



## TIER 6 - KEY PROVISIONS

### EMPLOYEE CONTRIBUTIONS

<b>% of Salary Contributed</b>	11% of compensation (pre-tax) <ul style="list-style-type: none"> <li>• 9% goes toward pension benefits (ceases after 33 years or retired)</li> <li>• 2% additional to offset the City's cost of retiree health subsidy benefits (ceases after 25 years or retired)</li> </ul>
<b>Refundable</b>	Yes. Contributions no longer earn interest upon termination.

### SERVICE PENSION REQUIREMENTS

<b>Eligibility</b>	Age 50 with 20 Years of Service (YOS)															
<b>Final Average Salary</b>	24-month Final Average Salary (FAS)															
<b>Pension %</b>	<table style="width: 100%; border: none;"> <tr> <td>20 YOS = 40%</td> <td>25 YOS = 55%</td> <td>30 YOS = 75%</td> </tr> <tr> <td>21 YOS = 43%</td> <td>26 YOS = 59%</td> <td>31 YOS = 80%</td> </tr> <tr> <td>22 YOS = 46%</td> <td>27 YOS = 63%</td> <td>32 YOS = 85%</td> </tr> <tr> <td>23 YOS = 49%</td> <td>28 YOS = 67%</td> <td>33 YOS = 90% <b>max</b></td> </tr> <tr> <td>24 YOS = 52%</td> <td>29 YOS = 71%</td> <td></td> </tr> </table>	20 YOS = 40%	25 YOS = 55%	30 YOS = 75%	21 YOS = 43%	26 YOS = 59%	31 YOS = 80%	22 YOS = 46%	27 YOS = 63%	32 YOS = 85%	23 YOS = 49%	28 YOS = 67%	33 YOS = 90% <b>max</b>	24 YOS = 52%	29 YOS = 71%	
20 YOS = 40%	25 YOS = 55%	30 YOS = 75%														
21 YOS = 43%	26 YOS = 59%	31 YOS = 80%														
22 YOS = 46%	27 YOS = 63%	32 YOS = 85%														
23 YOS = 49%	28 YOS = 67%	33 YOS = 90% <b>max</b>														
24 YOS = 52%	29 YOS = 71%															
<b>Cost-of-Living Adjustment (COLA)</b>	3% max, with a COLA Bank															

### DEFERRED PENSION

<b>20 YOS or More, Not Yet Age 50</b>	<ul style="list-style-type: none"> <li>• Leave your contributions in the system</li> <li>• Apply for a pension at age 50</li> <li>• If you die while on deferred status, survivor only entitled to a refund of contributions, plus interest</li> <li>• Pension based on Tier 3 pension percentages but you stay in Tier 6 and keep your COLA Bank</li> </ul> <table style="width: 100%; border: none; margin-top: 10px;"> <tr> <td>20 YOS = 40%</td> <td>24 YOS = 52%</td> <td>28 YOS = 64%</td> </tr> <tr> <td>21 YOS = 43%</td> <td>25 YOS = 55%</td> <td>29 YOS = 67%</td> </tr> <tr> <td>22 YOS = 46%</td> <td>26 YOS = 58%</td> <td>30 YOS = 70% <b>max</b></td> </tr> <tr> <td>23 YOS = 49%</td> <td>27 YOS = 61%</td> <td></td> </tr> </table>	20 YOS = 40%	24 YOS = 52%	28 YOS = 64%	21 YOS = 43%	25 YOS = 55%	29 YOS = 67%	22 YOS = 46%	26 YOS = 58%	30 YOS = 70% <b>max</b>	23 YOS = 49%	27 YOS = 61%	
20 YOS = 40%	24 YOS = 52%	28 YOS = 64%											
21 YOS = 43%	25 YOS = 55%	29 YOS = 67%											
22 YOS = 46%	26 YOS = 58%	30 YOS = 70% <b>max</b>											
23 YOS = 49%	27 YOS = 61%												

### DISABILITY PENSIONS

<b>Service-Connected</b>	30-90% of FAS – Based on degree of disability <i>(Minimum pension no less than the greater of 30% or 2% per year of service.)</i>
<b>Nonservice-Connected</b>	30-50% of FAS – Based on degree of disability

**PUBLIC SERVICE PURCHASE**

**Prior Full-Time Service (Uninterrupted)**

- Military or other government agency (federal, state, local, or postal)
- Minimum of 6 months; maximum of 4 years
- Purchasing service credit only counts towards an increase in pension percentage; minimum of 20 years of City service is still required to apply for a service pension

