



# LAFPP

LOS ANGELES FIRE AND POLICE PENSIONS

## Summary of Tier 6 Benefits for New Recruits

rev. 06.2020



To Serve Those Who Protect



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## Disclaimer

This presentation is intended to summarize legal texts in a clear and concise manner to help you understand your benefits. It describes the most important features. If there is a difference between the legal texts and this presentation, the legal texts will prevail.





# CONGRATULATIONS!

You have accomplished what you set out to do.

Let's journey forward and imagine a time when you are retired and all you have to do is sit back, relax, and enjoy the fruits of your labor...

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**WELCOME**

**TO**

**RETIREMENT**



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## LAFPP & YOUR PENSION

Upon graduation you automatically become a **TIER 6** member of the Los Angeles Fire and Police Pension System.

You will begin to contribute **11%** of your salary to the pension system\*.



## LIFELONG PENSION!

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\*9% goes toward your pension benefit; 2% goes toward your retiree health subsidy benefit





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# Three Types of Pensions

## Requirements

### Service Pension

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At least Age 50 **and**  
With at least 20 Years of Service

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### Disability Pensions\*

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#### Service-Connected

No Age or Years of Service Requirements  
BENEFIT: 30% - 90% of Final Average Salary

#### Nonservice-Connected

Must have at least 5 years of service  
BENEFIT: 30% - 50% of Final Average Salary

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### Survivor Pensions\*\*

- Qualified Surviving Spouse/Domestic Partner
- Qualified Minor Children/Dependent Children
- Qualified Dependent Parent

\*Please see Tier 6 fact sheet for more information. \*\*Please see SPD for qualifications.





# Service Pension





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# How is Your Pension Calculated?

**FINAL AVERAGE  
SALARY**

**X**

**PENSION PERCENTAGE  
YEARS OF SERVICE**

Average pay for any 24 consecutive month period you designate, usually the last 24 months of service.

Some bonuses are pensionable\*. Overtime pay does NOT count.

40% at 20 Years of Service  
PLUS  
3% per year for Years 21-25  
4% per year for Years 26-30  
5% per year for Years 31-33

90% maximum benefit

**=**

## LIFELONG PENSION!

With Cost Of Living Adjustments (COLA)

\*Please see your Memorandum Of Understanding (MOU) for a complete list of bonuses.







# Pension Percentage Chart

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Years of Service	Pension Percentage	Years of Service	Pension Percentage
20	40%	27	63%
21	43%	28	67%
22	46%	29	71%
23	49%	30	75%
24	52%	31	80%
25	55%	32	85%
26	59%	33	90%

A bracket on the right side of the table groups the data from 27 to 30 years of service, with a **4%** label. Another bracket groups the data from 31 to 33 years of service, with a **5%** label. A third bracket groups the data from 21 to 23 years of service, with a **3%** label. A fourth bracket groups the data from 24 to 26 years of service, with a **4%** label.





# Years of Service: Time You May Purchase





## ACADEMY/DRILL TOWER TIME

While in recruit training, you are not a member of LAFPP. During this time, you contribute\* to a plan for Part-time, Seasonal, and Temporary employees called the *Pension Savings Plan*. You stop contributing to this plan when you graduate.

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### What does it mean?



Your Years of Service (YOS) clock does not start until after graduation. You may purchase your recruit training time after you become a LAFPP member.

### What's the benefit?



Purchasing your time brings you closer to having 5 YOS, where you become eligible for a nonservice-connected disability pension and nonservice-connected death survivor benefits. It can also increase your pension percentage!

### What do I do now?



Obtain a cost estimate by logging in to MyLAFPP – your member self-service system or calling the Active Member Services Section.

### I still have questions...

Please read the inserts titled, "*The Benefit of Purchasing Your Recruit Training Time*" and "*The City of Los Angeles Pension Savings Plan*" or call the [Active Member Services Section](#) at (213) 279-3140 for more information.



\*4.5% of your gross salary; City contributes 3%.





## Public Service Purchase (PSP)

Prior full-time service with the military or other government agency (federal, state, local or postal) may be purchased under the PSP Program. Purchases are restricted to the following:

- Minimum of 6 months of uninterrupted service; maximum of 4 years may be purchased.
- Cost of purchased service is based on the full actuarial cost of additional LAFPP benefits.
- Average cost per year is approx. \$40,000, but varies based on individual circumstances.


**You are still required to work at least 20 years to apply for a regular service pension. Purchasing service under the PSP Program only counts toward increasing your pension percentage** (see chart on slide #9).

We strongly encourage you to obtain a cost estimate and consult a financial adviser to determine if this purchase will be beneficial for you. For more information, or to obtain a cost estimate, please visit our website at [www.lafpp.com](http://www.lafpp.com), or call Active Member Services at (213) 279-3140.





# Dissolution of Marriage and Your Pension

A light teal silhouette of a city skyline with a palm tree is positioned behind the text. The skyline consists of several rectangular blocks of varying heights, and a single palm tree stands to the right of the center.

Pension benefits and pension contributions are subject to community property laws and, as assets, they may be subject to division upon dissolution of marriage (divorce).



# Dissolution of Marriage

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**Marital Period**  
(while employed)



**Employment  
Period**



**Pension**

## Community Property Example:

- 8 years of marriage (while employed)
- 26 years of service
- \$6,500 total monthly pension

**Community property = \$2,000**  
(8 yrs ÷ 26 yrs x \$6,500)

Member and former spouse are each entitled to ½ of the community property portion:

**Former spouse** receives **\$1,000/mo**

**Member's** pension is reduced to **\$5,500/mo**

**This time-rule formula may be applied, and your pension may be reduced by additional marriage dissolutions.**



# Survivors & Your Pension





# Survivor Pensions – Qualified Survivors

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**In the event of your death, we will determine who may be eligible for a life-long Survivor Pension:**

**Qualified Surviving Spouse/Domestic Partner (QSS/QSDP):**

To be “qualified,” a surviving spouse must be legally married to you for a specific period of time\*. To qualify as a Domestic Partner, you must file a confidential Declaration Form with LAFPP\*\*. *Qualified Children* under the age of 18 (or age 22 if a full-time student) may receive pension benefits in addition to the QSS/QSDP.

