direct Deposit, mail disruptions will not affect receipt of your payment. Plus, if you are ill or away from home, your pension payment will still be deposited in your bank account.



### QUICK

With Direct Deposit, your money is electronically deposited to your bank account on the specified pension payment date, and depending on your bank's policies, it could be available for use the same day. That's a lot faster than the postal service!



### SECURE

Having Direct Deposit means there is less likelihood of a lost, stolen or misplaced pension check. In addition, Direct Deposit is more confidential than paper payments because fewer people are involved in delivering your payment to you.



### MONEY-SAVING

Direct Deposit means no more gas wasted on trips to the bank.



### SIMPLE

It's easy to sign up!

You may sign up electronically using *BPP Web Passport* at [www.ntrs.com/bppweb](http://www.ntrs.com/bppweb). Log in and select the **Direct Deposit** link from the **My Information** tab. Enter the required banking information and click **Save**. Or, you may submit a completed **Direct Deposit Form** to the Retirement Services Section. This form is available online at [www.lafpp.com](http://www.lafpp.com) from the *Retired or Qualified Survivors* "Forms" sections. For questions, please contact the Retirement Services Section at (213) 279-3125.

# BOARD

## Educational Offsite Meeting



The trends included information related to the older generation workforce, retirement issues, understanding longevity and the benefits of healthy living habits and supportive retiree organizations.

For the investment segment of the meeting, representatives from RVK, the Board's general investments consultant, provided a framework for the asset allocation process and information on establishing short- and long-term investment goals. The Townsend Group, the Board's real estate consultant, gave an overview of potential

investment benefits in various asset classes, real estate strategies, risk and return expectations, the benefits of diversification, manager evaluation, and due diligence and primary objectives for LAFPP.

This meeting provided a platform for Board members to gain more knowledge on the issues they will deal with in upcoming meetings. In addition, it provided staff, the City and other stakeholders an understanding of the pension fund. For more information on prior educational sessions or the Board of Fire and Police Pension Commissioners, please visit [www.lafpp.com/board](http://www.lafpp.com/board).

**O**n March 3, 2016, the Board of Fire and Police Pension Commissioners (Board) held its annual educational offsite meeting at the California Endowment in downtown Los Angeles. Since 2009, the Board has met once a year for an educational session to learn about the various topics and issues relevant to their duties as fiduciaries and trustees of the pension fund. This year's event provided invaluable information on investment issues, retirement and health care topics and trends.

Hank Kim, Executive Director and Counsel for the National Conference on Public Employee Retirement Systems (NCPERS) presented information on:

- Federal pension legislative issues and updates

- Nationwide threats against defined benefit plans and means of protecting them
- NCPERS Code of Conduct for public pension service providers

Arthur J. Gallagher & Co., a global insurance brokerage firm, presented the latest national health care trends. This presentation included a discussion of:

- Health related expectations now that the Affordable Care Act is implemented
- Health care economy and technology
- Modern health care models
- Prescription drugs
- Future health care innovations

In addition, Ms. Helen Dennis, a specialist on aging, presented the top thirteen retirement trends.

# LAFPP HAS MOVED!

AFTER NEARLY 30 YEARS IN LITTLE TOKYO, LOS ANGELES FIRE AND POLICE PENSIONS MOVED TO A NEW LOCATION IN MARCH 2016. WE ARE NOW LOCATED AT **701 EAST 3RD STREET, LOS ANGELES 90013** (NE CORNER OF EAST 3RD STREET & ALAMEDA STREET), IN THE DOWNTOWN ARTS DISTRICT.

The office building purchased by LAFPP is a 54,000 square foot, four-story office building constructed in 1924. LAFPP occupies floors 2 through 4 and leases out the 1st floor. Prior to moving in, the building underwent numerous tenant improvements and features:

- Energy and Environmental ("Green") Design – to reduce operating costs and benefit the environment.
- Enhanced security – to include key card access to office space and a security guard.
- Larger and more counseling rooms – for private, individual appointments.
- Upgraded Board Room – with technology to offer all stakeholders the benefits of improved viewing and audio of Board meetings. This room will also be used for training sessions for members and staff.
- Modern workstations – featuring ergonomic design that offers employees the ability to sit or stand while they work.

## New LAFPP Phone Numbers

All LAFPP phone numbers, including our toll-free number, changed when we moved. Please take time to update your records.

Our website at [www.lafpp.com](http://www.lafpp.com) will always have the most current information and you can also find us on Facebook and Twitter. We look forward to serving you at our new location!

