

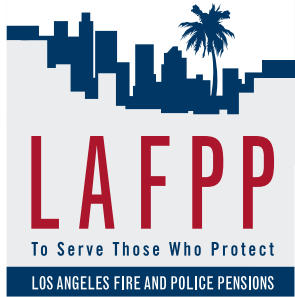
Ad Hoc Committee 04
on Retiree
Health Plans
Update



Dissolution
of Marriage
and Your
Pension 05



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Improved
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the Way! 10



Pension Perspectives



LOS ANGELES FIRE & POLICE PENSIONS

APRIL 2018



Health Subsidy 101

Learn how the health subsidy works in retirement!

RESPONSIBILITY FOR YOUR HEALTH COVERAGE

The Board of Fire and Police Pension Commissioners (Board) is responsible for administering your pension plan, as well as ensuring that members can use their health subsidy towards the cost of suitable health insurance.

When you retire, you are responsible for selecting and enrolling in a state-regulated or Board-approved plan. There are currently two ways to receive a health subsidy: 1) enroll in a Board-approved health plan administered by one of the Relief Associations or unions; or 2) purchase your own

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DROP Member Semi-Annual Statements Are Available at MyLAFPP!

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Tier 6 Summary Plan Description - Updates

General Manager's Message



Greetings! In December 2017, the Board and LAFPP managers engaged in a strategic planning workshop facilitated by the Alta Mesa Group. There were three main issues that resonated with the Board members and senior staff throughout the workshop discussions:

- Retiree health plan options and subsidies,
- Succession planning for key managers and technical experts, and
- The need to improve processes.

The Board incorporated these three main concerns into the 2019-21 Three-Year Strategic Plan which includes our Vision Statement, Mission Statement, Core Values and five Strategic Goals. In keeping with our Goal to “*Enhance Customer Care and Stakeholder Relations,*” we continue to reach out to members through various modes of communications, such as:

- Newsletters & Special Bulletins
- Financial Planning Education Seminars
- Benefits presentations
- LAPD outreach events organized by the Los Angeles Police Protective League
- Our website, www.lafpp.com.

This Spring edition of our newsletter is packed with information, including understanding how the health insurance subsidy in retirement works, how a dissolution of marriage may affect your pension, transitioning from an Active to a Retired member, and verifying your contributions in the City's Pension Savings Plan as a new recruit.

I hope you find this edition of *Pension Perspectives* useful! If you have questions regarding your pension benefits, please do not hesitate to contact us.

Ray Ciranna, General Manager

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Health Subsidy 101

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health insurance and request reimbursement each quarter through LAFPP's Health Insurance Premium Reimbursement Program. Once you meet the minimum requirements to begin receiving the benefit, LAFPP pays subsidies based on proof of enrollment provided by you or your health plan administrator.

DEFINITIONS

WHAT IS A PREMIUM?

When you sign up for coverage, you agree to pay a monthly charge to receive certain health care benefits provided by an insurance carrier like Kaiser Permanente or Anthem Blue Cross. That charge is the "Premium." The amount of the premium is negotiated by your health plan administrator and collected monthly. Charges such as copays and/or deductibles for office visits, procedures, prescription drugs, etc., are part of the health coverage benefit levels negotiated as separate costs but help determine your premium.

WHAT IS THE SUBSIDY?

The subsidy is a retirement benefit provided by the City to help eligible members pay for their health insurance premiums. The health insurance subsidy is a separate dollar amount that is provided in addition to your pension benefit.


HOW THE SUBSIDY WORKS

In 1975, the City established the health insurance subsidy program to make sure sworn retirees receive benefits similar to civilian retirees. While the benefit levels for both groups have changed over the years, the way the health insurance subsidy is administered has remained the same. Based on your eligibility, LAFPP provides a subsidy that you can use to offset the cost of your monthly premiums. Any subsidy amounts that are not used get reinvested into the pension fund.

The amount of your health subsidy is determined by the Los Angeles Administrative Code and the Board of Fire and Police Pension Commissioners. The City requires that you retire with at least 10 years of service to be eligible for a health insurance subsidy. For every whole year of service, you are entitled to a certain percentage of the maximum health insurance subsidy. So, if you remain a sworn employee with the City for 25 whole years and opted in for the additional two percent contributions, you are entitled to 100 percent of the maximum unfrozen health insurance subsidy. Your subsidy can be applied towards the state-regulated health plan of your choice throughout your retirement for you and your eligible dependents. Tier 6 members' regular pension contribution includes a two percent contribution required to receive the maximum unfrozen health insurance subsidy.

