

pension perspectives

RETIRED/DROP MEMBER NEWSLETTER

General Manager's Message

One of my goals as General Manager is to keep our members well informed of current events.

One such event is the ballot measure proposed by Mayor Chuck Reed of San Jose titled, The Pension Reform Act of 2014. The ballot measure was cleared by the California Attorney General to begin circulation for signature gathering. Mayor Chuck Reed and his supporters must collect over 807,000 signatures to qualify the measure for the November 2014 General Election. Mayor Reed has since filed a lawsuit against the State Attorney General saying that the official description of his proposed ballot initiative was inaccurately worded by the State Attorney General's office. Until the case is settled, proponents of the measure most likely will not be gathering signatures in time for the measure to qualify for the ballot in November.



Raymond P. Ciranna

If approved by voters and ultimately upheld by the courts, the measure would allow California public employers to change pension benefits for current public employees, but not for retirees or DROP participants. Currently, the state constitution forbids public employers from changing the vested pension rights of current employees without providing a comparable benefit to offset the loss.

In a tentative decision released on December 23, 2013, Santa Clara County Superior Court Judge Patricia Lucas found that the pension cuts approved by the voters of San Jose changed the vested pension rights of current employees. Judge Lucas ruled that the City of San Jose could not legally require current employees to contribute significantly more toward their pensions in order to merely maintain the same level of benefits previously promised to them. Judge Lucas' tentative decision is consistent with over sixty years of case law on vested rights.

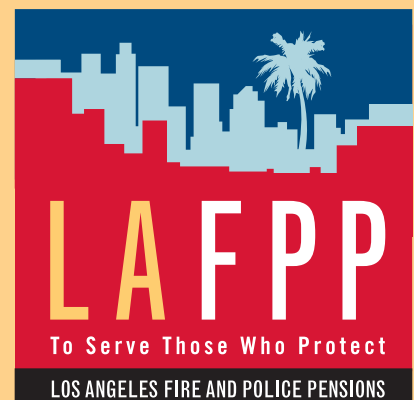
We are also monitoring the status of the City of Detroit's bankruptcy filing. On December 3, 2013, U.S. Bankruptcy Judge

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February 2014

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The Pension Reform Act of 2014

The Secretary of State's Office announced that Chuck Reed, Mayor of San Jose, and his supporters have until June 5, 2014 to obtain over 807,000 signatures to qualify their pension reform initiative for the November 2014 General Election. The initiative, officially titled "Public Employees. Pension and Retiree Health Benefits. Initiative Constitutional Amendment," seeks to amend the California Constitution to give all public employers the option to negotiate or change the terms of future pension benefits for current employees.

This initiative does not currently apply to retirees!

If approved, the initiative would allow public employers to modify pension benefits for current employees on a prospective basis, meaning that the terms of the pension could be changed for future years of service. However, benefits earned in exchange for past service could not be modified and would remain vested. It is important to note that this initiative will have no impact upon the benefits of any retired member of a public retirement system, including LAFPP retirees and current DROP members. More information about this initiative is available from the *LAFPP News* box on our website, www.lafpp.com.



Plan Funding Status and the City's Contribution

For the period ending June 30, 2013, the Los Angeles Fire and Police Pension System is 83.1% funded for pension benefits on an actuarial basis.

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. Actuaries use a schedule of benefits, membership data and a set of actuarial assumptions (e.g., life expectancy, inflation rates, etc.) to estimate the cost of benefits.

The 2013 study determined that, on an actuarial basis, pension benefits are 83.1% funded, health benefits are 38.5% funded and the combined funded status of pension and health benefits is 77.3%.

The actuarial valuation also includes the calculation of the City's contribution rate. The Charter specifies that the City will contribute an amount equal to: (1) the City'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.

If made on July 15, 2014, the City contribution rate for FY 2014-15 is estimated to be:

- **Pension Benefits** – 36.60% of sworn payroll, an increase of 2.81% from FY 2013-14;
- **Health Benefits** – 11.34% of sworn payroll, an increase of 0.73% from FY 2013-14.

Based on the City's budgeted, sworn payroll for FY 2013-14 of \$1.3 billion, the City's contribution to the Fund for FY 2014-15 is estimated to be \$622 million, an increase of approximately \$46 million. The actual contribution amount will be determined once the Mayor and City Council adopt the Fiscal Year 2014-15 budget.

ABOUT LAFPP

QUARTERLY REVIEW

Fast Facts!