**If no QSS/QSDP to receive a benefit:**

Qualified Children receive the benefit the QSS/QSDP would have received.

**If no QSS/QSDP or Qualified Children:**

The QSS/QSDP benefit may be paid to a Qualified Dependent Parent(s).

Please review the *Tier 6 Summary Plan Description (SPD)* and *Tier 6 – Key Provisions* inserts for more details.

\*Please review the Tier 6 Summary Plan Description at [www.LAFPP.com](http://www.LAFPP.com) for details.

\*\*City of Los Angeles Personnel Dept. Domestic Partnership forms do not qualify your domestic partner to receive LAFPP survivor benefits. You are required to file a separate form with LAFPP. A State Certificate of Registration for Domestic Partnership will also be accepted.







## Beneficiary Forms

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If you have no Qualified Survivors, then no Survivor Pension benefit is payable.

**Your pension contributions plus interest will be refunded to your designated beneficiary(ies).**





# Beneficiary Forms

**A Refund of Contributions is payable in the following three scenarios:**

**Survivors do not meet eligibility requirements:**

Your death is service-connected, **but** no one qualifies to receive a pension.

**Member does not meet eligibility requirements:**

Your death is nonservice-connected **and** you have less than five years of service.

**Survivors do not meet eligibility requirements:**

Your death is nonservice-connected and you have at least five years of service, **but** your survivors do not qualify to receive a pension.

**Take the time to designate a beneficiary(ies) to avoid the possible delays of probate.**

Refer to the Tier 6 – Key Provisions - Survivor Pensions fact sheet included in this packet for more details.





# RECAP





## Significant Points of Tier 6

- Mandatory Pension Contribution – 11%
- Eligibility Requirements to Retire on a Service Pension – Age 50 with 20 YOS
- 90% Maximum Pension Percentage - 33 YOS
- 3% Capped COLA with COLA Bank
- LAFPP membership begins after graduation
- Disability Pensions
- Survivor Pensions





## What's Next?

- Review Tier 6 Key Provisions
- Review Tier 6 Summary Plan Description (SPD)
- Speak with Deferred Comp. re: Transfer of Pension Savings Plan account *(see City of Los Angeles Pensions Savings Plan insert)*
- Contact Active Member Services re: Purchasing Recruit Training Time
- Attend Financial Planning Education Seminar – No cost to attend
- Register for MyLAFPP – Your member self-service system

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# Pension Resources & Contacts





# Your Source for Information

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WEBSITE:  
[WWW.LAFPP.COM](http://WWW.LAFPP.COM)



EMAIL:  
[PENSIONS@LAFPP.COM](mailto:PENSIONS@LAFPP.COM)

### Communications & Education

*Newsletters, Website,  
MyLAFPP, Seminars*  
**(213) 279-3155**

### Active Member Services

*Beneficiary Designation,  
Purchase Service Credit,  
Refund of Contributions*  
**(213) 279-3140**

701 E. 3<sup>rd</sup> St., 2<sup>nd</sup> Floor  
Los Angeles, CA 90013

or

City Mail Stop #390



Twitter: @lafpp



LosAngelesFireAndPolicePensions



@lafirepolicepensions





## Other Important Contacts

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• <b>LAFD Retirement Liaison</b><br/>(213) 978-3750</li></ul>   | <ul style="list-style-type: none"><li>• <b>LAFD Payroll</b><br/>(213) 978-3440</li><li>• <b>LAFD Personnel</b><br/>(213) 978-3750</li></ul>   |
| <ul style="list-style-type: none"><li>• <b>United Firefighters of Los Angeles City (UFLAC)</b><br/>(213) 895-4006<br/><a href="http://www.uflac.org">www.uflac.org</a></li></ul>                        | <ul style="list-style-type: none"><li>• <b>LA Firemen's Relief Assoc. (LAFRA)</b><br/>(323) 259-5200<br/><a href="http://www.lafra.org">www.lafra.org</a></li></ul>                 |
| <ul style="list-style-type: none"><li>• <b>LA Retired Fire &amp; Police Association (LARFPA)</b><br/>(626) 285-5138<br/>(888) 288-5073<br/><a href="http://www.larfpa.org">www.larfpa.org</a></li></ul> | <ul style="list-style-type: none"><li>• <b>City's Deferred Compensation Plan (VOYA)</b><br/>(213) 978-1601<br/><a href="http://www.la457.voya.com">www.la457.voya.com</a></li></ul> |

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## Other Important Contacts

- **LAPD Retirement Counseling Office**  
(213) 486-6610

- **LAPD Payroll**  
(213) 978-6650

- **LAPD Personnel**  
(213) 486-4650

- **LA Police Protective League (LAPPL)**  
(213) 251-4554  
(888) 535-2775  
[www.lapd.com](http://www.lapd.com)

- **LA Police Relief Assoc. (LAPRA)**  
(213) 674-3701  
(888) 252-7721  
[www.lapra.org](http://www.lapra.org)

- **LA Retired Fire & Police Association (LARFPA)**  
(626) 285-5138  
(888) 288-5073  
[www.larfpa.org](http://www.larfpa.org)

- **City's Deferred Compensation Plan (VOYA)**  
(213) 978-1601  
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