

JUNE 2024

# PENSION PERSPECTIVES

Los Angeles Fire & Police Pensions Retired/DROP Member Newsletter

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## 2024 COST OF LIVING ADJUSTMENT IS 3.4%

The Cost-of-Living Adjustment (COLA) is 3.4% for 2024 and was approved by the Board of Fire and Police Pension Commissioners on April 18, 2024. The COLA will be effective July 1, 2024, and all eligible pensioners and Deferred Retirement Option Plan (DROP) participants will receive an increase beginning with the pension payment/DROP account deposit dated July 31, 2024.

- Tiers 1 & 2 retirees and beneficiaries will receive 3.4%. Tier 2 DROP participants will receive 3.0%.
- Tiers 3 & 4 retirees, beneficiaries, and DROP participants will receive up to 3.0%.
- Tiers 5 & 6 retirees, beneficiaries, and DROP participants will receive up to 3.0% and the remaining 0.4% will be stored in the COLA bank, which can be applied in future years when the CPI is below 3%.

For new pensioners and DROP entrants in Tiers 3-6, the first year's COLA is prorated based on the number of complete months since the pension effective date, therefore these members may not receive the full 3.0%.

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JUNE 2024

# MESSAGE FROM THE General Manager



In this edition, we provide updates about two significant benefit adjustments for our pensioners, effective July 1, 2024. First, the Cost of Living Adjustment (COLA) has been approved by the Board at 3.4%. All eligible pensioners and DROP participants will receive an increase beginning with the payment/deposit dated July 31, 2024. Second, the maximum non-Medicare Subsidy for retired members will increase by 3.3% to

\$2,241.39 per month. Read more about the COLA on page 3 and the non-Medicare subsidy on page 6.

Over the coming year, we will be celebrating LAFPP's 125th anniversary and will be highlighting this milestone with special features in future newsletters and on our website. LAFPP has a rich history dating back to its establishment in 1899. The California State Legislature enacted legislation in 1899 that enabled cities and counties to establish pension systems for police officers and firefighters. The City of Los Angeles authorized a system for police officers effective June 7, 1899, and for firefighters effective June 10, 1901. It provided for a pension at age 60 after 20 years of service, at an amount of one-half of the salary of the rank held for one year preceding retirement. Member contributions were set at \$2 per month.

Over the years, LAFPP has evolved to adapt to changing economic and demographic conditions, expanding its services and investment strategies to ensure the financial security of our members. Today, LAFPP continues to play a vital role in providing pension benefits and other related services to the dedicated men and women who serve in the fire and police departments of Los Angeles.

Cheers to 125 years!

Sincerely,

Joe Salazar, CEBS  
General Manager

*If you have any questions or comments, please contact us at (213) 279-3000 or via email at [pensions@lafpp.com](mailto:pensions@lafpp.com)*

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# 2024 COST OF LIVING ADJUSTMENT IS 3.4%

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## CONSUMER PRICE INDEX/BUREAU OF LABOR STATISTICS

The COLA is based on the annual change in the Consumer Price Index (CPI), as published by the U.S. Bureau of Labor Statistics (BLS). Pursuant to the City of Los Angeles Charter and Administrative Code, the 2024 COLA was calculated based on the Los Angeles-Long Beach-Anaheim area using a 12-month period from March 2023 through February 2024.

## HOW DOES THIS AFFECT LAFPP PENSIONERS?

This is an example of how a monthly pension benefit of \$6,000 would be affected by this year's COLA of 3.4%:

### For Tiers 1-2

If 3.4% of \$6,000 = \$204.00  
\$6,000 + \$204

Then the monthly pension benefit increases to \$6,204.00

### For Tiers 3-6

If 3.0% of \$6,000 = \$180.00  
\$6,000 + \$180

Then the monthly pension benefit increases to \$6,180.00



## Questions?

For questions regarding the COLA, please contact the Retirement Services Section at (213) 279-3125, (844) 88-LAFPP, ext. 3125, or via email at [rs@lafpp.com](mailto:rs@lafpp.com).

For detailed information on the calculation of the CPI, please visit the BLS website at [www.bls.gov/cpi](http://www.bls.gov/cpi) or call (202) 691-7000.

# DISCRETIONARY COLA REQUEST TO CITY COUNCIL

To address years when the Consumer Price Index (CPI) exceeds the 3.0% cap for pensioners of Tiers 3, 4, 5, and 6, the Los Angeles City Council may grant a Discretionary Cost of Living Adjustment (DCOLA), which is in addition to the regular July cost of living adjustment approved by the LAFPP Board each year. Based on the provisions contained in the Los Angeles City Charter and Administrative Code, on April 18, 2024, the Board approved submitting a formal request to the City Council for a 3.45% DCOLA for eligible pensioners. A DCOLA may only be granted once every three years and the City Council must adopt an ordinance to enact this adjustment.