**SURVIVOR PENSIONS**

**Qualified Survivors**

- Qualified Surviving Spouse (QSS) - Legally married to the member
- Qualified Surviving Domestic Partner (QSDP) – Registered with LAFPP or State of California
- Qualified Minor or Dependent Children  
 Minor child – Child or adopted child under the age of 18 or 22 if in school full-time and not married. Benefits for children are paid to the legal guardian until the child turns 18.  
 Dependent Child – Child or adopted child of the member disabled from earning a livelihood before age 21 and disability has not ceased.
- Qualified Dependent Parent(s) - Natural parent of the member that must show financial dependence on the member for half of his/her necessary living expenses at least one year immediately prior to the member's death.

Qualified Survivors may have to meet other survivor requirements to be eligible for a survivor pension. The types of survivor benefits will vary depending on these factors:

- Whether your death is Service-Connected or Nonservice-Connected
- Whether you die before or after retirement
- The survivor's relationship to you
- Years of marriage or date of domestic partnership registration

**If there are no Qualified Survivors, a refund of contributions including interest, will be paid to designated beneficiaries on file. Please fill out a beneficiary form available online.**

**Service-Connected Death**

Before Retirement: 80% of Member's FAS

After Retirement: 80% of Member's Service-Connected Disability Pension  
*(If death occurs within three years and is related to the service-connected disability, survivor receives the "Before Retirement" survivor benefit.)*

**Nonservice-Connected Death  
*Before Retirement***

With less than 5 years of service  
 Basic Death Benefit – **Return of Contributions plus interest** paid to Beneficiary; *and if member had at least one year of service a limited monthly pension paid to the Qualified Survivor.*

With at least 5 years of service  
 50% of Member's FAS

***After Retirement***

70% of Member's Service Pension or Nonservice-Connected Disability Pension



## RECIPROCITY

LAFPP does not provide reciprocity of service credit with any other government agency or municipality.

## DEFERRED RETIREMENT OPTION PLAN (DROP)

### Provisions

DROP allows members to work and receive pay and benefits as an active employee while accumulating service pension payments in a DROP account. For all other purposes, you are considered an active member of your respective department.

- Eligible to enter if you are at least Age 50 with at least 25 YOS
- You may stay in DROP for a maximum of 5 years
- An amount equal to 100% of your service pension will be placed in your DROP Account
- Interest will be credited at 5% annually
- You are considered “retired” for pension calculation only; no further service credit is earned.
- You are considered “active” and will continue to receive your active pay and benefits.
- You will continue to make regular pension contributions (unless you have 33 years of service). At the end of the DROP period, you will begin to receive a monthly pension based on the “frozen” service retirements formula at the time you entered DROP, plus the COLAs that have been credited.
- At the end of the DROP period, you must elect to receive the proceeds from your DROP account as: 1) a lump sum; 2) a rollover to another tax qualified account; or 3) a combination of both

*Additional Provisions for members who enter DROP on or after February 1, 2019:*

- Your participation in DROP will be suspended for any calendar month in which you do not spend at least 112 hours on “active duty” status. You will not receive a DROP deposit for that month.
- If you sustain a serious injury on-duty and are admitted to the hospital for a minimum of 3 consecutive days as a direct result of that injury, your participation will not be suspended during the first 12 calendar months following the date of injury.
- If your participation is suspended, you will be eligible to participate in DROP for a maximum of 30 additional months beyond your original 5-year participation period. The participation period can only be extended for as many months as your participation was suspended.
- No interest accrues on your DROP account following the initial 5-year/60-month participation period, including any periods of participation suspension.

### DROP Evaluation

The City has the right to suspend DROP and modify the program for future entrants as necessary to maintain cost neutrality and/or meet the City’s DROP goals of retaining and lengthening the careers of members.

- The City shall complete an actuarial study of DROP, at least every five (5) years, to evaluate whether the program continues to meet the City’s DROP goals.
- Any amendments to DROP will only affect those persons who enter after the effective date of the changes.

## RESOURCES & CONTACTS

**FOR MORE DETAILS, THE TIER 6 SUMMARY PLAN DESCRIPTION IS AVAILABLE AT:**

<https://www.lafpp.com/post/tier-6-pension-plan-information>

**Communications & Education**  
(213) 279-3155

**Active Member Services**  
(213) 279-3140

701 E. 3<sup>rd</sup> Street, Suite 200  
Los Angeles, CA 90013

[www.lafpp.com](http://www.lafpp.com)  
[pensions@lafpp.com](mailto:pensions@lafpp.com)