

Los Angeles Public Library Staff Development Day

Jump Start Your Retirement – Plan for Your Future

- Social Security
- Los Angeles City Employees Retirement System (LACERS)

November 14, 2018



Jump Start Your Retirement – Plan for Your Future

Why Plan for Your Future?

Keep Working? By Choice or by Necessity?

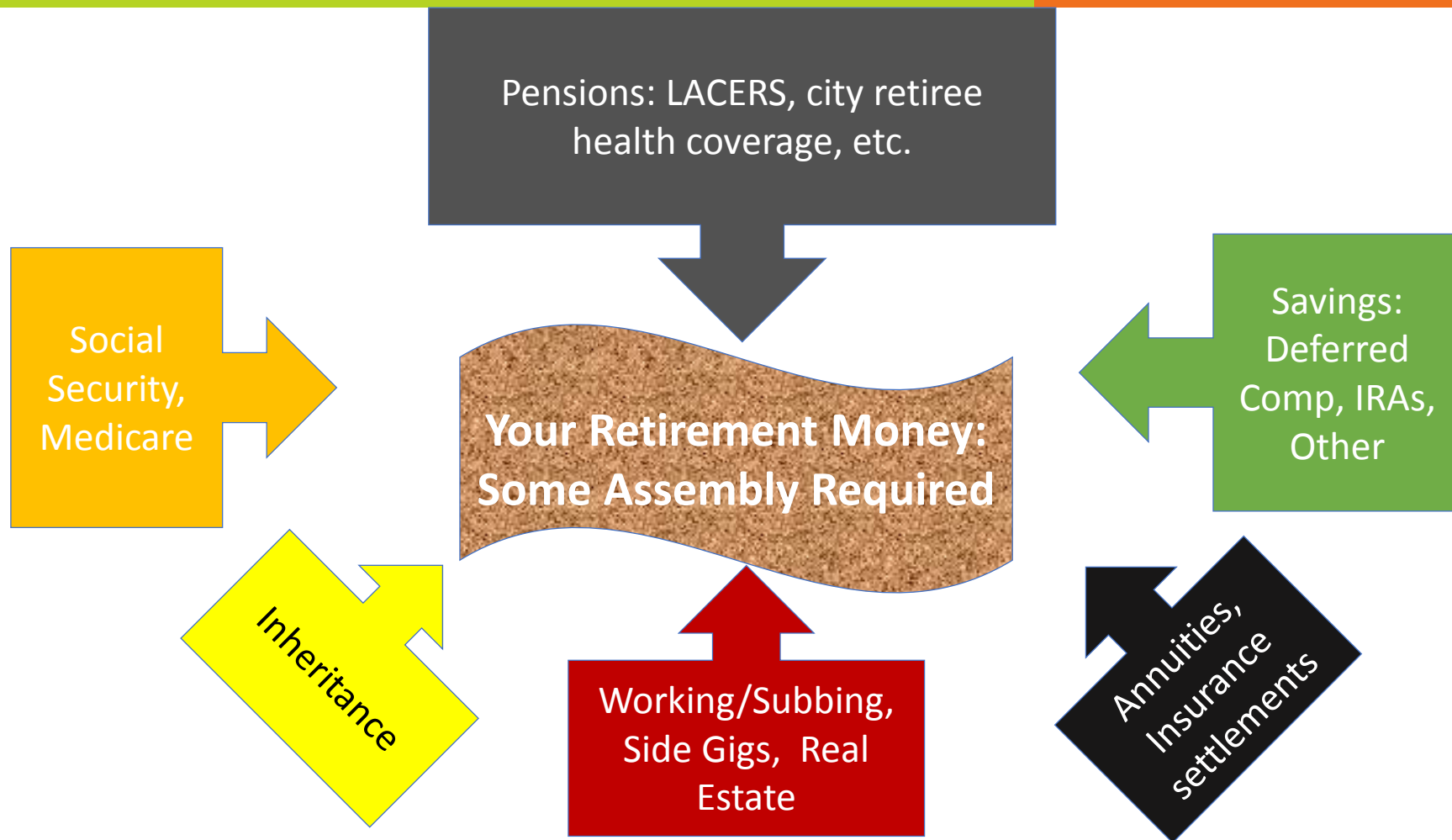
Work as long into your life as possible.

- Because you want to
- Because you have to

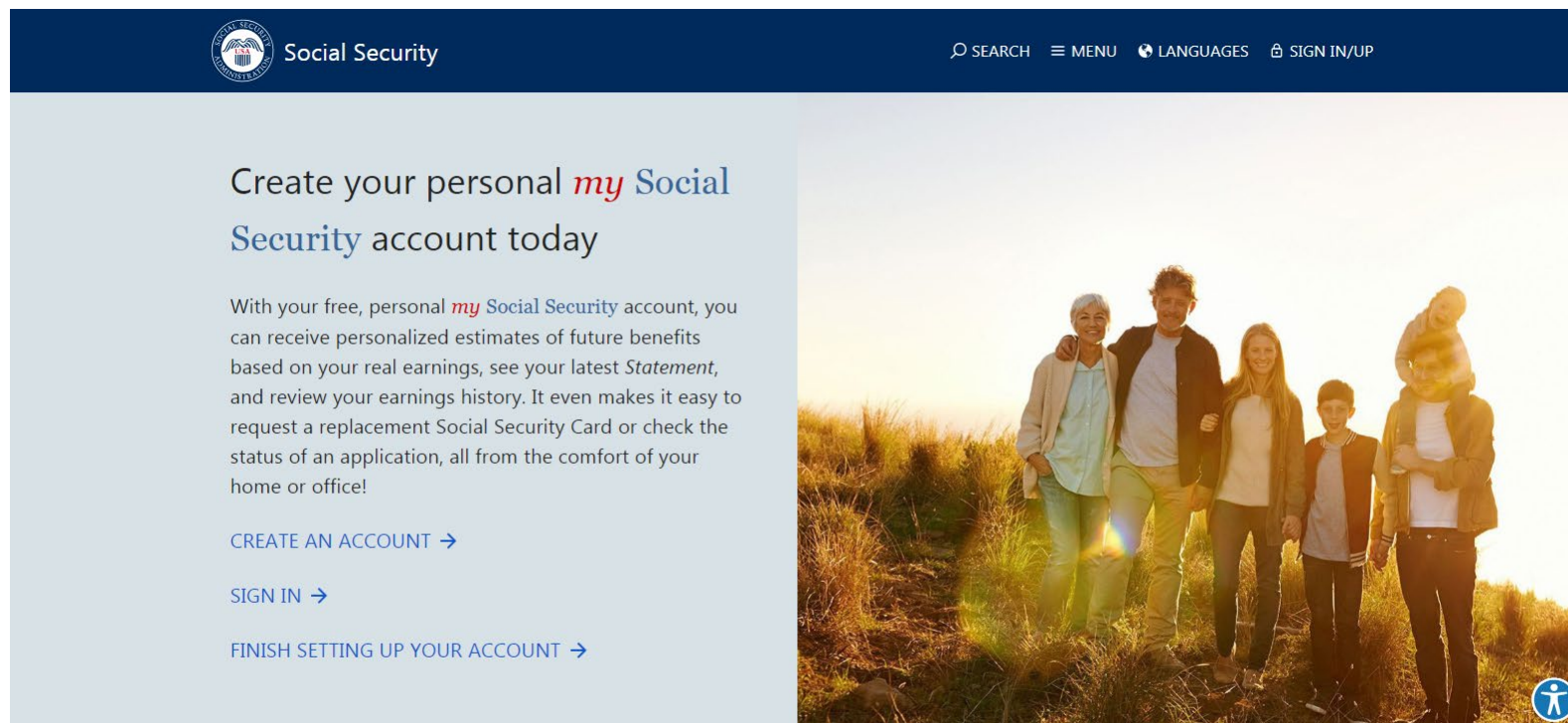
Dream Retirement	For Most of Us	Forced Retirement
Free to retire: <ul style="list-style-type: none"> • On your own terms • When you want • How you want 	<ul style="list-style-type: none"> • Perhaps retiring differently than you had intended • But still having some control over parts of it 	Forced to stop working: <ul style="list-style-type: none"> • Health • Job loss • Caretaking • Relocating