Typically, if you retire with at least 10 years of service and are at least 55 years old, you can take advantage of the subsidy program. Additionally, your spouse or domestic partner is eligible to receive a health insurance subsidy if the marriage or partnership was established at least one year before you retire/enter DROP.

The subsidy is provided on a monthly basis once certain criteria have been met. When you are eligible to begin receiving the benefit, the subsidy is not automatically issued as a supplement to your monthly pension check. The amount is paid on your behalf to the Board-approved health plan administered by one of the Relief Associations or unions, or provided as a quarterly reimbursement of your out-of-pocket costs for state-regulated health insurance premiums.

 If you have any questions regarding your eligibility for a retiree health insurance subsidy or health care options that are currently available, please contact the Medical & Dental Benefits Section at (213) 279-3115, or (844) 88-LAFPP, ext. 93115, or MDBsection@lafpp.com.

AD HOC COMMITTEE ON RETIREE HEALTH PLANS

Update

Over the course of the last year, the Board has been discussing the retiree health plan program to ensure you have access to a health subsidy benefit in addition to your pension when you retire. The Board's review of the retiree health plan program is based on their fiduciary duty to all members.

In the past, sworn LAPD and LAFD retirees who were unable to enroll in health/dental plans administered by Los Angeles Police Relief Association (LAPRA), Los Angeles Firemen's Relief Association (LAFRA), or United Firefighters of Los Angeles City (UFLAC), had the option to enroll in plans sponsored by the Los Angeles City Employees' Retirement System (LACERS). Sworn Los Angeles Port Police (LAPP) retirees were also allowed to enroll in retiree health plans administered by LACERS. On March 31, 2017, the City Council adopted a change to the Los Angeles Administrative Code that no longer allowed Port Police and future Los Angeles Airport Police (LAWAP) retirees to enroll in LACERS plans, and similarly any other sworn retirees, leaving them without access to any suitable health insurance plan options.

In June 2017, the Board formed the Ad Hoc Committee on Retiree Health Plans (Committee) to evaluate the current health plan program, including health/dental plan options for LAPP and LAWAP members of LAFPP. The Committee's objective also includes exploring any measures that could result in substantial savings for the benefit of the Plan and the entire membership. The Committee is chaired by Commissioner Robert von Voigt and includes Board President Ruben Navarro and Commissioners Brian Pendleton and Pedram Salimpour, MD. Since

the first meeting of the Committee in August 2017, representatives of LAFRA, LAPRA, UFLAC and the Los Angeles Police Protective League (LAPPL), have had the opportunity to share their concerns, expectations, and ideas with the Committee.

In October 2017, LAPRA, LAPPL, and UFLAC, opened their medical and/or dental plans to pensioners who would not have access to plans through LACERS, and also agreed to allow access for future retirees of LAPP and LAWAP. While LAPRA, LAPPL, and UFLAC provide many services to their membership, LAWAP and LAPP retirees will only have access to enroll in their Board-approved health and dental plans.

The Board remains focused on safeguarding your pension and ensuring that you will be able to utilize your health insurance subsidy benefit, as well as enjoy the benefits of the retiree health program. The Board is currently working with Association and union stakeholders to better understand and improve the way LAFPP subsidies and health/dental plans are administered, as certain disparities may exist. As the discussion surrounding the retiree health plan program evolves and is ongoing, we encourage you to visit www.lafpp.com for more information and periodic updates regarding outcomes from the Committee's meetings as well as any upcoming opportunities for member input.



DISSOLUTION OF MARRIAGE AND YOUR PENSION

As a member of the Los Angeles Fire and Police Pension System (LAFPP), it is important for you to understand the effect a dissolution of marriage can have on one of your largest assets – your pension. The divorce process can be complicated and a lack of knowledge can be costly.

While LAFPP generally pays retirement benefits only to members and their qualified survivors, California state law establishes an exception in the event of a dissolution of marriage. The member's pension benefit is community property. Therefore, this benefit is subject to disposition by the court to the extent that the member earns the benefit during the marriage until the date of separation. In its division of the pension asset, the court could decide to:

1. Award an "in-kind" division of the pension – usually a 50:50 split of the community property share – assigning each party a percentage interest to be paid upon the member's retirement; or
2. Award the entire pension to the member and order him/her to buy-out the ex-spouse's interest.

Once the marriage is dissolved, the member should make sure that he/she has all the final copies of the dissolution records. **Prior to retirement/DROP exit, the member must provide a copy of the final dissolution decree, to LAFPP for any prior marriages.** (Members may, at their discretion, submit a copy of their dissolution records to remain on file with LAFPP before they retire or exit DROP.) The copy must contain the Clerk's stamp and the Judge or Commissioner's signature.

Frequently Asked Questions

The following questions and answers are designed to give you a general overview of how a dissolution of marriage can affect your pension.