For historical reference, a DCOLA has only been approved for LAFPP pensioners by the City Council twice: in 1988 for 1.65% and in 1991 for 3.35%; while no action was taken by the City Council on ten (10) other prior requests from the Board (1993-1995, 2001, 2003-2008).

On May 17, 2024, the DCOLA request was considered by the City's Executive Employee Relations Committee (EERC) and the EERC voted to take no action on the item. The EERC oversees the City's negotiations of salaries and benefits and is comprised of the Mayor, the City Council President, and three other City Council members.



## Questions?

For questions regarding the DCOLA, please contact the Retirement Services Section at (213) 279-3125, (844) 88-LAFPP, ext. 3125, or via email at [rs@lafpp.com](mailto:rs@lafpp.com).





# LAFPP.COM IS NOW LAFPP.LACITY.GOV

In an effort to further increase security and modernize the City's online presence, LAFPP has partnered with the City's Information Technology Agency (ITA) to move our website to its new address: <https://LAFPP.lacity.gov>.

These ".gov" website domains are only issued to official local, county, and state government organizations in the United States. The updated .gov domain name provides additional security protections and assures visitors that the information they are viewing is authentic and from a legitimate government agency. The transition reinforces our commitment to a secured digital presence and makes it more difficult for malicious actors to defraud the public.

To aid in this transition, members and visitors who enter our old website address ([www.lafpp.com](http://www.lafpp.com)) will be redirected to our new location: [lafpp.lacity.gov](https://lafpp.lacity.gov) (NOTE: There is no "www" at the beginning of our new .gov website address.).

We encourage you to update your web browser bookmark and visit us at our official website: <https://LAFPP.lacity.gov>.



**DON'T GET LOST!**  
Update Your Browser Bookmark  
for Our **NEW** Web Address  
<https://LAFPP.lacity.gov>





# 2024 NON-MEDICARE RETIREE HEALTH SUBSIDY INCREASE

Effective July 1, 2024, the new non-Medicare retiree health subsidy maximum is \$2,241.39 per month. This subsidy maximum is applicable to retired members who are either under the age of 65 or age 65+ enrolled in Medicare Part B only. For retired members age 65+ with both Medicare Parts A & B and enrolled in a multi-party (2-party or family coverage) health plan, the amount of subsidy that is applied towards the coverage of your dependent(s) may increase as a result of the new subsidy maximum.

On May 2, 2024, the Board of Fire and Police Pension Commissioners approved a new policy with a formula to determine the non-Medicare health subsidy increase. The formula for the maximum non-Medicare Health Subsidy, which was developed with input from Los Angeles Firemen's Relief Association (LAFRA), Los Angeles Police Protective League (LAPPL), Los Angeles Police Relief Association (LAPRA), and United Firefighters of Los Angeles City (UFLAC), will determine future increases as the lesser of:

- The average of the annual increase in the Los Angeles Medical Care Index published by the U.S. Bureau of Labor Statistics as of the previous December and 7%; or
- The maximum allowable increase to the non-Medicare Health Subsidy pursuant to Los Angeles Administrative Code Section 4.1154(e).

Based on this formula, the Board approved a 3.3% increase to the non-Medicare health subsidy maximum. With the increase

to the non-Medicare health subsidy, most eligible retirees will be fully subsidized or experience a lower out-of-pocket premium deduction on their monthly pension check. In fact, the new maximum amount will fully subsidize all LAFRA, LAPRA, or UFLAC single-, two-party, and some family non-Medicare plan premiums for members with a non-frozen subsidy and at least 25 years of service.

## **DO I QUALIFY TO RECEIVE THE NON-MEDICARE SUBSIDY?**

The actual increase in subsidy benefit per member is dependent upon eligibility (see next page) and the retiree's respective health plan premium. Pensioners who are enrolled in a single-party Medicare health plan are not impacted by the maximum non-Medicare subsidy increase. Qualified survivors are also not impacted by this non-Medicare subsidy increase.

## NON-MEDICARE HEALTH SUBSIDY ELIGIBILITY REQUIREMENTS

Retired members are eligible to receive the **non-Medicare health subsidy** provided all the following requirements are met:

- ✓ At least age 55 (age 60 for members who retired before July 1, 1998) or age 65 and older who qualify for Medicare Part B only\*.
- ✓ Receiving a monthly pension (member has exited DROP).
- ✓ Retired with at least 10 years of service or a Tier 6 member who retired on a service-connected disability pension\*\*.
- ✓ Enrolled in a Board-approved health plan or participating in the Health Insurance Premium Reimbursement (HIPR) Program.