Jump Start Your Retirement – Plan for Your Future



Jump Start Your Retirement – Plan for Your Future



The screenshot shows the top of the Social Security website. The header is dark blue with the Social Security logo on the left and navigation links (SEARCH, MENU, LANGUAGES, SIGN IN/UP) on the right. The main content area has a light blue background on the left and a large photo of a family on the right. The text on the left encourages creating a 'my Social Security' account, listing benefits like personalized estimates and the ability to request a replacement card. Three links are provided: 'CREATE AN ACCOUNT', 'SIGN IN', and 'FINISH SETTING UP YOUR ACCOUNT'. The family photo shows a man, a woman, and three children walking in a field at sunset.

 Social Security

SEARCH MENU LANGUAGES SIGN IN/UP


Create your personal *my* Social Security account today

With your free, personal *my* Social Security account, you can receive personalized estimates of future benefits based on your real earnings, see your latest *Statement*, and review your earnings history. It even makes it easy to request a replacement Social Security Card or check the status of an application, all from the comfort of your home or office!

[CREATE AN ACCOUNT →](#)

[SIGN IN →](#)

[FINISH SETTING UP YOUR ACCOUNT →](#)



Why create a free account?

<https://www.ssa.gov/myaccount/>



Jump Start Your Retirement – Plan for Your Future

<https://www.ssa.gov/pubs/EN-05-10045.pdf>

2018



Windfall Elimination Provision

Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2018, the first \$895 of average monthly earnings is multiplied by 90 percent; earnings between \$895 and \$5,397 by 32 percent; and the balance by 15 percent. The sum of the

or increased depending on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2018, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,479 (49 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,636 (32 percent) plus COLAs. However, if either of these workers start benefits earlier, we'll reduce their monthly benefit.

Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983;
- You were employed on December 31, 1983, by a nonprofit organization that didn't withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes;
- Your only pension is for railroad employment;
- The only work you performed for which you didn't pay Social Security taxes was before 1957; or

<https://www.ssa.gov/pubs/EN-05-10007.pdf>



Government Pension Offset

A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you're eligible for a \$500 spouses, widows, or widowers benefit from Social Security, you'll get \$100 a month from Social Security (\$500 – \$400 = \$100). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by

For example, if a woman worked and earned her own \$800 monthly Social Security benefit, but was also due a \$500 wife's benefit on her husband's record, we couldn't pay that wife's benefit because her own benefit offset it. But, before enactment of the Government Pension Offset, if that same woman was a government employee who didn't pay into Social Security and earned an \$800 government pension, there was no offset. We had to pay her a full wife's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
 - Your last day of employment (that your pension is based on) is before July 1, 2004; or
 - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
 - You paid Social Security taxes on your



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Social Security

[SEARCH](#) [MENU](#) [LANGUAGES](#) [SIGN IN/UP](#)

Benefits Planner: Retirement

[Home](#) [Retirement](#) [Disability](#) [Survivors](#) [Calculators](#)

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[Windfall Elimination Provision \(WEP\) Chart](#)
[How To Use The WEP Chart](#)
[WEP Chart](#)

Windfall Elimination Provision (WEP) Chart

If you paid Social Security tax on 30 years of substantial earnings you are not affected by WEP.

You can find a table that lists the amount of substantial earnings for each year at the bottom of the second page of our [WEP](#) fact sheet.

The chart shows the **maximum monthly amount your benefit can be reduced** because of WEP if you have fewer than 30 years of substantial earnings. (To calculate your WEP reduction, please use our [WEP Online Calculator](#) or download our [Detailed Calculator](#).)

The amounts in the chart do not reflect the effect of a [cost-of-living adjustments \(COLA\)](#), [early retirement](#), [delayed retirement](#), or other factors.

Example: WEP reduces your Eligibility Year (ELY) benefit **before** the annual COLA is added to your benefit.

If you became disabled in 2008 (ELY 2008), presume the WEP reduced your \$1,250 benefit to \$1,000.

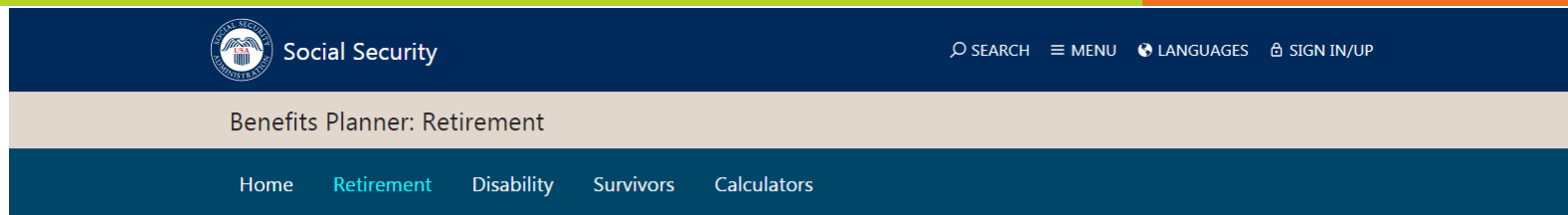


<https://www.ssa.gov/planners/retire/wep-chart.html>



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Online Calculator (WEP Version)

The calculator shown below allows you to estimate your Social Security benefit if you have a pension from work not covered by Social Security. However, for the most accurate estimates, [use the Detailed Calculator](#).