Q. I was married and divorced before I was hired by my department. Can that "ex" claim a part of my LAFPP pension?

A. No. An ex-spouse from a marriage terminated prior to membership in the pension system has no claim against your pension because there was no community property period for the pension benefit.

Q. I am now divorced from a person to whom I was married while a member of the LAFD/LAPD/Harbor/Airport. What effect will this have on my pension?

A. Your ex-spouse has a community property interest in your pension up until your date of

separation. However, LAFPP cannot pay your ex-spouse any portion of your pension benefit until LAFPP has been joined in the dissolution proceedings. Joinder documents should be sent to: Los Angeles Fire and Police Pensions, ATTN: Active Member Services Section, 701 East 3rd Street, Suite 200, Los Angeles, CA 90013.

Q. What if my ex-spouse is willing to waive his/her community property portion of my pension benefit? Does LAFPP still need to be joined?

A. If you are awarded the entire community property portion of your pension benefit, LAFPP does not need to be joined. However, your final judgment must indicate that you are entitled to your full pension benefit when you retire.

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Q. My attorney is asking me for the value of my pension. Can you give me that amount?

A. No. The value of the pension or the “accrued pension benefit” must be determined by an actuary. However, we can provide you with a Divorce Calculation Letter that will contain information to help calculate the value of your pension benefit.

Q. How do I request a Divorce Calculation Letter?

A. Submit a written, signed request containing the member’s name and last four digits of the member’s social security number, date of marriage and date of separation to:

Los Angeles Fire and Police Pensions
Active Member Services Section
701 East 3rd Street, Suite 200
Los Angeles, CA 90013

or
Email: pensions@lafpp.com (scanned document must include member’s signature)

or
Fax: (213) 628-7716

LAFPP will respond to written requests from the member, the spouse or either party’s attorney within 7-10 business days. Requests from an attorney should be on letterhead and indicate the party represented. Subpoenas are not required.

Q. What if my divorce documents did not mention my pension?

A. This can be a problem. An ex-spouse may return to court and re-open this issue by claiming that the pension was “forgotten” in the divorce. Therefore, you are encouraged to seek legal counsel.

Q. Why is my ex-spouse’s entitlement based on my present retirement benefit instead of what I was making when we separated?

A. The community property interest is based on the benefit payable when you retire because of the California Supreme Court’s decision In re Marriage of Lehman (1998) 18 Cal.4th 169. Therefore, your ex-spouse’s entitlement is based on the retirement benefit you are eligible for when you retire.

Q. Will my ex-spouse receive any of my DROP money?

A. Some or all of your DROP account and/or subsequent monthly pension benefit may be subject to division of community property pursuant to your dissolution judgment or order because of the California Supreme Court’s decision In re Marriage of Lehman (1998) 18 Cal.4th 169. Recent court orders are more likely to address the community property division of a member’s service pension entitlement and his/her DROP account. However, most orders issued in the past do not address a DROP account.

You are encouraged to submit a copy of your court order to us before you decide to enter DROP. The City Attorney will need to review the language in your court order. Your DROP account will not be distributed until your dissolution(s) is on file with LAFPP.

Q. If my ex-spouse remarries, will his/her share of the pension come back to me?

A. Generally, no. As with other divided property, the ex-spouse’s share of the pension remains his/her property. The pension is payable to an ex-spouse for as long as your pension is being paid to you or your qualified survivor.

Q. What if my ex-spouse waived off his/her community property portion of my pension?

A. LAFPP will distribute your pension according to the conditions stipulated in your final dissolution decree. If you, the member, are awarded your entire LAFPP benefit, your final judgment must indicate such, in order for you to receive your full pension payment when you retire.

Q. If my ex-spouse dies before I do, does the pension come back to me?

A. It depends on the dissolution decree. As with other divided property, the ex-spouse’s share of the pension remains his/her property. Without an agreement to return your ex-spouse’s share to you, the law provides for the ex-spouse’s share to be passed on to the beneficiary of the ex-spouse, or his/her estate. If this is the case, the beneficiary or estate will continue to receive the ex-spouse’s

share of your pension as long as you or your qualified survivor are receiving your pension.

Q. Can my ex-spouse collect part of my pension before I retire?

A. Not from LAFPP. However, according to the California Supreme Court case *In re Marriage of Gilmore* (1981) 29 Cal.3d 418, pursuant to court order, in California, ex-spouses can claim their community property share from a member when the member is eligible to retire:

- At 20 years of service for Tier 2 and 4 members,
- At age 50 with 10 years of service for Tier 3 members, and
- At age 50 with 20 years of service for Tier 5 and 6 members.