Section	Phone Number
Toll Free Number	(844) 88-LAFPP (52377)
LAFPP Main Line	(213) 279-3000
TDD, Reception Desk	(213) 628-7713
Active Member Services Fax No. – 2nd Floor	(213) 279-3140 (213) 628-7716
Communications & Education Fax No. – 4th Floor	(213) 279-3155 (213) 628-7720
DROP/Service Pensions Fax No. – 2nd Floor	(213) 279-3100 (213) 628-7716
Disability Pensions Fax No. – 3rd Floor	(213) 279-3165 (213) 628-7782
Medical and Dental Benefits Fax No. – 3rd Floor	(213) 279-3115 (213) 628-7782
Retirement Services Fax No. – 2nd Floor	(213) 279-3125 (213) 628-7716

For Lease | 213.935.7438

Retail or Creative Office Space

Eric Moore  
Chandler Larsen

[www.young.com](http://www.young.com)

For Lease | 213.955.7438

Retail or Creative Office Space

Eric Moore  
Chandler Larsen

[www.young.com](http://www.young.com)



# ABOUT LAFPP

## QUARTERLY REVIEW

### Fast Facts!

As of March 31, 2016\*

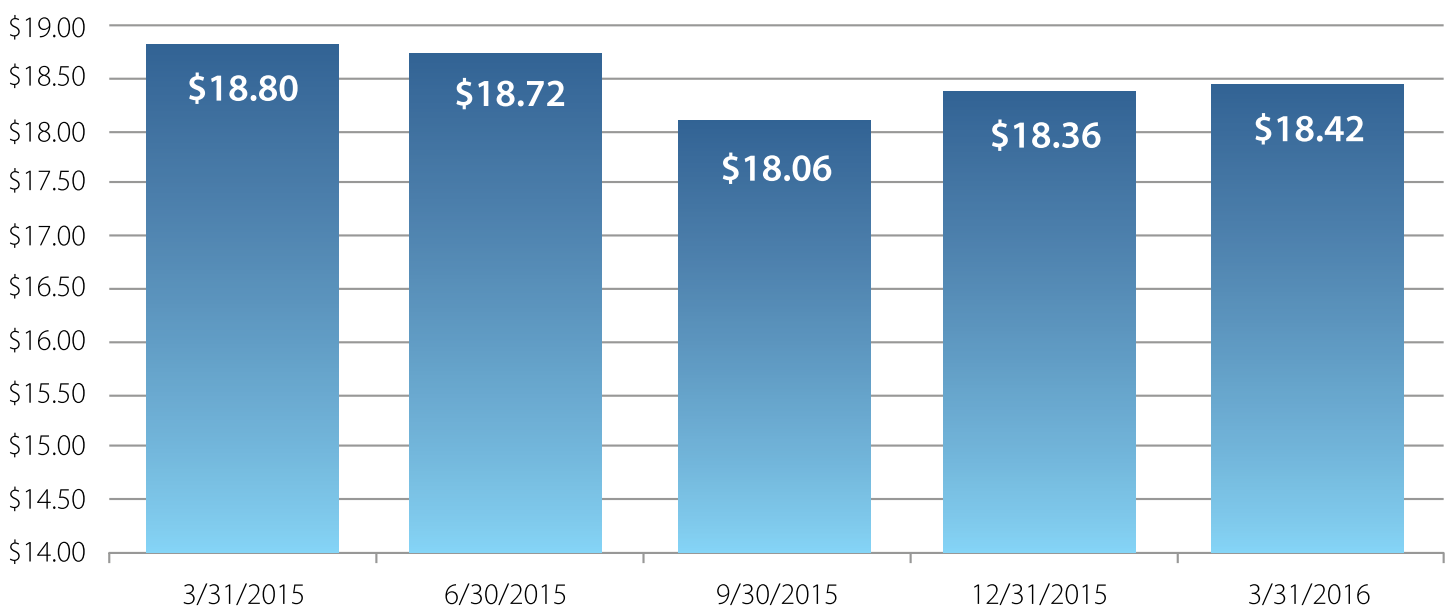
Membership	
<b>Total Membership</b>	<b>25,595</b>
Active Members (including DROP)	12,794
Service Pensioners	8,214
Disability Pensioners	2,127
Qualified Survivors	2,460

DROP Program	
<b>Total Entries: FY thru 03/31/2016</b>	<b>238</b>
Fire	61
Police	177
Harbor Port Police	0
<b>Total Exits: FY thru 03/31/2016</b>	<b>202</b>
Fire	87
Police	115
Harbor Port Police	0
<b>Total Current Participants</b>	<b>1,399</b>

\*This information is unaudited.