You need to enter all your past earnings taxed by Social Security, which are shown on your [online Social Security Statement](#).

You also need to enter the monthly amount of your pension that was based on work not covered by Social Security. **If you do not have a non-covered pension**, you do not need to use this calculator. You should use the basic version of the [Online Calculator](#). The WEP calculation normally produces smaller old age and disability benefits than a non-WEP calculation.

WEP does not affect benefits for your survivors.

You can learn more about non-covered pensions and WEP in our [Retirement Planner](#) and our [Information for Government Employees](#) website.

If you will receive a pension based on work not covered by Social Security but you [do not have enough earnings to be insured](#) for Social Security benefits, our [Government Pension Offset \(GPO\) Calculator](#) can tell you how your benefits as a spouse, widow or widower may be affected.

Please Note:

- The Online Calculator is updated periodically* with new benefit increases and other benefit amounts. Therefore, it is

<https://www.ssa.gov/planners/retire/anyPiaWepjs04.html>



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City of Los Angeles Pension Savings Plan

For Part-Time, Temporary, and Seasonal Employees



Calculators

Explore interactive online calculators, related videos.

Videos

Retirement Education Center

Getting Ready to Retire?

Account Access

User ID:

Enter User ID

Login

- Set Up Your Online Access
- Forgot User ID or Password?

Get Our Mobile App

! ENROLLMENT REQUIRED WITHIN 10 CALENDAR DAYS OF FIRST CONTRIBUTION
See instructions

Welcome

The City of Los Angeles and ICMA-RC welcome you to your Pension Savings Plan online. Once you log in you can make transactions to your account, review account information, and more.

Frequently Asked Questions

- > **How do I know if I have a balance in the PSP plan?**
Click here to log into your account.
- > **How do I reset my Account Access user ID/password?**
- > **How do I download the mobile app?**
- > **When can I request a withdrawal of my account balance?**
You can request a withdrawal after you

Plan Resources

- > Getting to Know Your Plan
- > Getting to Know Your Plan (Español)

TextAccess

If you're always on the go, but your phone never leaves your side, you'll want to sign up for ICMA-RC's **TextAccess** feature, which allows you to request certain account information and have it sent directly to your

<https://www.icmarc.org/lapsp.html>



Jump Start Your Retirement – Plan for Your Future



The screenshot displays the LACERS (Los Angeles City Employees' Retirement System) website. At the top, there's a navigation bar with links: Home, Active Members, Retired Members, Board of Administration, Investments, and About LACERS. Below this is a search bar and a 'GO' button. The main content area is divided into three columns. The left column, titled 'Member Info', includes links for 'To Log In to MyLACERS', 'To Create Your MyLACERS Account', and 'To Request a New PIN Number be Mailed to you'. The middle column, titled 'Ready to Retire?', provides a list of steps for retirement planning, including scheduling a seminar, calling for counseling, and downloading forms. The right column, titled 'I Want To ...', offers options for selecting subjects from a drop-down menu. Below the main content area, there are sections for 'Events' (listing a 'Planning for Retirement (PFR) Seminar' on Oct. 11 and 20, 2018) and 'LACERS News' (announcing new business hours starting September 1). A 'LACERS Well' logo is also visible, along with a 'Publications' section.

<https://www.lacers.org/>



Jump Start Your Retirement – Plan for Your Future

The screenshot shows the MyLACERS website interface. At the top left is the MyLACERS logo. To its right is a button that says "Press F11 to exit full screen". Further right is the address: "202 W. First Street Suite 500 Los Angeles, CA 90012-4401 (800) 779-8328". Below the header is a navigation bar with "MyLACERS" on the left and "Enroll Now | Contact Information" on the right. The main content area is titled "Welcome to MyLACERS". It is divided into two columns. The left column has a "Sign-in" section with a username field, a password field, a "Login" button, and links for "Forgot your password?" and "Forgot your username?". The right column has a "Create your MyLACERS Account" section. Below this is a heading "Why Enroll in MyLACERS" followed by two columns of bullet points. The "As a Member" column lists: "View your member information", "Estimate your benefit", and "View and register for upcoming seminars". The "As a Benefit Recipient" column lists: "View your payment history and receipts" and "View tax withholding and other deductions". Below these lists is an "Enroll Now" button. At the bottom of the page is a footer with copyright information: "©2007-2018, Levi, Ray & Shoup, Inc. All rights reserved. Legal Disclaimers | Attributions" and a version number: "Version: 3.9.4.12" with a small diamond icon.

MyLACERS

Press F11 to exit full screen

202 W. First Street
Suite 500
Los Angeles, CA 90012-4401
(800) 779-8328

MyLACERS Enroll Now | Contact Information

Welcome to MyLACERS

Sign-in

Password

[Forgot your password?](#)
[Forgot your username?](#)

Create your MyLACERS Account

Why Enroll in MyLACERS

As a Member

- View your member information
- Estimate your benefit
- View and register for upcoming seminars