If this happens and you continue to work past your retirement eligibility date, the court may require you, as the member, to make the payments directly to your ex-spouse provided he/she has a Gilmore order. (See *In re Marriage of Gilmore* (1981) 29 Cal.3d 418.) Pursuant to California Family Code Section 2610, a court cannot require a retirement plan to make payment of benefits to any party at any time before the member retires. Therefore, LAFPP cannot be compelled to pay the ex-spouse before the member actually retires. Following your retirement however, LAFPP will make the payments directly to the ex-spouse, provided that there is a Domestic Relations Order (DRO) or Gilmore order on file. If not, LAFPP will hold the ex-spouse's amount until such order is received. Meanwhile, your pension payment will still be distributed to you, minus the portion payable to your ex-spouse.

Q. If I die leaving a spouse who is eligible for a survivor pension, will my ex-spouse receive a part of the pension payable to my surviving spouse?

A. Yes, after January 1, 1987, unless there is wording to the contrary in the dissolution decree. An ex-spouse has a right to claim his/her community property share of any survivor benefits being paid to your qualified survivors.

You should work with your attorney to discuss and understand the following if you have dissolved a marriage or if one should occur in the future:

1. Do your dissolution documents mention your pension?
2. Do your dissolution documents address a DROP account?
3. Was LAFPP joined in the dissolution?
4. Do you understand the terms of the division?
5. If the pension was not divided, was it awarded to you? If not, be aware that your ex-spouse can still make a claim.
6. Does the dissolution judgment state what happens to your ex-spouse's share in the event of his/her death?
7. Does the dissolution judgment state the date of marriage and the date of separation?

The information provided in this article should not be considered legal advice. To protect your rights, it is important to obtain competent legal counsel in the event of a dissolution of marriage. Be sure to keep copies of all your final dissolution documents.

Remember, LAFPP requires a copy of your final dissolution decree for all prior marriages before you retire/exit DROP.

If you have questions, please contact the Active Members Services Section at (213) 279-3140 or (844) 88-LAFPP, ext. 93140. DROP members should call the DROP/Service Pensions Section at (213) 279-3100 or (844) 88-LAFPP, ext. 93100.

LAFPP IS 91.5%

Funded

DEFINITIONS

Funded Status = The ratio of a pension plan's assets to its liabilities.

Actuarial Valuation = A type of appraisal which requires making economic and demographic assumptions in order to estimate future projected obligations of a pension plan.



or liabilities. The study also includes the calculation of the employer's contribution rate for the next fiscal year. The City 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 allocated for administrative expenses.

The complete 2017 actuarial valuation report is located at the *Financial Reports* link in the *About LAFPP* section of lafpp.com.

For the Fiscal Year ending June 30, 2017, LAFPP is 91.5% funded for pension benefits and 49.3% funded for health benefits, a decrease of 2.4% and an increase of 1.2%, respectively. The combined funded status of pension and health benefits is 85.6%, a decrease of 2.4% from the previous year.

An actuarial valuation is conducted once a year

to determine whether the System's assets and the employer (City, Airport and Harbor Departments) and member contributions are sufficient to provide member benefits. A schedule of benefits, membership data and a set of actuarial assumptions (e.g., life expectancy, inflation, salary increases, etc.) are used to estimate the cost of benefits

2017 Annual Benefit Statements are Available at MyLAFPP!

Members' annual benefit statements are now available online.

Active members, log in to [MyLAFPP](#) to view and/or print your 2017 Annual Benefit Statement.

Once logged in, simply click on the Online Paper Statement icon and then select the year of your choice. This statement summarizes your individual pension-related information and provides personal information, pension estimates (if eligible to retire), contributions and interest, domestic partner information and beneficiary designation as of December 31, 2017.

Below is a sample of a member's benefit statement:

 Los Angeles Fire & Police Pensions			
Pension Statement For the Period Ending 12/31/2017			
Prepared Especially For: John Doe			
Employee Information:	Social Security No.:	***-**-1234	Hire Date:
	Date of Birth:	01/01/1976	Membership Date:
	<small>Membership Date means the date you became a pension plan member and began to accrue service credit. You first became a pension plan member when you graduated from recruit training. However, you can purchase the time you spend in recruit training to increase your years of service credit. If you have completed the purchase of your recruit training time, this time will be included in the Years of Service field below. In addition, your Hire Date and Membership Date will be the same.</small>		
	Department:	Police	Current Tier:
	Current Status:	Active	Member Pension Contribution Percentage:
	Bi-Weekly Salary:	\$4,120.00	Years of Service:
	Final Average Salary (FAS):	\$7,700.60	8.365432
	<small>FAS is a pension base which uses your average monthly salary for your permanent rank over a 12-month period prior to retirement. At retirement, you may request that your FAS be calculated using any consecutive 12-month period. The above FAS is your estimated average monthly salary over the 12-month period ending 12/31/2017 and assumes you were at a permanent rank over this period.</small>		
Retirement Information:	Earliest Eligible Retirement Date:	08/16/2029	
	<small>To retire from Tier 5, you must be at least age 50 and have at least 20 years of service.</small>		
Contributions And Interest:	<small>If you terminate or resign without taking a pension, your contributions and interest are refundable.</small>		Contributions:
			Interest:
			Total:
			\$65,025.10
			\$6,924.79
			\$71,949.89
Domestic Partner Information:	None		
Primary Beneficiary Designation:	Jane Doe - 100%		
Contingent Beneficiary Designation:	Jack Smith - 50%; Jill Smith - 50%		