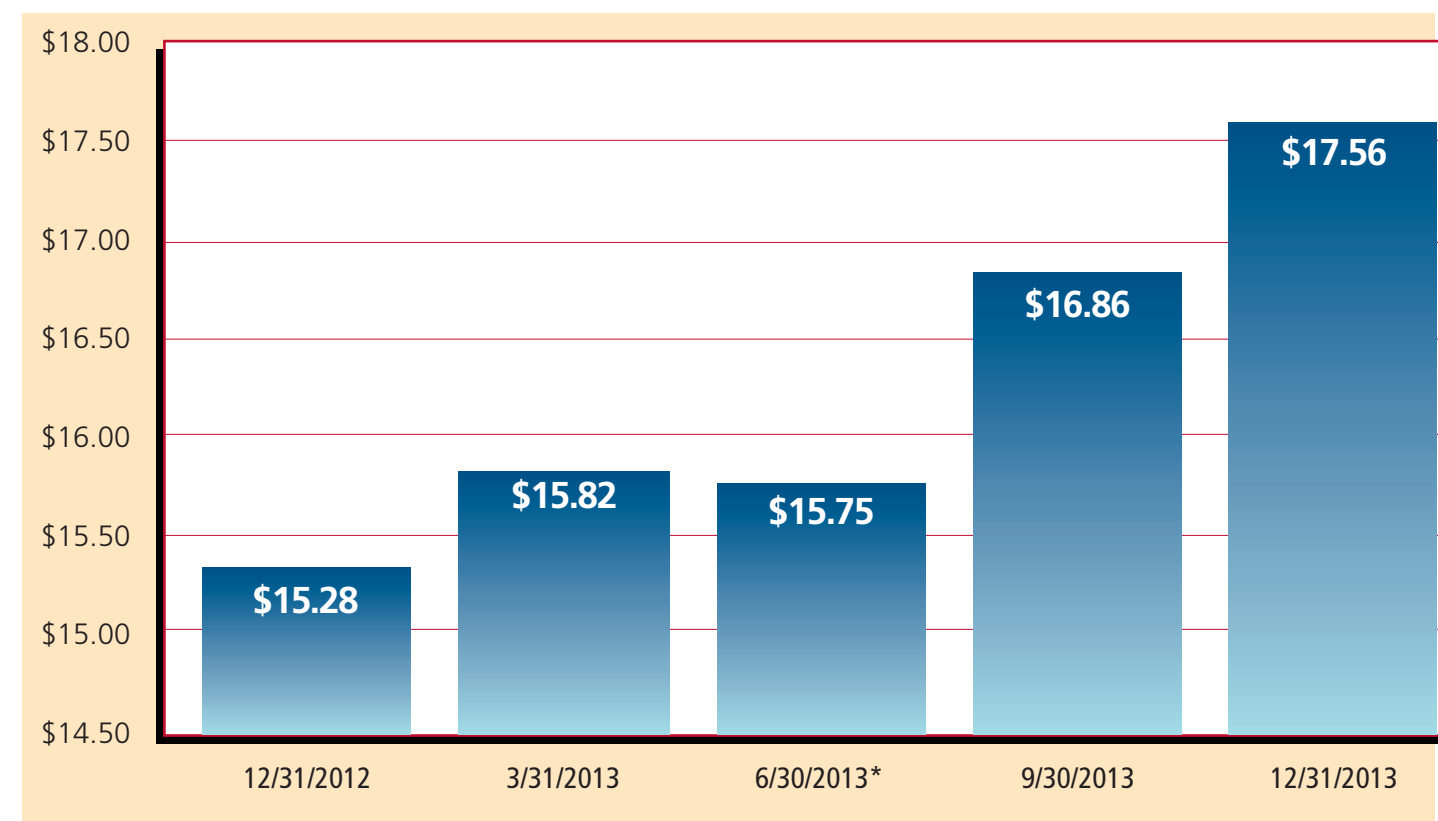
As of December 31, 2013:

Membership	
Total Membership	25,616
Active Members (including DROP)	12,988
Service Pensioners	7,917
Disability Pensioners	2,250
Qualified Survivors	2,461

DROP Program	
Total Entries – FY thru 12/31/13	71
Fire	13
Police	58
Port Police	0
Total Exits – FY thru 12/31/13	91
Fire	28
Police	62
Port Police	1
Total Current Participants	1,154

Investment Portfolio

Market Value (in billions)



* The market value for fiscal year ending June 30, 2013 is the final, audited amount.

Except where noted, the information provided above is unaudited. More information for this period is available on our website, www.lafpp.com, from the *About LAFPP* link, (located in the top right corner of the web page). Information for the quarter ending March 31, 2014 will be available online by the end of April.

2014 Health & Dental Subsidy Information

Non-Medicare Health Subsidy Benefit

The LAFPP Non-Medicare Health Subsidy applies to eligible retired members and qualified surviving spouses/ domestic partners who: (1) are under age 65, or (2) are age 65 and older who qualify for Medicare Part B only. The rates for 2014 are as follows:

	Members	Qualified Surviving Spouses/Domestic Partners
Effective Dates	July 1, 2013 – June 30, 2014	January 1, 2014 – December 31, 2014
Maximum Monthly Subsidy*	\$1,256.43 (an increase of 7.0%)	\$729.83 (an increase of 7.1%)
Calculating Your Monthly Subsidy**	Member's Complete 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) **did not** opt-in during the designated period to make the additional 2% bi-weekly pension contribution, the *Maximum Subsidy Amount* may not exceed the rate in effect on July 1, 2011 - \$1,097.41 for members; \$595.60 for qualified surviving spouses/domestic partners.

** *The Monthly Subsidy* may not exceed the premium of the health plan in which the participant is enrolled.

Medicare Health Subsidy Benefit

Effective January 1, 2014, the maximum LAFPP Medicare Health Subsidy is \$493.74, an increase of 9.0%. The maximum monthly subsidy received is based on the member's complete years of service at retirement, as shown in the chart below.