### Investment Portfolio

Market Value (in billions)



With the exception of the June 30, 2015, market value, the information provided above is unaudited. More information for this period is available at [www.lafpp.com](http://www.lafpp.com) in the About LAFPP and Investments sections.

# THE BOARD OF FIRE & POLICE PENSION COMMISSIONERS



## Sam Diannitto Boardroom Dedication

**O**n May 19, 2016, the Board of Fire and Police Pension Commissioners (Board) formally dedicated the Boardroom in the new LAFPP office building to Sam Diannitto. Commissioner Diannitto is the current retired Fire Board Representative and has served on the Board for over 40 years. He was honored by his fellow Board members, family, LAFPP staff and other stakeholders from the affiliated unions and associations of both LAPD and LAFD.

General Manager Ray Ciranna presented a timeline of noteworthy achievements.

- In 1972, Commissioner Diannitto was elected to the Board to serve as the Active Fire Department representative. He was re-elected to serve an additional four terms, totaling 25 years as the Active Fire Department representative.
- The Board elected Commissioner Diannitto as Vice-President in 1975-76 and twice as President in 1976-77 and 1991-92.
- In 1997, he retired after 43 years of dedicated service as an Assistant Fire Chief of the Los Angeles Fire Department.
- In June 2000, the City Charter changed to allow two retired members to serve on the Board. Commissioner

Diannitto was elected to serve as the Retired Fire member representative. He was re-elected to serve three additional terms beginning in 2005, 2010, and most recently 2015. He continues to serve in that capacity until June 2020.

His other distinguished service includes:

- Vice President of the National Conference on Public Employee Retirement Systems (NCPERS)
- President of the United Firefighters of Los Angeles City
- Chairperson and member of the Public Employees Committee of the International Foundation of Employee Benefit Plans
- Membership in various associations, including USC Alumni, Fire Chief Officers, NCPERS, International Foundation of Employee Benefit Plans, and Government Finance Officers

Commissioner Diannitto has always been a strong advocate for the members of the LAFPP system and we are proud to recognize his long history of commitment and dedication. Congratulations to Commissioner Diannitto!

**See the video of the Board room dedication at [www.lafpp.com/media](http://www.lafpp.com/media).**



## New Meeting Location

All Board meetings are now held on the 4th Floor of our new office location, 701 E. 3rd Street, in the *Sam Diannitto Boardroom*.

---

## New Appointment

On November 17, 2015, the City Council approved the Mayor's appointment of Brian Pendleton to the Board to serve the unexpired term ending June 30, 2018. Commissioner Pendleton fills the vacancy created by former Commissioner Cielo Castro. LAFPP welcomes Brian Pendleton!

---

## Board Officers

The Board of Fire and Police Pension Commissioners consists of five members appointed by the Mayor, and four members elected by the active and retired members of the system. Board members serve five year terms. In accordance with the City Charter and the Board's Governance Policy, the Board will elect new officers in July 2016 to serve as President and Vice President for the period of July 2016 - June 2017.

## Board Directory

Commissioner	Appointed/Elected	Term Expiration
Robert von Voigt, President	Elected by Active Police Members	June 30, 2020
Pedram Salimpour, Vice President	Appointed by the Mayor	June 30, 2017
George V. Aliano	Elected by Retired Police Members	June 30, 2019
Sam Diannitto	Elected by Retired Fire Members	June 30, 2020
Adam Nathanson	Appointed by the Mayor	June 30, 2020
Ruben Navarro	Elected by Active Fire Members	June 30, 2017
Brian Pendleton	Appointed by the Mayor	June 30, 2018
Corinne E. Tapia	Appointed by the Mayor	June 30, 2019
Belinda M. Vega	Appointed by the Mayor	June 30, 2016

The Board normally meets on the first and third Thursdays of the month at 8:30 a.m. Meetings are held at 701 E. 3rd Street, 4th Floor, Los Angeles, CA 90013. Most meetings, including special meetings, are from one to four hours in duration. More information on the Board's schedule and agendas are available from the *Board of Administration* section on [www.lafpp.com](http://www.lafpp.com).



# contact information & more

Our staff is available to assist you Monday through Friday (excluding holidays) from 8:00 am to 5:00 pm PT. Please refer to the following information to contact us. When calling our toll-free number, (844) 88-LAFPP, please enter the extension number followed by the pound (#) sign as detailed below.

## Department Directory

### Accounting

(213) 279-3040

(toll-free ext.: 93040#)

(213) 628-7782 (Fax)

- Form 1099-R (current and prior tax years)
- Workers' Compensation Recapture (balances due, offset inquiries, etc.)