DROP Members Semi-Annual Statements are Available at MyLAFPP!

The DROP semi-annual statements as of December 31, 2017 are available at MyLAFPP.

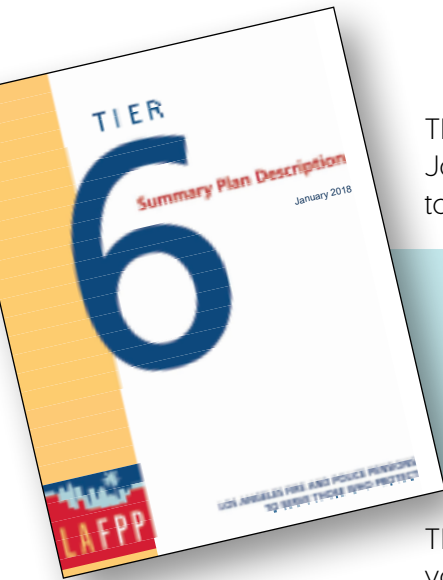
This statement includes participants: DROP entry date, mandatory date of exit, and the account balance with interest credited on December 31, 2017.

To view your statement, log into MyLAFPP, and click on the *DROP Statements* tab on the left.

If you have questions concerning your DROP semi-annual statement, please contact the DROP/Service Pensions Section at (213) 279-3100 or (844) 88-LAFPP, ext. 3100.

For questions concerning your statement, contact the Active Member Services Section at (213) 279-3140 or (844) 88-LAFPP, ext. 3140.

Tier 6 Summary Plan Description *Updates*



The Summary Plan Description (SPD) for Tier 6 members was updated effective January 2018. Get the latest version at lafpp.com in the Members Active/DROP tab, Plan Details, and click the *Summary Plan Descriptions (SPDs)* link.

UPDATED INFORMATION INCLUDES:

- Airport Peace Officers
- Health Insurance Subsidy Program
- Health Subsidy
- Health Insurance Premium Reimbursement Program

The Summary Plan Description explains the pension and health benefits of your Tier by summarizing the legal provisions using informal language. The legal text of the Plan is defined in the Los Angeles City Charter and the Los Angeles City Administrative Code.

All SPD's have been updated for Tiers 2 – 6 and are posted at lafpp.com.

If you have questions regarding the Summary Plan Descriptions, please contact the Communications & Education Section at (213) 279-3155 or (844) 88-LAFPP, ext. 93155.

A New and Improved MyLAFPP is on the Way!



We're making way for our new Pension Administration System (PAS) which is expected to "go live" in 2018! The new PAS will provide a more robust system to service all of our members, as well as provide members more self-service options in MyLAFPP.

To allow the upgrades to MyLAFPP and our member system, it is necessary to disable MyLAFPP for a short term during the transition period. You will be notified in the Fall of 2018 of the exact dates MyLAFPP will be disabled.

We will inform members once the new MyLAFPP is available. Check our website for periodic updates at www.lafpp.com or you can follow us on Facebook or Twitter.

If you need information regarding your benefits, please contact the Active Member Services Section at (213) 279-3140 or (844) 88-LAFPP, ext. 93140. For updates regarding MyLAFPP, please contact the Communications & Education Section at (213) 279-3155, or (844) 88-LAFPP, ext. 93155.

DID YOU FORGET ABOUT YOUR PSP MONEY?

If you were in the Drill Tower or Police Academy training from 1994 to the present, you made mandatory contributions to the City's *Pension Savings Plan* (PSP) for part-time, seasonal and temporary employees. Participation in this Plan is mandatory for those employees who are not eligible to participate in one of the City's three retirement/pension programs. Once you have graduated from the Drill Tower or Police Academy, you become a member of the LAFPP System. Upon graduation your contributions to the PSP Plan (made by both the employee and the City) will cease and your contributions to LAFPP will begin.