As a Benefit Recipient

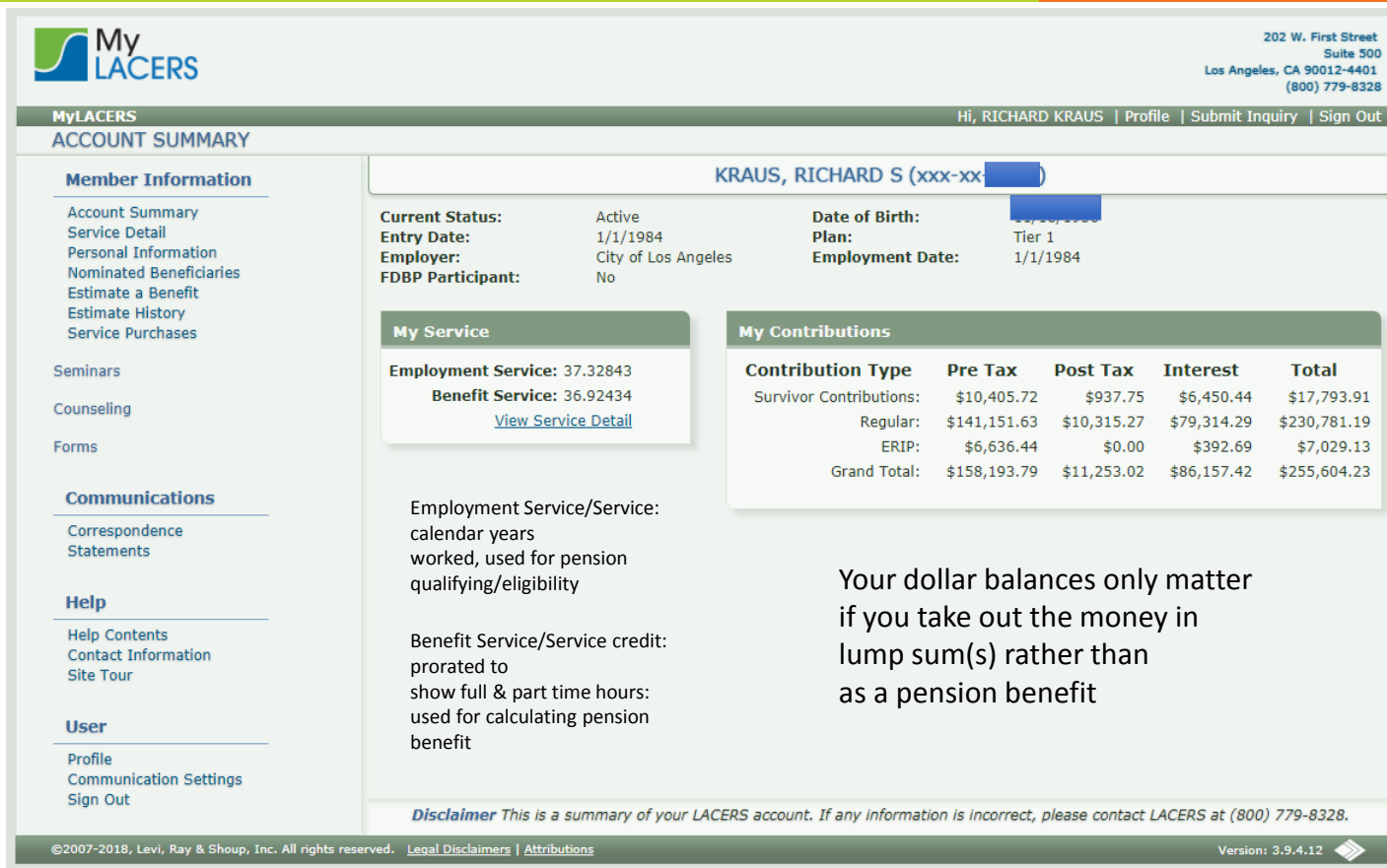
- View your payment history and receipts
- View tax withholding and other deductions

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<https://mylacers.lacers.org/Login.aspx>



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MyLACERS 202 W. First Street
Suite 500
Los Angeles, CA 90012-4401
(800) 779-8328

Hi, RICHARD KRAUS | Profile | Submit Inquiry | Sign Out

ACCOUNT SUMMARY

KRAUS, RICHARD S (xxx-xx-xxxx)

Member Information

- Account Summary
- Service Detail
- Personal Information
- Nominated Beneficiaries
- Estimate a Benefit
- Estimate History
- Service Purchases

Seminars

Counseling

Forms

Communications

- Correspondence
- Statements

Help

- Help Contents
- Contact Information
- Site Tour

User

- Profile
- Communication Settings
- Sign Out

Current Status: Active
Entry Date: 1/1/1984
Employer: City of Los Angeles
FDBP Participant: No

Date of Birth: [REDACTED]
Plan: Tier 1
Employment Date: 1/1/1984

My Service

Employment Service: 37.32843
Benefit Service: 36.92434
[View Service Detail](#)

My Contributions

Contribution Type	Pre Tax	Post Tax	Interest	Total
Survivor Contributions:	\$10,405.72	\$937.75	\$6,450.44	\$17,793.91
Regular:	\$141,151.63	\$10,315.27	\$79,314.29	\$230,781.19
ERIP:	\$6,636.44	\$0.00	\$392.69	\$7,029.13
Grand Total:	\$158,193.79	\$11,253.02	\$86,157.42	\$255,604.23

Employment Service/Service:
calendar years
worked, used for pension
qualifying/eligibility

Benefit Service/Service credit:
prorated to
show full & part time hours:
used for calculating pension
benefit

Disclaimer This is a summary of your LACERS account. If any information is incorrect, please contact LACERS at (800) 779-8328.

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Your dollar balances only matter
if you take out the money in
lump sum(s) rather than
as a pension benefit

<https://mylacers.lacERS.org/Member/AccountSummary.aspx>



Jump Start Your Retirement – Plan for Your Future



Tier 1 Chart

Features	Tier 1
	RETIREMENT BENEFITS
Type of Plan	Defined benefit plan for eligible Members hired prior to February 21, 2016.
Member Contribution Rate	Most Members contribute at a rate of 11%.
City (Employer) Contribution Rate	Actuarially defined based on active Member payroll.
Vesting	Five years of Continuous City Service.
COLA	Based on CPI; 3% maximum, with COLA bank.
Final Average Compensation	Annual compensation earnable during Member's last 12 months or any other consecutive 12 months that Member designates.
Active Member Benefits – Retirement Formulas	Retirement allowance may not exceed 100% of final compensation. <u>Normal Retirement</u> 2.16% X 12-month final average compensation X years of Service Credit. <u>Early Retirement</u> 2.16% X 12-month final average compensation X years of Service Credit X early retirement adjustment factor.
Deferred Vested Member Benefits – Retirement Formulas	Retirement allowance may not exceed 100% of final compensation. <u>Normal Retirement</u> 2.16% X 12-month final average compensation X years of Service Credit. <u>Early Retirement</u> 2.16% X 12-month final average compensation X years of Service Credit X early retirement adjustment factor.
Eligibility for Retirement Benefits (Active Full-time Members) Note: Eligibility for Part-time Members may differ	<u>Normal Retirement</u> - Age 55 and 30 years of Service - Age 60 and 10 years of Continuous Service - Age 70 regardless of years of Service <u>Early Retirement</u> - Age 55 and 10 years of Continuous Service - Any age with 30 or more years of Service
Eligibility for Retirement Benefits (Deferred Vested Full-time Members)	Reduction Factor will be applied based on age. <u>Normal Retirement</u> - Age 55 and 30 years of Service - Age 60 and 10 years of Continuous Service