The Medicare Health Subsidy generally applies to eligible retired members and qualified surviving spouses/ domestic partners age 65 and older who are enrolled in Medicare Parts A and B. Those eligible for Medicare prior to age 65 should notify the Medical and Dental Benefits Section.

Member's Complete Years of Service	Maximum Medicare Health Subsidy*
Less than 10	No subsidy
10-14	The lesser of: \$370.31 or 75% of the single-party premium of the participant's health plan.
15-19	The lesser of: \$444.37 or 90% of the single-party premium of the participant's health plan.
20 or more	The lesser of: \$493.74 or 100% of the single-party premium of the participant's health plan.

* If the member: (1) entered DROP or retired after July 14, 2011, and (2) **did not** opt-in during the designated period to make the additional 2% bi-weekly pension contribution, the *Maximum Medicare Subsidy* is equal to the amount in effect on July 1, 2011 (\$480.41).

Questions on Health & Dental Subsidy Benefits?

For questions concerning the LAFPP Health and Dental Subsidy program and eligibility requirements or Medicare Part B reimbursement, please contact the Medical and Dental Benefits Section at (213) 978-4560, or (800) 787-2489, ext. 84560#. Information is also available at www.lafpp.com from the *Retired Members* and *Qualified Survivors* boxes.

Medicare Part B Premium Reimbursement

Effective January 1, 2014, the standard Medicare Part B monthly premium will remain at \$104.90.

Eligible members and qualified surviving spouses/ domestic partners who are enrolled in Medicare Parts A and B receive the LAFPP Medicare Health Subsidy benefit, and are reimbursed each month for the standard premium amount of \$104.90 for Part B.*

Individuals only enrolled in Medicare Part B will receive the LAFPP Non-Medicare Health Subsidy benefit, and will not be reimbursed for Part B.

* Effective January 1, 2014, pensioners with annual incomes greater than \$85,000 if single or \$170,000 if married will pay a higher Medicare Part B premium. However, LAFPP will only reimburse eligible pensioners for the standard amount of \$104.90.

Quick Reminders About Enrolling in Medicare

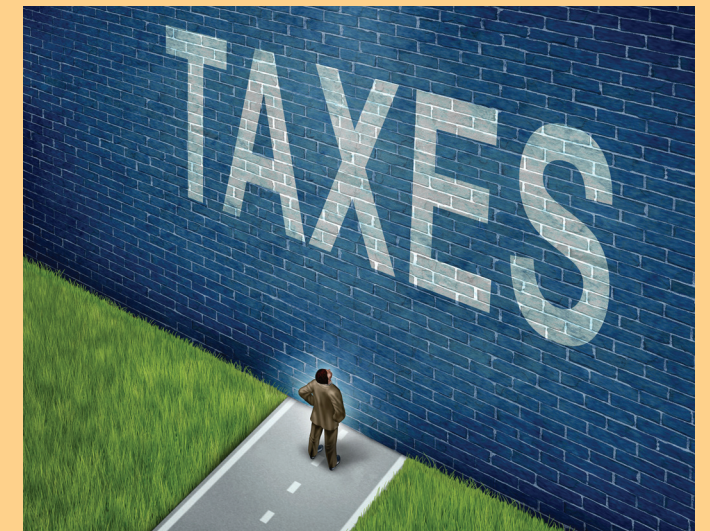
As a retired member or qualified surviving spouse/ domestic partner, you are required to enroll in all parts of Medicare (Parts A and B, or B only) for which you are eligible by age 65. The same rules apply to your dependents covered under your health plan.

- If you qualify for Medicare Part A free of charge, you are required to sign up for it. We do not require you to enroll in Medicare Part A if you do not qualify free of charge.
- You are required to enroll in and pay for Medicare Part B.
- If you become Medicare-eligible prior to age 65, please notify the Medical and Dental Benefits Section.

Member Dental Subsidy

Effective January 1, 2014, the maximum LAFPP Dental Subsidy will remain at \$42.80 per month. Eligible retired members receive 4% (up to 100%) of this maximum for each completed year of service, not to exceed the single-party cost of the member's dental plan. Members must be at least age 55 and have a minimum of 10 complete years of service to qualify for this subsidy.

There is no dental subsidy for qualified survivors or dependents.



Tax Season is Here!

We have some reminders as you prepare to file your taxes:

- **Your "Form 1099-R" for tax year 2013** was mailed by Northern Trust, our benefit payment provider, on January 29, 2014. However, due to inclement weather in the eastern parts of the country where Northern Trust is located, you may have experienced a delay in receiving your Form 1099-R. If you have not yet received your Form 1099-R, please contact the LAFPP Accounting Section at (213) 978-4420, or (800) 787-2489, ext. 84420#. You may also print a duplicate copy of your Form by logging in to the BPP Web Passport System – see page 7 for details of how to log in.
- **The \$3,000 Healthcare Tax Exclusion** is available only to LAFPP retired members and not qualified surviving spouses/domestic partners. As a retired public safety officer, you may be able to exclude up to \$3,000 from your annual gross income for health, dental and long-term care insurance premiums that were deducted directly from your pension check in 2013.

For assistance with determining the total amount which may be eligible for exclusion, we recommend that you consult with your tax professional.