Most members are unaware that they may have a balance in the PSP after graduating and becoming regular full-time employees. You may elect one of two options regarding the balance:

1. Enroll in the City's Deferred Compensation Plan (457 plan) to continue contributing to a tax-deferred plan and transfer all of the money from your PSP account to the Deferred Compensation Plan, or
2. Leave the funds in your PSP account until you separate from City service. The funds earn an interest-bearing rate at about 2% per year.

Participants who terminate City employment may take distribution of their account at any time.

The PSP is a 457 Plan administered by the City's Personnel Department. The new vendor administering the PSP account is ICMA-RC. ICMA-RC is a separate entity from the LAFPP System.

To verify the status of your PSP account, or for additional information on the Pension Savings Plan, please contact ICMA-RC Investors at (800) 669-7400, or the City's Personnel Department, Deferred Compensation at (213) 978-1601.

TRANSITIONING FROM ACTIVE TO RETIRED?

Here's what you can expect.



Are you planning to retire soon? Below is a list of things you should consider when transitioning from an Active to a Retired member:

MONTHLY PENSION BENEFIT

- You will receive your first pension payment 1-2 months after your employment termination date.
- Funds are deposited on the last working day of the month if you sign up for direct deposit.
- If you elect a paper check, expect to receive it the first week of the following month.
- Cost of Living Adjustments (COLA) for retirees are applied effective July 1 each year and are reflected on the pension payment dated July 31. The first year's COLA will be prorated and based on the number of completed months you have been on the pension roll.

SURVIVOR BENEFITS

- Your spouse/domestic partner will be eligible for survivorship benefits if your marriage/domestic partnership effective date was at least one year prior to the effective date of your pension/DROP entry.
- If you marry or declare a domestic partner in retirement, you have the option to purchase a survivor benefit for your spouse or domestic partner. There are associated costs and vesting requirements. More information on this program is available at this link: [Survivor Benefit Purchase Program](#).

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MEDICAL AND DENTAL BENEFITS IN RETIREMENT

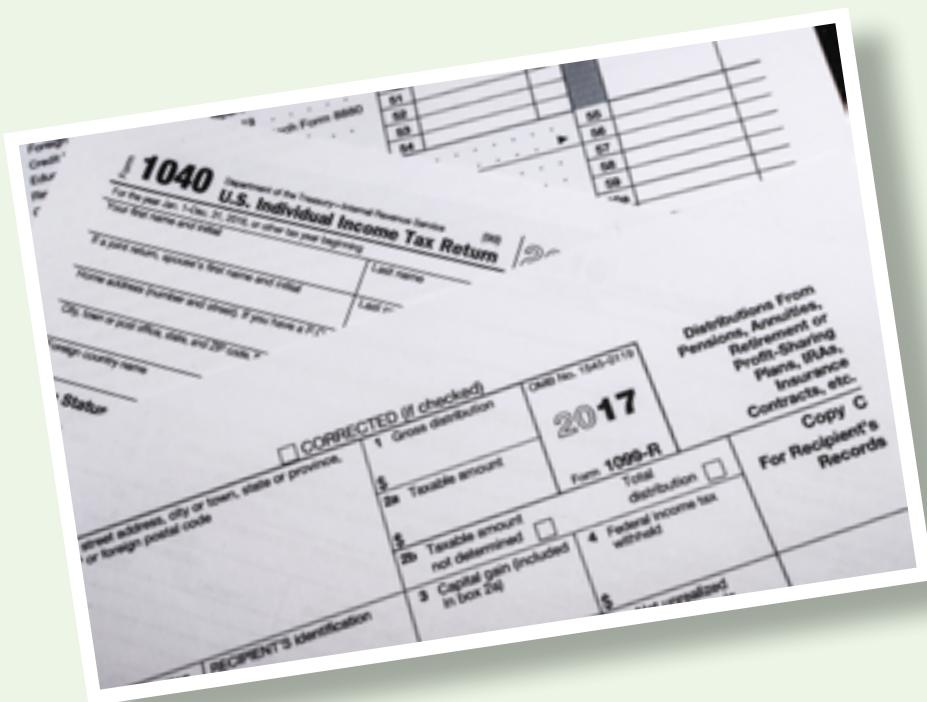
- The Relief Associations and unions each conduct their open enrollment for Medical and Dental plans annually. Check with your Associations/unions on their specific enrollment dates.

ASSOCIATIONS/UNIONS	OPEN ENROLLMENT	CONTACT
Los Angeles Firemen’s Relief Association	April	(800) 244-3439; (323) 259-5200
United Firefighters of Los Angeles City	October	(213) 895-4006
Los Angeles Police Protective League	May	(213) 251-4554
Los Angeles Police Relief Association	May	(888) 252-7721; (213) 674-3701

- Medical premiums and subsidies are subject to change yearly, effective January 1 or July 1.
- Dental subsidies are subject to change annually, effective January 1.