<https://www.lacers.org/active/tier-1/Tier%20for%20Website.pdf>



Tier 3 Chart

Features	Tier 3
	RETIREMENT BENEFITS
Type of Plan	Defined benefit plan for eligible Members hired on or after February 21, 2016.
Member Contribution Rate	Members contribute at a rate of 11%.
City (Employer) Contribution Rate	Note: No part of the Members' contribution is attributable to the ERIP obligations. Actuarially defined based on active Member payroll.
Vesting	Five years of Continuous City Service.
COLA	Based on CPI; 2% maximum. No COLA bank.
Final Average Compensation	Annual compensation earnable during Member's last 36 months or any other consecutive 36 months that Member designates.
Active Member Benefits – Retirement Formulas	Retirement allowance may not exceed 80% of final compensation. <u>Normal Retirement</u> Age 60 or older and 10 years of Service (5 years must be Continuous Service): 1.5% X 36-month final average compensation X years of Service Credit Age 60 or older and 30 years of Service (5 years must be Continuous Service): 2% X 36-month final average compensation X years of Service Credit <u>Enhanced Retirement</u> Age 63 and 10 years of Service (5 years must be Continuous Service): 2% X 36-month final average compensation X years of Service Credit Age 63 and 30 years of Service (5 years must be Continuous Service): 2.1% X 36-month final average compensation X years of Service Credit <u>Early Retirement</u> Any age prior to age 60 and 30 years of Service (5 years must be Continuous Service): 2% X 36-month final average compensation X years of Service Credit X *early retirement adjustment factor *If the Member is age 55 or older at the date of retirement, his/her allowance shall not be subject to reduction on account of age. If the Member is younger than age 55 at the date of retirement, a reduction factor will be applied based on age.

<https://www.lacers.org/active/tier-3/LACERS%20Benefits%20Comparison%20Table%20T3%20only.pdf>



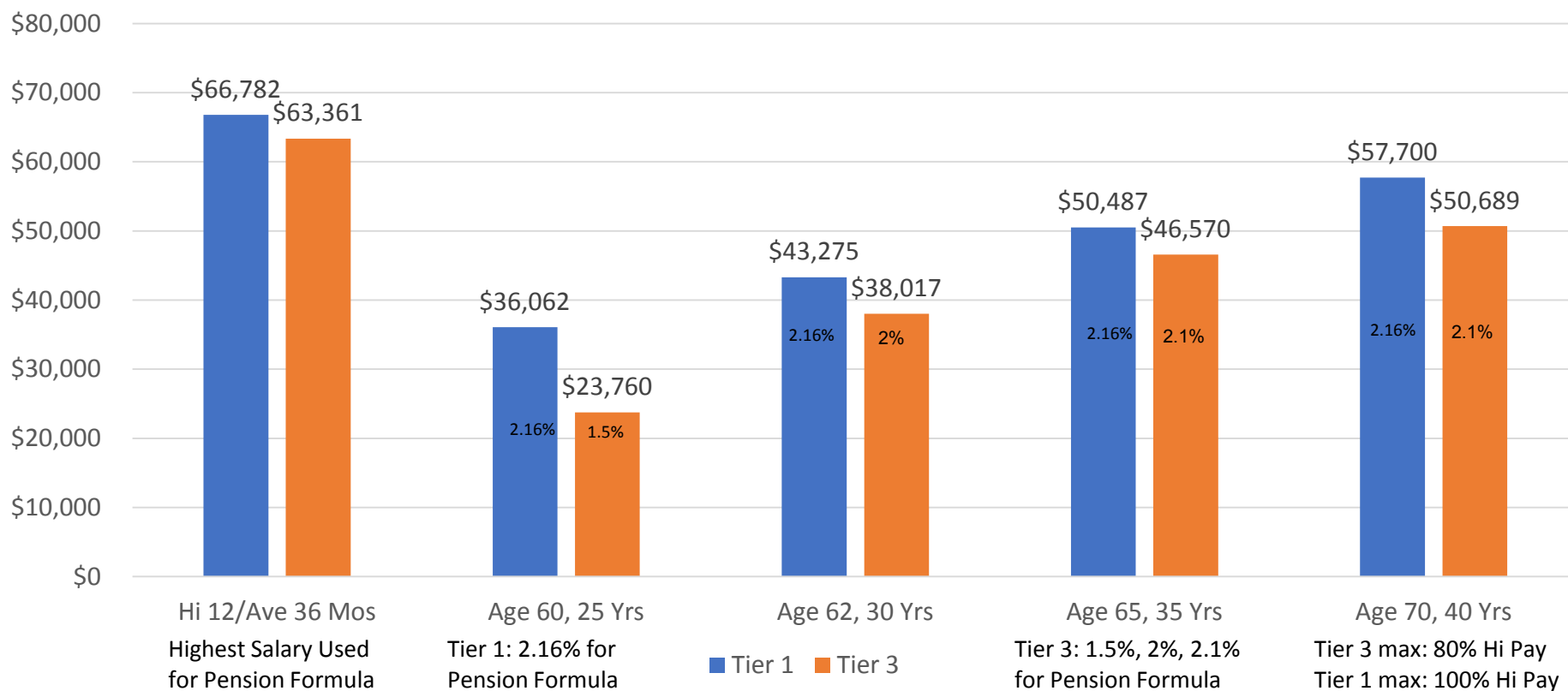
Key Point: Tier 1 versus Tier 3

You have to
Plan Differently




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Tier 1 Normal versus Tier 3 Normal/Enhanced Retirement: Different Ages and Service Credit Years



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Decrease Text | Increase Text

Search GO

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RETIREMENT SYSTEM

Home | Active Members | Retired Members | Board of Administration | Investments | About LACERS

Retirement Seminars | Increasing Your Retirement Allowance | FDBP | Forms | Publications | FAQs

Service Credit Purchases

Service Credit Purchases are one way to increase your retirement benefits. Service Credit Purchases may include:

- Government Service Buybacks
 - Full-time employment with other governmental entities
 - Uncompensated maternity leave from the City
- Public Service Buybacks
 - Approved leaves without pay from the City
 - Service Credit lost to a Divorce or Dissolution of Domestic Partnership
- Back Contributions
 - Part-time or temporary City employment when not a LACERS member
 - Workers' Compensation temporary disability time
- Re-deposits
 - Re-depositing previously withdrawn contributions after returning to City employment

For more information:

- [Back Contribution Information Sheet](#)
- [Back Contribution Information Sheet for Participants of the Pension Savings Plan](#)
- [Government Service Buyback Information Sheet](#)
- [Hiring Hall Service Credit Purchase Information Sheet](#)
- [Public Service Buyback Information Sheet](#)
- [Re-deposit Information Sheet](#)

Application forms:

- [Application to Purchase Public Service Form](#)
- [Application to Purchase Previous City Service Form](#)
- [Certification for Hiring Hall Service Purchase](#)
- [Certification of Service Form](#)

Quick Links

- [Tier 1 Members Benefits Chart](#)
- [Tier 3 Members Benefits Chart](#)
- [Retirement Seminars](#)
- [Reciprocity](#)
- [Surviving Spouse/Domestic Partner](#)
- [Service Credit Purchases](#)
- [Larger Annuity Program](#)
- [Family Death Benefit Plan](#)
- [Forms](#)
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- [Disability Retirement](#)
- [Lavoffs and Your Retirement Benefits](#)
- [FAQs](#)

MyLACERS Log In

My LACERS

Options to buy back time from city time not covered by LACERS or for service in other public service positions. Tier 3 buyback calculations may differ from Tier 1 calculations. Certain limitations may apply.

<https://www.lacers.org/active/service-credit-purchases.html>



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[Retirement Seminars](#) | [Increasing Your Retirement Allowance](#) | [FDBP](#) | [Forms](#) | [Publications](#) | [FAQs](#)

Reciprocity

Reciprocity is an agreement among certain California public retirement systems allowing members to move from one public employer to another within a specific time allowing some portability of retirement benefits.

When you retire, you will receive a retirement benefit based on your years of Service and benefit formula from each reciprocal agency. Each agency will use your HIGHEST Final Compensation, even if it is from a different agency, to calculate your benefits.

For more information:

- [Reciprocity Information Sheet](#)
- [Certification of Service Form](#)
- [List of Reciprocal Agencies](#)

To apply for Reciprocity, please complete and return the Certification of Service form.

Bonus:

- Additional ways to increase your retirement income:
 - [Service Credit Purchases](#)
 - [Larger Annuity Program](#)
 - [Deferred Compensation](#)

Quick Links

- [Tier 1 Members Benefits Chart](#)
- [Tier 3 Members Benefits Chart](#)
- [Retirement Seminars](#)
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- [Disability Retirement](#)
- [Layoffs and Your Retirement Benefits](#)
- [FAQs](#)

MyLACERS Log In

My LACERS


Some of you who have worked in jobs that participated in other California public retirement systems may be eligible for reciprocity to combine your pension benefits

<https://www.lacers.org/active/reciprocity.html>



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Decrease Text | Increase Text | Search **GO**

 **LACERS**
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

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[Retirement Seminars](#) [Increasing Your Retirement Allowance](#) [FDBP](#) [Forms](#) [Publications](#) [FAQs](#)

Larger Annuity

The Larger Annuity Program is an optional retirement or investment account that allows you to invest more money toward your retirement.

Larger Annuity Returns

The Larger Annuity Program provides two investment options:

Option 1. Earn Interest based on the average five-year Treasury Note, the same rate paid for your mandatory regular City retirement contributions.

-or-

Option 2. Earn Returns based on the LACERS rate of return for the publicly-traded portion of the LACERS investment portfolio.

These tables detail annualized Larger Annuity Program returns for both options for the preceding five-year period.

Annualized Rates


Option 1 - Interest				
Quarter	1 Yr.	3 Yrs.	5 Yrs.	
1st 2013	0.76%	1.40%	1.85%	
2nd 2013	0.74%	1.27%	1.75%	
3rd 2013	0.77%	1.16%	1.63%	
4th 2013	0.98%	1.15%	1.55%	
1st 2014	1.17%	1.15%	1.52%	
2nd 2014	1.37%	1.11%	1.51%	
3rd 2014	1.55%	1.09%	1.48%	
4th 2014	1.60%	1.13%	1.44%	
1st 2015	1.64%	1.19%	1.40%	
2nd 2015	1.61%	1.24%	1.36%	
3rd 2015	1.57%	1.30%	1.32%	
4th 2015	1.54%	1.37%	1.32%	
1st 2016	1.54%	1.45%	1.33%	
2nd 2016	1.51%	1.50%	1.29%	

Option 2 - Returns*				
Quarter	1 Yr.	3 Yrs.	5 Yrs.	
1st 2013	11.75%	9.44%	5.67%	
2nd 2013	14.71%	12.13%	5.87%	
3rd 2013	14.99%	10.72%	9.43%	
4th 2013	19.63%	10.37%	14.46%	
1st 2014	14.27%	9.52%	16.42%	
2nd 2014	18.61%	10.74%	13.92%	
3rd 2014	9.79%	14.90%	10.49%	
4th 2014	436.00%	12.69%	9.88%	
1st 2015	5.12%	10.31%	9.50%	
2nd 2015	1.49%	11.36%	11.16%	
3rd 2015	-2.68%	7.11%	7.72%	
4th 2015	-0.89%	7.36%	6.82%	
1st 2016	-1.80%	5.66%	6.28%	
2nd 2016	-5.50%	6.18%	6.51%	

Quick Links

- [Tier 1 Members Benefits Chart](#)
- [Tier 3 Members Benefits Chart](#)
- [Retirement Seminars](#)
- [Reciprocity](#)
- [Surviving Spouse/Domestic Partner](#)
- [Service Credit Purchases](#)
- [Larger Annuity Program](#)
- [Family Death Benefit Plan](#)
- [Forms](#)
- [Publications](#)
- [Disability Retirement](#)
- [Lavoffs and Your Retirement Benefits](#)
- [FAQs](#)