- **You can adjust the amount of income taxes withheld** from your monthly pension payment electronically by logging in to BPP Web Passport. Or, you may submit a completed "Income Tax Withholding Form" to the Retirement Services Section. This form may be downloaded from the *Forms* section of our website, www.lafpp.com. For questions, please contact the Retirement Services Section at (213) 978-4495, or (800) 787-2489, ext. 84495#.



Update on the Affordable Care Act... LAFPP-Approved Health Plans Have You Covered!

This year, a crucial provision of the Affordable Care Act (ACA) went into effect requiring most people to have health insurance that provides "minimum essential coverage." This type of coverage includes:

- Ambulatory patient services (outpatient care you get without being admitted to a hospital)
- Emergency services
- Hospitalization (such as surgery)
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment (this includes counseling and psychotherapy)
- Prescription drugs
- Rehabilitative and habilitative services and devices (to help people with injuries, disabilities or chronic conditions gain or recover mental and physical skills)
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services

Those who do not have health insurance, or who have insurance that does not meet the minimum

essential requirement may be assessed a fee when filing their 2014 taxes.


Good News for You... If you are enrolled in one of the health plans offered by LAFPP, the Los Angeles Firemen's Relief Association (LAFRA), the Los Angeles Police Relief Association (LAPRA) or the United Firefighters of Los Angeles City (UFLAC), then you meet the requirements of the ACA! Those who enroll and remain enrolled in plans offered by any of these organizations will not be subject to the fee levied on uninsured individuals in 2014.

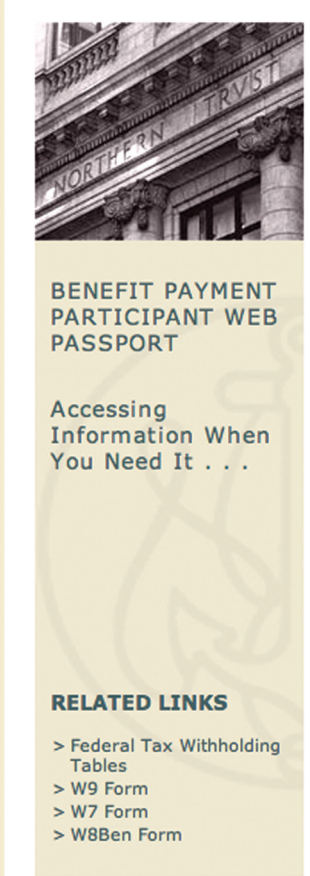
If you are an LAFPP retired member or surviving spouse/domestic partner who does not have health insurance, you may wish to contact one of the organizations above to learn about your insurance options. You may also wish to explore your options through Covered California at www.coveredca.com.

If you are enrolled in the LAFPP Health Insurance Premium Reimbursement Program (HIPR), you must check with your insurance provider to determine if your health plan meets the ACA provisions.

Keep checking our website, www.lafpp.com, for the latest information on ACA and how it may affect you.




Northern Trust | Benefit Payment Participant Web Passport



HAVE QUESTIONS?

If you have questions regarding the registration process or Benefit Payment Participant Web Passport, call our Benefit Payment Participant Service Center at:

1-888-259-6835

NOT REGISTERED FOR BENEFIT PAYMENT PARTICIPANT WEB PASSPORT?

Click [here](#) to start the registration process for the Benefit Payment Participant Web Passport.

Keep your personal information safe and secure. Never provide your ID, password or other information as the result of an email request. If you receive such a request that appears to come from Northern Trust, please call the Benefit Payment Participant Service Center at: 1-888-259-6835.

A Few Reminders about BPP Web Passport

A secure pension benefit system provided by Northern Trust

Benefit Payment Participant (BPP) Web Passport is a secure, online system that provides access to your pension payment information 24 hours a day, 7 days a week! Here are a few reminders of where to find it and what's available.

You must log in to access your information in BPP Web Passport at www.ntns.com/bppweb. If you are a first-time user, you must click on the registration link on the right side to create an ID and password. You will need your most recent pension statement or advice to complete the registration process.

Please note that BPP Web Passport is best viewed using the Internet Explorer or Mozilla Firefox internet browser. Other internet browsers may provide limited functionality.

Once logged in...

*From the **My Passport** tab,* (the first page you land on after logging in), you can view your monthly pension earnings statement, year-to-date summary and next scheduled payment.

*From the **My Information** tab,* you can change your address and contact numbers, sign up for Direct Deposit or edit your existing bank account information, edit your federal and state tax

withholding elections and view and print your most recent tax information "Form 1099-R."

Questions?

For questions concerning how to log in to BPP Web Passport and navigating through the system, please call the Northern Trust BPP Service Center at (312) 557-9700, or (888) 259-6835, Monday - Friday from 5:00 a.m. to 4:00 p.m. PT.

For all other questions concerning your pension payment information, please call the Retirement Services Section at (213) 978-4495, or (800) 787-2489, ext. 84495#, Monday - Friday from 8:00 a.m. to 5:00 p.m. PT.

The Board of Fire & Police Pension Commissioners

Retired Police Board Member Election

The term of office for Commissioner George V. Aliano, the current Retired Police Member of the Board of Fire and Police Pension Commissioners (Board), ends on June 30, 2014. The City Clerk, in conjunction with Los Angeles Fire and Police Pensions (LAFPP), will conduct an election for the next five-year term on April 22, 2014. All eligible retired sworn members (i.e., those not on active duty status and those receiving a monthly pension benefit) of the Los Angeles Police Department are eligible to participate.