IRS 1099-R TAX FORMS

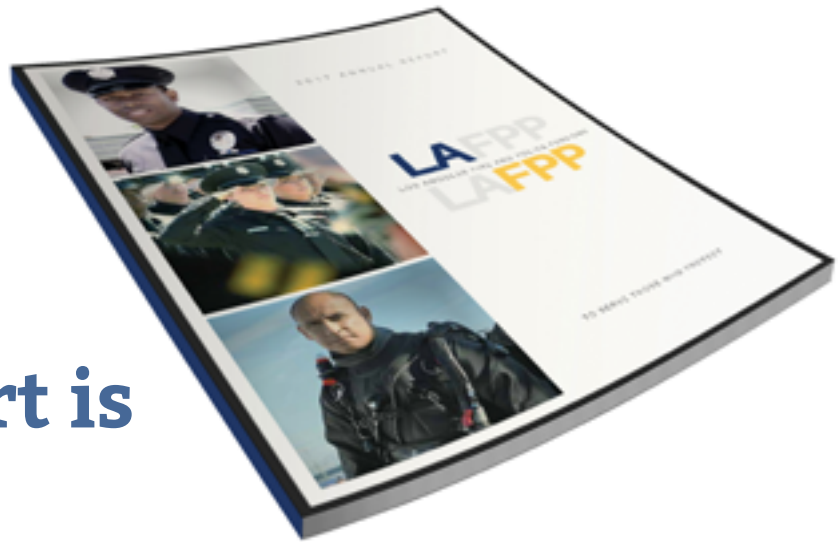
- Form 1099-R Tax Forms for your LAFPP pension income are mailed on January 31.



The deadline to make changes to your contact information, tax withholding elections or direct deposit vary by month but is typically around the 20th of each month. Check lafpp.com for exact dates by clicking on the *View Pension Payment Schedule* button on the left side of the homepage.

If you have questions about transitioning from Active to Retired status, please call the DROP/Service Pensions Section at (213) 279-3100 or (844) 88-LAFPP, ext. 93100.

2017 Annual Report is Available



LAFPP is pleased to present our 2017 Annual Report. The report located at lafpp.com, provides financial information such as the Department's budget summary, investment performance, asset allocation data, plan actuarial data, and statistical information for the fiscal year ending June 30, 2017. Additional information includes milestones since the inception of the Plan and a summary of pension benefits and other plan provisions that provide a great reference for members of all Tiers.

Some of the highlights in this report are:

- The System's investment rate of return for Fiscal Year 2016-17 was 13.27 percent.
- System assets totaled over \$20.6 billion on a market value basis.
- The System serves approximately 26,500 members, including active, DROP, and retired members and beneficiaries.
- The Board, with the assistance of the Plan's general consultant, developed a new asset allocation plan, which is essential to managing risk and achieving desired investment returns.
- The assumed rate of investment return was reduced from 7.5 percent to 7.25 percent, as adopted by the Board.

Strategic and Business Plan goals will continue to be refined and updated to build upon our prior achievements and meet new challenges. These achievements ultimately support our mission – *To advance the health and retirement security of those who dedicate their careers and risk their lives to protect the people of Los Angeles.*

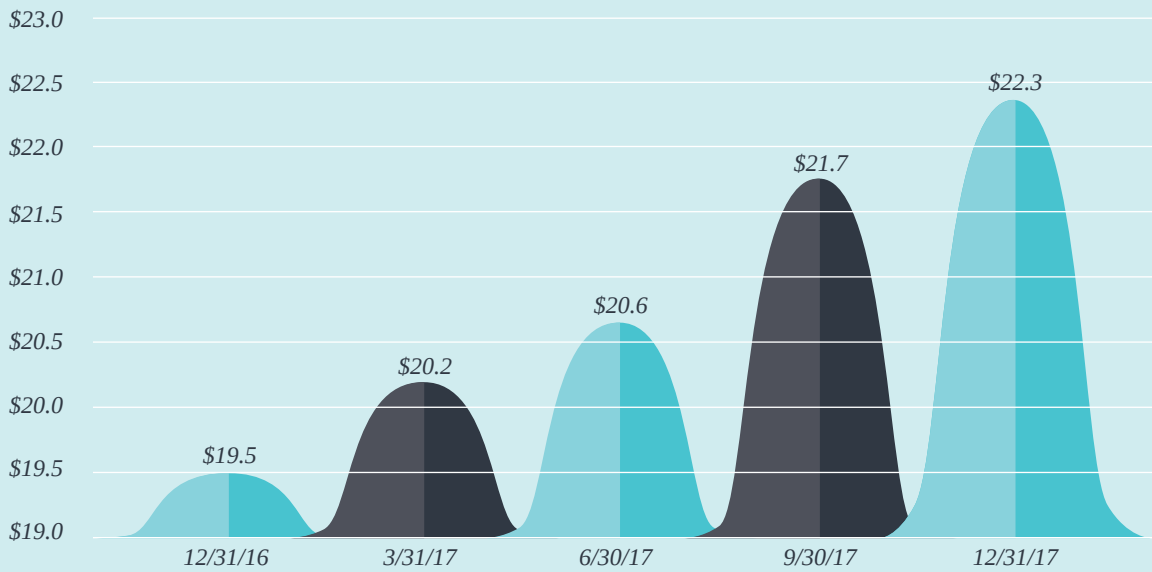
In addition to this report, historical annual reports, actuarial valuations and financial statements are available from the *Financial Reports* link in the *About LAFPP* section of lafpp.com.