\* Retirees who qualify for both Medicare Parts A and B receive the Medicare health subsidy.

\*\* Tier 6 service-connected disability pensioners with less than 10 years of service receive 40% of the maximum non-Medicare health subsidy or 40% of the single-party cost of the retiree's plan, whichever is lower.

## CALCULATING YOUR MONTHLY SUBSIDY AMOUNT

Members who retired with 25 or more years of service may qualify for the maximum monthly subsidy of \$2,241.39. Those who retired with 10 to 24 years of service receive 4% of the maximum subsidy for each whole year of service as demonstrated in the chart below.

### How to calculate the Non-Medicare Health Subsidy for Retired Members with 10-24 Years of Service

<b>Maximum Monthly Subsidy*</b>	<b>\$2,241.39</b>			
<b>Calculating Your Monthly Subsidy**</b>	Member's Whole Years of Service	x 4%	x Maximum Subsidy Amount	= Monthly Subsidy

\* The July 1, 2011 subsidy maximum of \$1,097.41 applies to members with a frozen health subsidy.

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

### NON-FROZEN HEALTH SUBSIDY

You will receive a health subsidy based on the **NON-FROZEN** maximum amount of \$2,241.39 if you:

- ✓ Retired or entered DROP prior to July 15, 2011
- or**
- ✓ Chose to opt-in during the designated period to contribute 2% of your base salary

### FROZEN HEALTH SUBSIDY

You will receive a **FROZEN** health subsidy based on the July 1, 2011 maximum amount of \$1,097.41 if you:

- ✓ Retired or entered DROP on or after July 15, 2011
- and**
- ✓ Did not opt-in during the designated period to contribute 2% of your base salary



**Questions?** If you have questions regarding your health subsidy entitlement, please contact the Medical and Dental Benefits Section at (213) 279-3115, (844) 88-LAFPP, ext. 3115, or via email at [mdb@lafpp.com](mailto:mdb@lafpp.com). Information is also available on the *Retirees & Beneficiaries* section of our website at [lafpp.lacity.gov](http://lafpp.lacity.gov).



## Next of Kin

# IMPORTANT INFORMATION

If you have a spouse or domestic partner on file with LAFPP, it is recommended that you also complete a *Next of Kin* form. With this form on file, LAFPP can easily find the next of kin (your closest living relative) and deliver your final pension payment. There have been cases in which, following a member's/surviving spouse's death, LAFPP could not locate a family member to release the funds for the final check. With this *Next of Kin* form on file, it is easier for LAFPP to contact your next of kin and deliver your final payment.

Please note that the *Next of Kin* form **does not affect** your initial pension calculation or your monthly payments in any way. You may also amend the form as often as you wish.

The *Next of Kin* form is added to your file for the sole purpose of assisting LAFPP staff to process your final payment in the event of your death, or your survivor's death, should we receive notice from anyone other than your next of kin. For example, LAFPP may be notified of your death by outside agencies such as the Social Security Administration, or a Fire/Police Relief Association.

A final payment is the last pension check owed to you or your survivor, based on the number of days you, or your survivor, were alive that month. The name you provide on the *Next of Kin* form should be the person administering your estate after your death.

The *Next of Kin* form is different from a beneficiary form. As such, the *Next of Kin* form will not be used to update your beneficiaries and vice versa. Beneficiary forms are used by active members to designate beneficiaries to receive a refund of their pension contributions.



## Need More Information?

If you would like to complete and submit a *Next of Kin* form, please download the form from our website ([lafpp.lacity.gov/members\\_information/retired-member-forms](http://lafpp.lacity.gov/members_information/retired-member-forms)), then print, sign, and return to [rs@lafpp.com](mailto:rs@lafpp.com).

If you would like to obtain a physical copy of the *Next of Kin* form, please call the Retirement Services Section at (213) 279-3125 or email [rs@lafpp.com](mailto:rs@lafpp.com) to request a form be mailed to you.





# OTHER NEWS & INFORMATION

## SUMMER SAFETY TIPS

With summer just around the corner, it is important to understand the risks that come with extreme heat and fluctuations in weather temperature. Here are some tips on how to keep safe and enjoy your summer:

- **Hydrate!** Stay hydrated and drink plenty of water.
- **Wear sunscreen!** Protect your skin with sunscreen, hats, and sunglasses.
- **Avoid High Temperatures!** Plan outdoor activities for cooler times of the day.
- **Plan Ahead!** Pack essentials and inform someone of outdoor excursions.
- **Connect!** Stay connected with friends and family during the summer months.