The Board exercises the prudent person standard in the discharge of its duties. It has sole and exclusive fiduciary responsibility to administer the Fire and Police Pension System and its assets. As part of a nine-member Board, each Commissioner will be assigned to committees. Preparation for regular and committee meetings requires an individual to commit several hours of advance reading of discussion items and disability cases. The Board normally meets on the first and third Thursdays of the month at 8:30 a.m. Most meetings are from one to four hours.

Eligible members can expect to receive information on becoming a candidate in the election by March 2014. The City Clerk will conduct the election through the mail, with addresses provided by LAFPP. It is important for members to update their mailing addresses with LAFPP. Please see the **Remember to Keep Your Address Current** article on page 14 of this newsletter to make any updates or contact the Retirement Services Section at (213) 978-4495, or (800) 787-2489, ext. 84495# for any additional questions.

Members retiring or exiting DROP within 30 days before the election may vote by obtaining a "Certificate of Eligibility to Vote" from LAFPP. Eligible members will present the certificate when casting their ballot at the City Clerk - Election Division during the 7-day period immediately prior to the election and no later than 5:00 p.m. on the day of the election. Those still in DROP are not eligible to vote in the retired Board member election.

Questions concerning the election may be directed to Wendy Kamayatsu in the Administrative Services Section at (213) 978-4434.

Board Dedicates New Headquarters Boardroom

On October 17, 2013, the Board dedicated the Boardroom at the recently purchased headquarters building to the longest-serving Commissioner, Sam Diannitto, retired Fire Department representative – see page 10 for information on the new headquarters.

Commissioner Diannitto has provided over 59 years of unprecedented service to the System, the Board and its members, and to the residents of the City of Los Angeles. He was hired by the Los Angeles Fire Department in 1954 and retired 43 years later at the rank of Assistant Fire Chief. Commissioner Diannitto was first elected to the Board in 1972 and has served for 38 years – 25 years as the active Fire Department representative and 13 years as the retired Fire Department representative. His Board experience has included serving as Vice President in 1975-1976 and as President in 1976-1977 and 1991-1992.

The Board and staff thank Commissioner Diannitto for his distinguished service.

Recent Mayoral Appointments

Effective December 17, 2013, the following Commissioners were appointed to the Board by the Mayor to serve the unexpired terms of former members:

- **Commissioner Carl Cade** is serving the remainder of the term ending June 30, 2015, previously filled by Dean Hansell.
- **Commissioner Pedram Salimpour** returns to the Board and is serving the remainder of the term ending June 30, 2017, previously filled by Gregory Lippe.
- **Commissioner Corinne E. Tapia** is serving the remainder of the term ending June 30, 2014, previously filled by Wayne Moore.

Welcome Commissioners Cade, Salimpour and Tapia!

At its regular meeting held December 19, 2013, the Board elected Commissioner Belinda M. Vega to serve as the new Vice President.

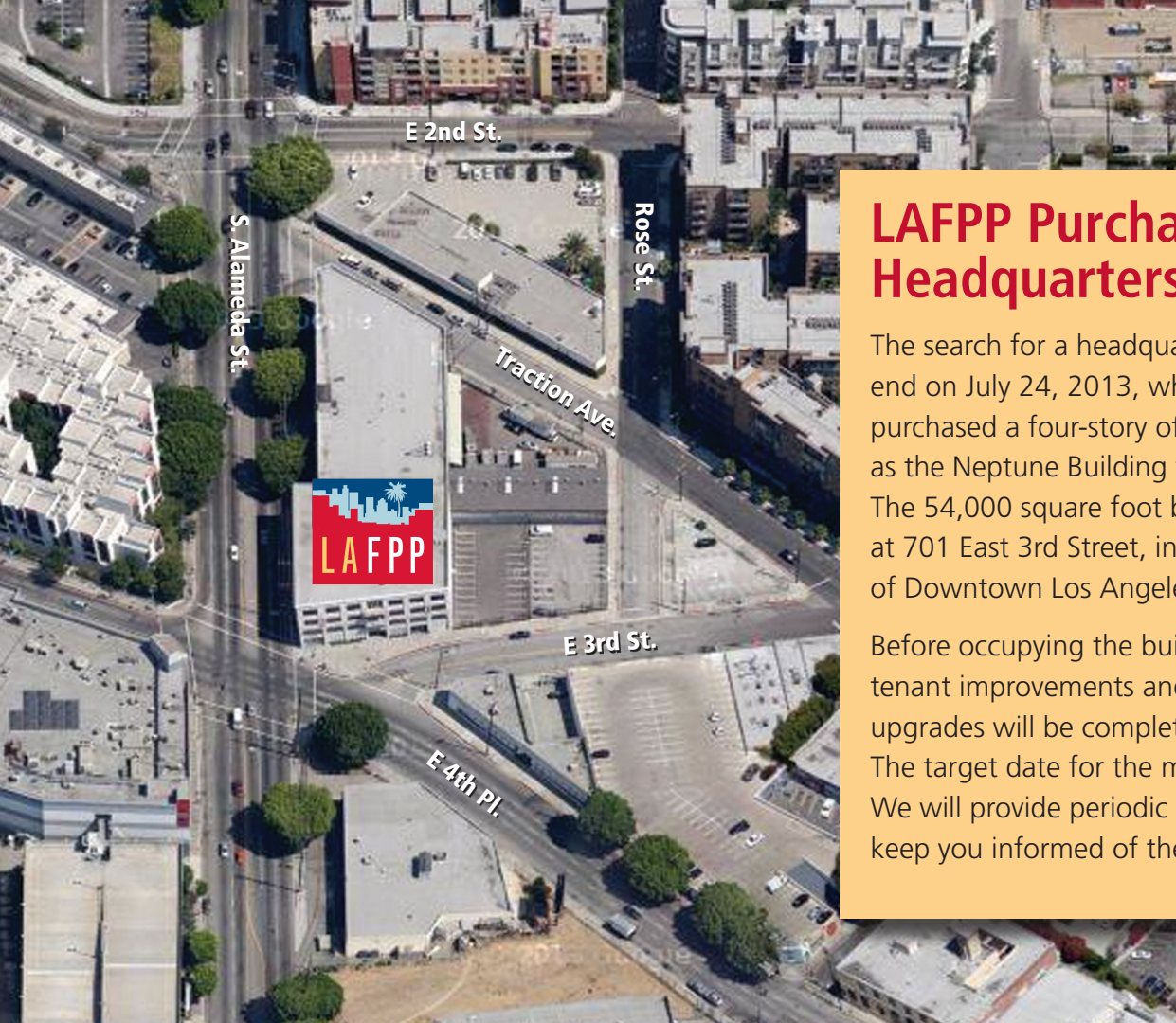
Congratulations Commissioner Vega!