MyLACERS Log In

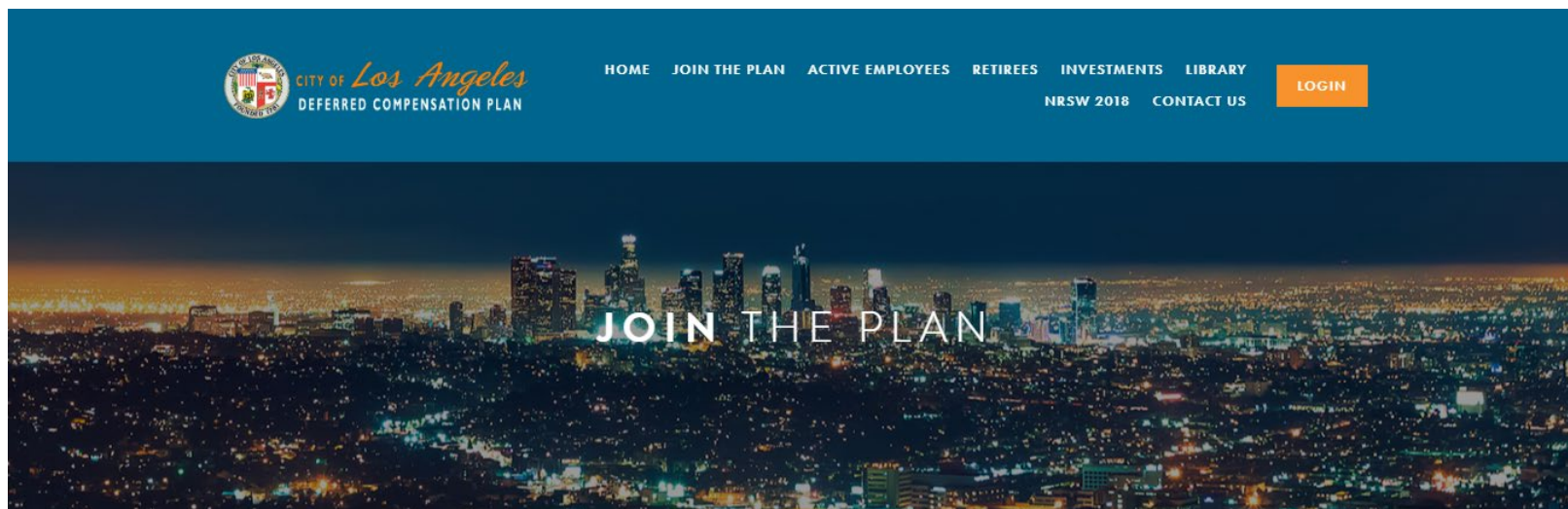
 **My LACERS**

LACERS offers an optional way to supplement the LACERS pension with the LACERS Larger Annuity Program

<https://www.lacERS.org/active/larger-annuity.html>



Jump Start Your Retirement – Plan for Your Future



The City of Los Angeles Deferred Compensation Plan is a voluntary tax-advantaged governmental 457(b) plan that allows you to save a portion of your salary now so you can enjoy it later in retirement. You decide how much to save, how to manage your taxes for retirement, and how to invest.

JOIN THE PLAN TODAY WITH THESE SIMPLE STEPS:

Step 1 - Visit [LA457.com](https://myla457.com/) and click "Register now."

There are two ways to register:

<https://myla457.com/>





City of Los Angeles

Pension Savings Plan

for Part-Time, Temporary, and Seasonal Employees

- Retirement program for all part-time, temporary or seasonal employees
- Eligible to rollover to Deferred Compensation Plan when eligible for a Pension system (LACERS, DWP or LAFPP)
- Administered by ICMA Retirement Corporation
 - 800-669-7400
 - www.icmarc.org/lapsp



A Plan for Tomorrow

Library Department

November 14, 2018



Let's take a look at what's ahead.

CN#: 0810-36409-0919D



City of Los Angeles Deferred Compensation Plan

What is the Deferred Compensation Plan?

- The Deferred Compensation Plan is a voluntary, supplemental retirement savings plan.
- It's available to City employees who contribute to one of the City's three pension systems.
- When you retire, you don't want your standard of living to diminish and your City pension won't provide 100% of your working income.
- To make up the difference, you can save using the Deferred Compensation Plan!



Library Services



Library Stats

- Central Library
- 64 Branches
- 8 Regional Branches
- **45%** of all Library employees participate in the Plan. **59%** of full-time employees participate.
- On average, participating Library employees contribute to their Plan account at a rate of 7.5% of pay, or \$237 per pay period with an average balance of \$46,819.



City of Los Angeles Deferred Compensation Plan

Plan features



Contributions

- **Pre-Tax Contributions**

- Tax deferred contributions – no tax today; tax upon withdrawal

- **After-Tax Roth 457 Contributions**

- Tax today; no tax upon withdrawal
- Must be age 59 ½ and
- Maintain the account for five 5 years
 - Otherwise, tax is paid on any earnings made

- **Combination (Pre-Tax and After-Tax Roth)**

- Contribute some pre-tax and some after-tax dollars
- Offer tax advantaged strategies during retirement



Contribution Limits

- Annual contribution limits for **2019**
 - Below age 50: \$19,000 (\$760 per paycheck)
 - Age 50 and older: \$25,000 (\$1,000 per paycheck)
 - Special Catch-Up: \$38,000 (\$1,520 per paycheck)
Available the last 3 years before retirement



Rollovers

- **Roll into Deferred Compensation:**
 - Pension Savings Plan “part-time employment with the City”
 - Approved balances from former employer’s 457, 403(b)*, 401(k)*, or 401(a) plan or from an IRA*
- **Purchase Service Credit**
 - Buyback “part time”, other municipalities or military time
- **In-plan Roth Rollover**
 - Convert pre-tax funds to after-tax Roth 457 funds
 - Counted as taxable income in the year of conversion

*Distributions from other tax-deferred plans may incur a 10% federal tax penalty if the distribution occurs prior to age 59 ½.



City of Los Angeles Deferred Compensation Plan

Account Management Features

Contribution Rate Escalator

- You choose amount and timeframe
- 1% up to plan limit
- Start or stop at anytime



Fund Transfers

- Fund to fund transfer
- Reallocate balance to all new funds
- Automatic account rebalancing to current investment elections



ACH Banking

- Direct deposit of distributions and loans



Account Management Features

Loans and Withdrawals Online

- General loans, withdrawals (other than hardship) and distributions can be requested online



Processing Fees

- \$50 loan application fee and annual \$25 loan maintenance fee for each loan taken
- No fees for withdrawals or distributions, or rollovers (\$25 fee for expedited delivery)



Plan Fees

- **Annual Administrative Fee**

- 0.09% (charged 0.023% quarterly) of up first \$125,000 of assets you have in the plan; your fees will not exceed \$115 annually
- Investment Management Fees – Range depending on investment option