These tips offer a balance of enjoyment and safety as you venture out for your summer activities.



### Was this information helpful?

Let us know if you would like to see more of these articles in future newsletters. Please use the following link to complete a short survey: <https://lafpp.lacity.gov/articlesurvey>

## LAFPP QUARTERLY MEMBERSHIP REVIEW

Statistical Facts - As of March 31, 2024\*

### Membership

<b>Total Membership</b>	<b>26,741</b>
Active Members (including DROP)	12,107
Service Pensioners	10,558
Disability Pensioners	1,569
Qualified Survivors	2,507

### DROP Program

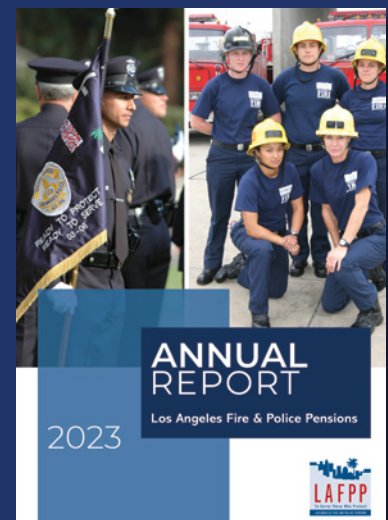
<b>Total Entries:</b> Fiscal Year thru 3/31/2024	<b>214</b>
Fire	22
Police	192
Harbor Port Police	0
Airport Police	0
<b>Total Exits:</b> Fiscal Year thru 3/31/2024	<b>419</b>
Fire	173
Police	246
Harbor Port Police	0
Airport Police	0
<b>Total Current Participants</b>	<b>1,297</b>

\*This information is unaudited.

## 2023 ANNUAL REPORT — NOW AVAILABLE ONLINE

LAFPP is pleased to present our *2023 Annual Report*. The LAFPP Annual Report provides financial information, such as the Department's budget summary, asset allocation data, investment performance, actuarial data, and statistical information for the fiscal year ending June 30, 2023. The report also includes a list of milestones since the inception of the Plan, along with a summary of benefits and other provisions that serve as a great reference tool for members of all Tiers.

The 2023 Annual Report is now available on our website [lafpp.lacity.gov](https://lafpp.lacity.gov), under *About, Financial Reports*, or by visiting the following link: [lafpp.lacity.gov/financial-reports](https://lafpp.lacity.gov/financial-reports).



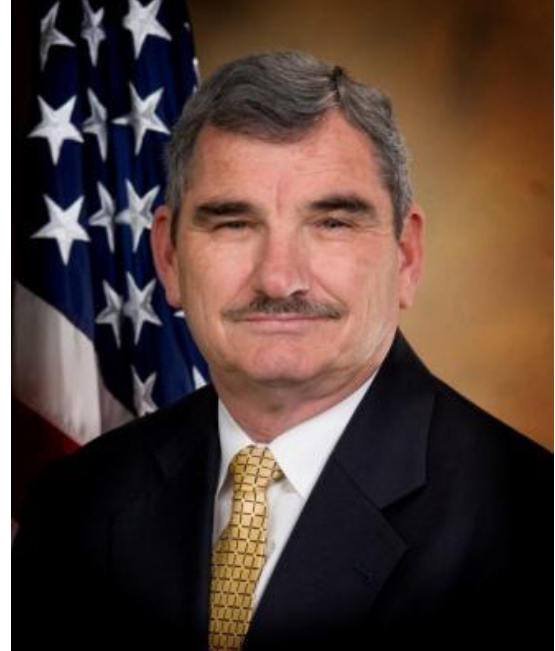
# BOARD NEWS & INFORMATION

## Garrett W. Zimmon Re-Elected to the Board

Congratulations to Commissioner Garrett W. Zimmon, the Police Department Retired Member-elect, on his re-election to the Board of Fire and Police Pension Commissioners! Mr. Zimmon will be sworn-in before the end of June 2024 to continue to fulfill his fiduciary responsibilities as a Board member for a new 5-year term beginning July 1, 2024.

Commissioner Zimmon's current term on the Board expires on June 30, 2024. In accordance with the Los Angeles Administrative Code, the Board authorized the Office of the City Clerk to conduct an election on February 23, 2024.

Commissioner Zimmon received 91.87% of the vote, and as such is elected to serve the term of the Police Department Retired Member of the Board beginning July 1, 2024, through June 30, 2029.