Board Directory

Commissioner	Appointed/Elected	Term Expiration
Ruben Navarro, President	Elected by Active Fire Members	June 30, 2017
Belinda M. Vega, Vice President	Appointed by the Mayor	June 30, 2016
George V. Aliano	Elected by Retired Police Members	June 30, 2014
Carl Cade	Appointed by the Mayor	June 30, 2015
Sam Diannitto	Elected by Retired Fire Members	June 30, 2015
Emanuel Pleitez	Appointed by the Mayor	June 30, 2018
Pedram Salimpour	Appointed by the Mayor	June 30, 2017
Corinne E. Tapia	Appointed by the Mayor	June 30, 2014
Robert von Voigt	Elected by Active Police Members	June 30, 2015

The Board normally meets on the first and third Thursdays of the month at 8:30 a.m. at the LACERS facility, in the Los Angeles Times Building: 202 W. First Street, Ste. 500, Los Angeles, CA 90012. More information on the Board's schedule and agendas is available online at www.lafpp.com, from the *Board of Administration* box.



LAFPP Purchases a New Headquarters Building!

The search for a headquarters came to an end on July 24, 2013, when the Department purchased a four-story office building known as the Neptune Building for \$12.8 million. The 54,000 square foot building is located at 701 East 3rd Street, in the Arts District of Downtown Los Angeles.

Before occupying the building, various tenant improvements and building upgrades will be completed this year. The target date for the move is mid 2015. We will provide periodic updates and keep you informed of the status.

PHOTO COURTESY OF GOOGLE MAPS

2014 Pension Payment Schedule

Pension Payment	Make Changes No Later Than 4 p.m. PT*	Payable Date**
January	1/22/14	1/31/14
February	2/19/14	2/28/14
March	3/20/14	3/31/14
April	4/21/14	4/30/14
May	5/20/14	5/30/14
June	6/19/14	6/30/14
July	7/22/14	7/31/14
August	8/21/14	8/29/14
September	9/19/14	9/30/14
October	10/21/14	10/31/14
November	11/18/14	11/28/14
December	12/18/14	12/31/14

* This is the deadline to make any changes to your contact information, tax withholding elections or Direct Deposit information for the pension payment indicated.

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

“Honorably Retired” Flat Badges for Police Members

If you would like to purchase a flat badge and you are getting ready to exit DROP or you have already retired from LAPD, the LAPD Retirement Counselor’s Office can assist you! As of this writing, the cost to purchase a flat badge is \$61.42. Only checks or money orders will be accepted and should be made payable to: **Sun Badge Company**.

LAPD DROP Members – Before you exit DROP, inquire about obtaining your retired ID and flat badge when you meet with your LAPD Retirement Counselor. You will complete the required paperwork at that time.

LAPD Retired Members – Please note the following to obtain your retired flat badge:

1. Download the flat badge application packet from the home page of the **Los Angeles Retired Fire and Police Association’s (LARFPA)** website at www.larfpa.org.

2. Complete and sign the “Los Angeles Police Department Individual Order Form for Retired Flat Badge” and the “Agreement/Request for Retention and Mounting of Badge.”

3. Submit your signed forms, any other required documentation (e.g., copy of valid retired police ID card, etc.) and your payment to:

Los Angeles Police Department
 Attn: Retirement Counselor’s Office
 100 West First Street, Room 228
 Los Angeles, CA 90012

Due to the number of requests and the required background check, it could take 4 to 6 months to process. You will be notified by the LAPD Retirement Counselor’s Office when your badge is ready for issuance. If you have any questions, please call the LAPD Retirement Counselor’s Office at (213) 486-6610.