Statistical Facts!

As of December 31, 2017*

INVESTMENT PORTFOLIO

MARKET VALUE (IN BILLIONS)



Except where noted, the information is unaudited.

More information for this period is available at www.lafpp.com in the About LAFPP and Investments sections.

*Market value for 6/30/2017 is audited.

DROP PROGRAM

Total Entries <i>FY thru 12/31/2017</i>	144
Fire	60
Police	84
Harbor Port Police	0
Total Exits <i>FY thru 12/31/2017</i>	66
Fire	16
Police	50
Harbor Port Police	0
Total Current Participants	1,386

MEMBERSHIP

Total Membership	25,964
Active Members (including DROP)	12,951
Service Pensioners	8,499
Disability Pensioners	2,045
Qualified Survivors	2,469

*This information is unaudited.

The Board of Fire and Police Pension Commissioners consists of nine members: five members appointed by the Mayor and four members elected by active and retired Plan members of the Fire and Police Departments. In governing the System, the Board is committed to acting in strict accordance with its fiduciary duties, including those of prudence, loyalty and care.



BOARD DIRECTORY

COMMISSIONER

Ruben Navarro PRESIDENT

Corinne T. Babcock VICE PRESIDENT

George V. Aliano

Kenneth E. Buzzell

Adam Nathanson

Brian Pendleton

Pedram Salimpour, MD

Belinda M. Vega

Robert von Voigt

APPOINTED/ELECTED

Elected by Active Fire Members

Appointed by the Mayor

Elected by Retired Police Members

Elected by Retired Fire Members

Appointed by the Mayor

Appointed by the Mayor

Appointed by the Mayor

Appointed by the Mayor

Elected by Active Police Members

TERM EXPIRATION

June 30, 2022

June 30, 2019

June 30, 2019

June 30, 2020

June 30, 2020

June 30, 2018

June 30, 2022

June 30, 2021

June 30, 2020

Our staff is available to assist you Monday through Friday (except 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 as detailed below.

DEPARTMENT DIRECTORY

ACTIVE MEMBER SERVICES

(213) 279-3140
 (toll-free ext.: 93140)
 (213) 628-7716 (Fax)

- Annual Member Statements
- Beneficiary Designations
- Contribution Accounts
- Dissolution of Marriage Information
- Domestic Partnership Filing
- Refund of Contributions
- Request to Purchase Service Credit
 - Military or Other Government Service (PSP)
 - Recruit Training Time
 - Other Service Credit

COMMUNICATIONS & EDUCATION

(213) 279-3155
 (toll-free ext.: 93155)
 (213) 628-7716 (Fax)

- Annual Report
- *MyLAFPP*
- Newsletters
- Social Media (e.g., Facebook, Twitter)
- Website
- Financial Planning Education Seminars

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 & Processing
 - DROP Member Beneficiary Designation
- Service and Deferred Pension Inquiries and Processing

CONTACT US

Address 701 East 3rd Street
 Suite 200
 Los Angeles, CA 90013

Main (213) 279-3000

Fax (213) 628-7716

Toll Free (844) 88-LAFPP (52377)

TDD (213) 628-7713

Email pensions@lafpp.com

Website www.lafpp.com

2018 CALENDAR

HOLIDAY SCHEDULE

May 28	Memorial Day
July 4	Independence Day
September 3	Labor Day
October 8	Indigenous Peoples Day

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

BOARD MEETINGS

April 19	July 5 & 19
May 3 & 17	August 2 & 16
June 7 & 21	September 6 & 20

Please check the *Board of Administration* section of lafpp.com for meeting information.