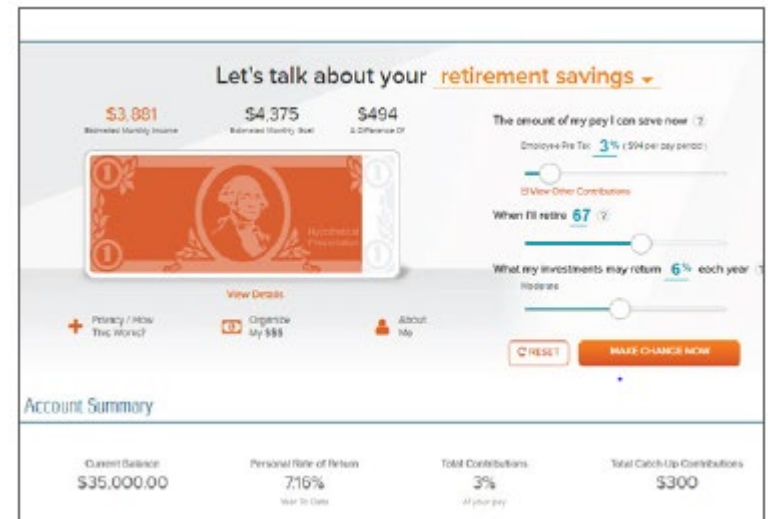
City of Los Angeles Deferred Compensation Plan

Planning tools



New Retirement Income Estimator

- Visual and interactive experience on Plan website and mobile app.
- Pre-populated with City of LA retirement/pension benefits and your Deferred Compensation Plan
- View how your current retirement assets may translate into future potential retirement income.
- Use the sliders to model different savings and retirement age scenarios.
- Model Social Security estimates – if applicable to you
- View estimated health care costs in retirement
- Model loans in context of retirement income potential



For Illustrative Purposes Only



City of Los Angeles Deferred Compensation Plan

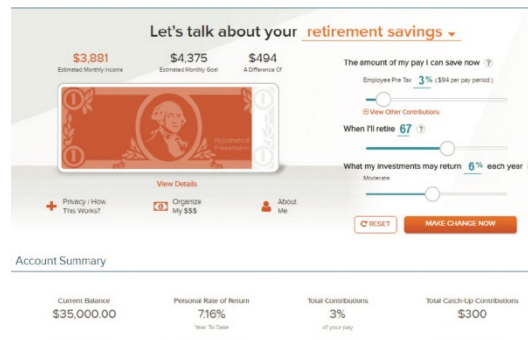
Account access



Account Access

Online

LA457.com



Service Center

844-LADC457 (844-523-2457)

TDD: 800-579-5708

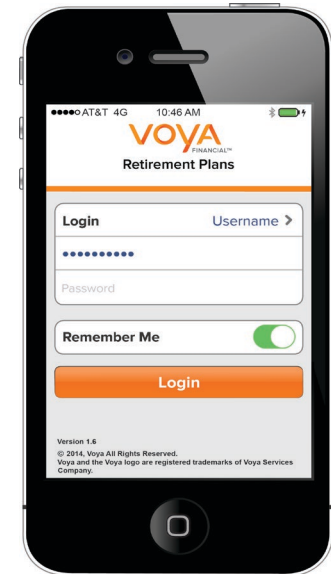
Customer Service Associates

6:00 a.m. to 5:00 p.m. PT

Monday through Friday (excluding New York Stock Exchange holidays)

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City of Los Angeles Deferred Compensation Plan

Investment options



Core Funds

- Customize your investment portfolio
- You choose from a selection of savings, bond, and stock investment funds
- Change your investment mix anytime at no cost

Stable Value

- FDIC Insured Savings Account
- Stable Value

Bond

- DCP Bond Fund

Stock

- DCP Large Cap Fund
- DCP Mid Cap Fund
- DCP Small Cap Fund
- DCP International Fund



Risk-Based Portfolios

- Simple investment options
- Each Portfolio has a broad mix of underlying investments
- You choose the risk level you're most comfortable with
 - Ultra Conservative Portfolio
 - Conservative Portfolio
 - Moderate Portfolio
 - Aggressive Portfolio
 - Ultra Aggressive Portfolio

Schwab Self-Directed Brokerage Option

- You select and manage
- Access to most publicly traded investments:
 - Equities
 - Bonds
 - ETFs, CDs and money market funds
- Minimum initial transfer is \$1,000 and you must maintain \$2,500 in the core funds



Distribution options



Distribution Options

When can I take a withdrawal?

- Retirement
- Severance of Employment*
- Reach Age 70½ or retirement, whichever occurs later

All withdrawals are subject to regular income taxes. Withdrawals taken prior to age 59½ from 401(k), 401(a), 403(b) plans or IRAs may be subject to an additional 10% federal tax penalty.



City of Los Angeles Deferred Compensation Plan

Distribution Options (cont'd)

What are my distribution options?

- Lump sum
 - Cash or rollover
- Partial lump sum
 - Cash or rollover
- Installment Payments (Select the 15th or last day of the month)
 - Fixed amount or fixed period



City of Los Angeles Deferred Compensation Plan

Distribution Options (cont'd)

How much are taxes?

- Pre-tax distributions:

- 20% federal and 2% state (CA) withholding taxes
- No age-based withdrawal penalties prior age 59 ½

- Roth 457 distributions:

- No taxes if you are age 59 ½ *AND* maintain the account for 5 years from first deposit.



City of Los Angeles Deferred Compensation Plan

Distribution Options (cont'd)

Required Minimum Distributions (RMD)

- Must be taken by April 1st following the year you attain age 70 ½
- Withdrawals must be taken annually by December 31st
- Potential 50% IRS penalty if required minimum distribution is not met



City of Los Angeles Deferred Compensation Plan

Distributions - Other

- Direct deposit – 2-3 business days after distribution processed
 - Banking information must be established on file for 7 days before a direct deposit can be processed
- Check mailed – 2 business days after distribution processed
 - Regular mail 7 to 10 business days
 - Express mail 2 to 3 business days (\$25 fee)



Distributions - Beneficiaries

- Spousal Beneficiaries
 - Same options as Participant
 - Can defer payment to age 70 ½ under certain circumstances
- Non-Spouse Beneficiaries
 - Same options EXCEPT
 - Must start payments within a year or take full amount by 5 years after death
 - Can rollover to an Inherited IRA – however does not alleviate required distribution
- Beneficiary controls investment strategy
- Beneficiary names his/her own beneficiary(ies)



Contact us



- Licensed representatives can meet with you:
 - City Hall, 200 N. Spring St., Room 867
 - 8:00 am to 4:00 pm Monday through Friday (excluding City holidays)
 - (213) 978-1601
 - perdcp@lacity.org



Questions?

Questions?



Important notes

- Today's workshop was designed to provide you with fundamental information on retirement planning and to outline other sources of information to assist you in managing your personal finances
- This presentation does not constitute legal, investment or financial advice of any kind
- Please consult your own financial, legal and/or tax advisors for such advice

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