Are You On Direct Deposit?

If not, you can sign up online through BPP Web Passport – see page 7 for login information. Or, you may download a “Direct Deposit Form” from our website, www.lafpp.com, and submit it to the Retirement Services Section.

For more information about Direct Deposit, please call the Retirement Services Section.





A message from...

Commissioner George V. Aliano, Elected Retired Police Member

L.A.'s Problem Is Our Problem

Just read the report released by the 2020 Commission, a thirteen (13) member panel of influential civic leaders, regarding the economic decline of Los Angeles. The Report was titled “A Time for Truth” (the term “truth” needs some close examination) and was commissioned one (1) year ago by the President of the L.A. City Council, Herb Wesson. The panel was led by former U.S. Commerce Secretary, Mickey Kantor. It was reported nationally, as well as being covered extensively by *The Los Angeles Times*.

The report was a harsh assessment of government decision making, warning that L.A. is headed to a future where it can no longer afford to provide public services. Highlighted among the many problems were: Underfunded retirement programs for city employees (funny... I never heard a peep when we were overfunded) and slower police and fire response times (measured against what, last year's response times?). As a former President of

the Los Angeles Police Protective League, and a retired Captain of L.A.P.D., I'd point out that you can't measure response times by a standard that doesn't exist. Regarding L.A.P.D. response time, radio calls, observations, arrests, protecting crime scenes, etc. change and each takes and consumes time. Police officers don't start from the same position each working day and compare it to an exact replica of the day before. If you are proactive and make arrests and you are taken out of your assigned area, another car has to cover your district which will take more time. I've just listed a few for police, but obviously many factors affect response times for fire and police, but it's easier for a Panel to ignore studies that reflect these reasons and just report that response time is slower.

The Panel mentioned that spending is growing faster than revenue. A true determination would require an extremely diligent examination of the City's revenues and spending priorities. Of course

you know “unsustainable” public employee pension costs were mentioned right alongside the lack of money to trim trees and hire phone operators to staff a City Hall Help Line. Now there are some equitable comparisons!

Other observations: The City takes too long to approve development projects and missed opportunities to capitalize on major growth industries such as science and engineering. Los Angeles is also one of the most congested urban communities in the United States with wasted economic and human costs that compound daily.

The Commission also cited: 1) Extensive poverty; 2) Unsustainable spending by City Hall (this of course, is City Hall's code for pensions) and my favorite; 3) a leadership crisis. The City Council brushed aside the notion that the report reflects badly on the City's lawmakers regarding leadership. The City Council viewed this criticism as a “challenge.” Panel leader Kantor added that blame for the “leadership crisis should not fall on any specific elected official... it is about everyone”. Now there's a true statement! Here's another: Our L.A. Fire and Police Pension Fund is one of the best funded in the State of California at 83% funded and we have recovered more money than we lost in the market downturn in 2008. Our actuary has shown that our percentage of funding will begin to increase in 2016 if all assumptions are met.

The next task at hand for the 2020 Commission is to develop a plan to address the many problems that they identified. It will take a much closer evaluation and examination of all aspects of the study to determine where, why, and who created this “crisis.” We all know these panels and commissions have no problem blaming our pensions for causing the supposed dire straits the City is in, but not the city officials who negotiated them. Given the continued examination of our pensions, it is important for us to remain diligent to protect these benefits that have been earned by, and promised to, us and the men and women that protect the residents of the City of Los Angeles. Please email me at georgealianolapc@gmail.com with your thoughts.



General Manager's Message

continued from page 1

Stephen Rhodes granted the City's request to enter Chapter 9 bankruptcy. Judge Rhodes held that public employee pensions may be changed in a municipal bankruptcy. In response, Detroit's civilian and public safety pension systems filed a notice of appeal of Judge Rhodes' decision.

Assuming Judge Rhodes' decision is upheld on appeal, questions nonetheless will remain as to the extent to which the pensions may be impaired and whether retirees should be treated the same as unsecured creditors. These questions have been resolved by agreement with employee organizations in other cities that have declared bankruptcy. The City of Vallejo was able to avoid any cuts to pensions in the resolution of its bankruptcy proceeding, and the City of Stockton is now seeking to do the same. The future of pensions in San Bernardino and Detroit is still to be determined. We will keep you apprised of any updates on these bankruptcy proceedings and other pension-related issues. Our website, www.lafpp.com, contains additional information on Detroit.

On a positive note, the results of our most recent actuarial study indicate that downward trend in our funded status has significantly slowed! Over the last year, investment gains and other favorable experience caused the actuarial funded status of pension benefits for fiscal year ending June 30, 2013 to dip by only 0.6% to 83.1%. In addition, the funded status of health benefits increased by 1.4% to 38.5% for the same period.

Based on this information, the City's contribution to the Fund for 2014-15 is estimated to be \$622 million. The actual contribution amount will be determined once the Mayor and City Council adopt the Fiscal Year 2014-15 budget. You can read more about this study, and the City's contribution on page 2.

This issue of *Pension Perspectives* discusses the 2014 health and dental subsidy amounts, an update on the Affordable Care Act, and other information that I hope you find useful.

Please contact me if you have any questions or need assistance. I am available by email at ray.ciranna@lafpp.com or phone at (213) 978-4550.