## BOARD DIRECTORY

The Board of Fire and Police Pension Commissioners holds regular meetings on the first and third Thursdays of each month at 8:30 a.m. Please review the respective Board Meeting Agenda on our website for the most current information and meeting details.

Commissioner	Appointed/Elected	Term Expiration
<b>Sumi Parekh, President</b>	Appointed by the Mayor	June 30, 2024
<b>Garrett W. Zimmon, Vice President</b>	Elected by Retired Police Members	June 30, 2029
<b>Andrea Ambriz</b>	Appointed by the Mayor	June 30, 2026
<b>Rigo Arellano</b>	Elected by Active Fire Members	June 30, 2027
<b>Kenneth E. Buzzell</b>	Elected by Retired Fire Members	June 30, 2025
<b>William "Billy" Chun</b>	Appointed by the Mayor	June 30, 2027
<b>Brian J. Churchill</b>	Elected by Active Police Members	June 30, 2025
<b>Michael A. Lawson</b>	Appointed by the Mayor	June 30, 2025
<b>Raul Perez</b>	Appointed by the Mayor	June 30, 2028

For additional Board information, please visit [lafpp.lacity.gov/board](http://lafpp.lacity.gov/board).

# CONTACT INFORMATION & MORE

Our staff is available to assist you Monday through Friday (excluding City holidays) from 7:30 am to 4:30 pm PT. Please refer to the following information to contact us.

## ACCOUNTING

(213) 279-3040  
(213) 628-7782 (Fax)  
Email: [accounting@lafpp.com](mailto:accounting@lafpp.com)

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

## COMMUNICATIONS & EDUCATION

(213) 279-3155  
(213) 628-7716 (Fax)  
Email: [pensions@lafpp.com](mailto:pensions@lafpp.com)

- Annual Report
- MyLAFPP
- Newsletters
- Social Media (e.g., Facebook, Twitter)
- Website Updates

## DISABILITY PENSIONS

(213) 279-3165  
(213) 628-7782 (Fax)  
Email: [disability@lafpp.com](mailto:disability@lafpp.com)

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

## Toll-Free (844) 88-LAFPP (52377)

## DROP/SERVICE PENSIONS

(213) 279-3100  
(213) 628-7716 (Fax)  
Email: [dropsp@lafpp.com](mailto:dropsp@lafpp.com)

- 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

## MEDICAL & DENTAL BENEFITS

(213) 279-3115  
(213) 628-7782 (Fax)  
Email: [mdb@lafpp.com](mailto:mdb@lafpp.com)

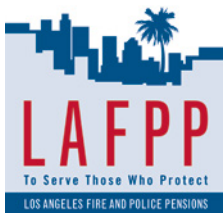
- Health and Dental Insurance Subsidies
- Health Insurance Premium Reimbursement Program
- Medicare Part B Reimbursement
- Year-to-Date Insurance Deduction Totals

## RETIREMENT SERVICES

(213) 279-3125  
(213) 628-7716 (Fax)  
Email: [rs@lafpp.com](mailto:rs@lafpp.com)

- Retired Member Records and Information
  - Change of Address
  - Cost of Living Adjustments
  - Direct Deposit
  - Pension Verification Letters (for home loans, etc.)
  - Tax Withholding
- Post-Retirement Marriage Dissolutions
- Retired Member and Qualified Survivor Deaths
- Survivor Benefit Purchases – Post-Retirement Marriages/  
Domestic Partnerships
- Survivor Pensions





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Police Pensions**  
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## CONTACT US

### ADDRESS

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

### BUSINESS HOURS

Monday - Friday  
7:30 AM – 4:30 PM

### CONTACT

Main (213) 279-3000  
Fax (213) 628-7716  
Toll Free (844) 88-LAFPP (52377)  
TDD (213) 628-7713  
Email [pensions@lafpp.com](mailto:pensions@lafpp.com)  
Website <https://lafpp.lacity.gov>

## 2024 HOLIDAY SCHEDULE

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

**JUNE 19, 2024**  
Juneteenth Holiday

**JULY 4, 2024**  
Independence Day

**SEPTEMBER 2, 2024**  
Labor Day

**OCTOBER 14, 2024**  
Indigenous Peoples Day

**NOVEMBER 11, 2024**  
Veterans Day

**NOVEMBER 28 & 29, 2024**  
Thanksgiving Holidays

**DECEMBER 25, 2024**  
Christmas Day

## 2024 BOARD MEETINGS

■ July 3 & 18     ■ September 5 & 19     ■ November 7 & 21  
■ August 1 & 15     ■ October 3 & 17     ■ December 5 & 19

Please check the *Board of Commissioners* section of <https://lafpp.lacity.gov> for meeting information.