### Communications & Education

(213) 279-3155

(toll-free ext.: 93155#)

(213) 628-7720 (Fax)

- Annual Report
- MyLAFPP
- Newsletters
- Social Media (e.g., Facebook, Twitter)
- Website Updates

### Disability Pensions

(213) 279-3165

(toll-free ext.: 93165#)

(213) 628-7782 (Fax)

- Disability Pension Inquiries, Processing and Reviews
- Review of Dependent Children/Parent Qualifications

### DROP/Service Pensions

(213) 279-3100

(toll-free ext.: 93100#)

(213) 628-7716 (Fax)

- DROP – Information on the Deferred Retirement Option Plan
  - DROP Entry/Exit Inquiries and Processing
  - DROP Member Beneficiary Designation
- Service and Deferred Pension Inquiries and Processing

### Medical & Dental Benefits

(213) 279-3115

(toll-free ext.: 93115#)

(213) 628-7782 (Fax)

- Health and Dental Insurance Subsidies
- Health Insurance Premium Reimbursement Program
- Medicare Part B Reimbursement
- Year-to-Date Insurance Deduction Totals

### Retirement Services

(213) 279-3125

(toll-free ext.: 93125#)

(213) 628-7716 (Fax)

- BPP Web Passport
- Post Retirement Marriage Dissolutions
- Retired Member Records and Information
  - Change of Address
  - Cost of Living Adjustments
  - Direct Deposit
  - Pension Verification Letters (for home loans, etc.)
  - Tax Withholding
- Retired Member and Qualified Survivor Deaths
- Survivor Benefit Purchases – Post Retirement Marriages/Domestic Partnerships
- Survivor Pensions

## Other Ways to Contact Us

<b>Address</b>	701 East 3rd Street Suite 200 Los Angeles, CA 90013
<b>Main</b>	(213) 279-3000
<b>Fax</b>	(213) 628-7716
<b>Toll Free</b>	(844) 88-LAFPP (52377)
<b>TDD</b>	(213) 628-7713
<b>Email</b>	<a href="mailto:pensions@lafpp.com">pensions@lafpp.com</a>
<b>Website</b>	<a href="http://www.lafpp.com">www.lafpp.com</a>

## Upcoming Important dates & events

### 2016 Holiday Schedule

July 4	Independence Day
September 5	Labor Day
October 10	Columbus Day
November 11	Veterans Day
November 24-25	Thanksgiving Day
December 26	Christmas Day (observed)

Our offices will be closed on these holidays, but you can still find information on our website.

### 2016 Board Meetings

June 2 & 16  
July 7 & 21  
August 4 & 18  
September 1 & 15  
October 6 & 20  
November 3 & 17  
December 1 & 15

Please check the *Board of Administration* section of our website for meeting information.



Los Angeles Fire & Police Pensions  
Mail Stop #390  
701 East 3rd Street  
Suite 200  
Los Angeles 90013

PRESORTED FIRST  
CLASS MAIL  
US POSTAGE  
**PAID**  
LOS ANGELES CA  
PERMIT NO. 12932

## HEALTH TIP

# Tips to Protect Yourself from Alzheimer's Disease and Dementia



There is promising research that shows you may be able to reduce the symptoms of dementia and memory loss and slow down the process of deterioration by leading a brain-healthy lifestyle. Through a combination of healthy habits and controlling your personal risk factors, you may maximize your chance to preserve your cognitive abilities. According to [helpguide.org](http://helpguide.org), there are six pillars of a brain-healthy prevention lifestyle:

- **Regular exercise**
- **Mental stimulation**
- **Stress management**
- **Healthy diet**
- **Quality sleep**
- **An active social life**

We know that exercising regularly, maintaining a healthy diet, and regular brain stimulation is the foundation to a healthy body. But did you know that being socially active is important to maintaining a healthy brain? In 2008, researchers from the Harvard School of Public Health found evidence that people with the most active social lives had the slowest rate of memory loss. What stimulates our brains is relationships, meaningful friendships, and interacting with others. Being social not only helps with our emotional well-being but this may be the best kind of brain exercise! If you have difficulty being social, try volunteering for a nonprofit organization or join a club that sparks your interest. Apply these six pillars into your everyday life to reduce the risk of memory decline. For more information on mental health and well-being issues, visit [www.helpguide.org](http://www.helpguide.org).

*Note: The information provided is not intended as and does not substitute for medical advice. Should a medical condition exist, please consult with your doctor or other qualified health care professional.*