Sincerely,
Raymond P. Ciranna
General Manager

Remember to Keep Your Address Current

Or your pension funds may be withheld!

We have important pension benefit information to give you and it could be delayed or not received at all if LAFPP does not have your current address.

More importantly, without a current address on file, your pension funds may be withheld.

If we receive returned mail from your address on file, we will place a hold on your pension payment as a fraud prevention measure.

Therefore, if you are planning to move or have moved, please update your address electronically using BPP Web Passport, or submit a completed "Change of Address Form" as follows:

- **BPP Web Passport** – Log in to the system and from the *My Information* tab, enter your new address and click "Save." Your change could take effect as early as the next pension payment – refer to the pension payment schedule on page 11.

Note: If you have a foreign change of address, you must complete a "Change of Address Form" instead.

- **Change of Address Form** – Go to the *Forms* section of www.lafpp.com and locate the form near the bottom of the page under the Retired Members section. Complete the form and mail, fax or email to:

Los Angeles Fire and Police Pensions
Retirement Services Section
360 East 2nd Street, Suite 400
Los Angeles, CA 90012
Fax (213) 978-4504
Email pensions@lafpp.com

If you have any questions, please contact the Retirement Services Section at (213) 978-4495, or (800) 787-2489, ext. 84495#.



Email – Another Way to Communicate!

Having an email address on file with LAFPP gives us another way to connect with you and deliver important information and news to you quickly. This alternative contact method can be very helpful, especially if we are unable to reach you by mail or telephone.

To grow our email list, we will be updating our forms to include a space for you to provide your email address. You can list a work or personal email address – whichever you prefer. You may also call us to provide your email address. Retired members and survivor pensioners should call the Retirement Services Section and DROP members should call the DROP/Service Pension Section.

contact information & more

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, (800) 787-2489, please enter the extension number followed by the pound sign (#).

Department Directory

Accounting (213) 978-4420 (toll-free ext.: 84420#)

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

Communications & Special Projects (213) 978-4530 (toll-free ext.: 84530#)

- Actuarial Studies
- Annual Report
- MyLAFPP
- Newsletters
- Website Updates

Disability Pensions (213) 978-4500 (toll-free ext.: 84500#)

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

Medical & Dental Benefits (213) 978-4560 (toll-free ext.: 84560#)

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

Retirement Services (213) 978-4495 (toll-free ext.: 84495#)

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

DROP/Service Pensions (213) 978-4575 (toll-free ext.: 84575#)

- 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

Other Ways to Contact Us

Main	(213) 978-4545
Fax	(213) 978-4450
TDD	(213) 978-4455
Email	pensions@lafpp.com
Website	www.lafpp.com
Address	360 E. Second St. Suite 400 Los Angeles, CA 90012
Mail Stop	390

Upcoming Important dates & events

Holiday Schedule:

- Feb 17 – Presidents' Day
- Mar 31 – César Chávez Day
- May 26 – Memorial Day
- Jul 4 – Independence Day

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

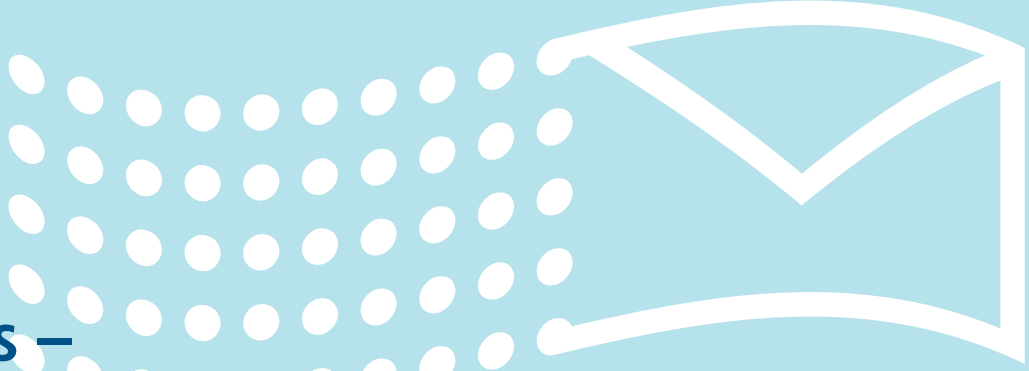
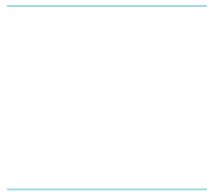
Board & Committee Meetings:

- Feb 20
- Mar 6 & 20
- Apr 3 & 17
- May 1 & 15
- Jun 5 & 19
- Jul 3 & 17

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



Los Angeles Fire & Police Pensions
Mail Stop #390
360 East Second Street
Suite 400
Los Angeles, CA 90012



E-Newsletters – The Faster Way to Get LAFPP News!

Are you still receiving your newsletters in the mail? If you go the paperless route, you could receive them and other announcements a lot faster!

You can sign up for E-Newsletters by logging into **MyLAFPP**. The link is available on the left-hand side of our website, **www.lafpp.com**. Once you are logged in, click on the *Paperless Option* link located at the top right corner and follow the prompts.

For questions regarding this option, please contact the Communications & Special Projects Section at (213) 978-4530, or (800) 787-2489, ext. 84530#.