

JUNE 2025

PENSION PERSPECTIVES

Los Angeles Fire & Police Pensions Retired/DROP Member Newsletter

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2025 COST OF LIVING ADJUSTMENT IS 3.1%

The Cost-of-Living Adjustment (COLA) is 3.1% for 2025 and was approved by the Board of Fire and Police Pension Commissioners on April 3, 2025. The COLA will be effective July 1, 2025, 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, 2025.

- Tiers 1 & 2 retirees and beneficiaries will receive 3.1%. 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 0.1% will be stored in the COLA bank*, which can be applied in future years when the Consumer Price Index (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% increase.

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JUNE 2025

MESSAGE FROM THE General Manager



I hope this message finds you well. As we continue to prioritize transparency and keep you informed about important changes and updates, I would like to share several key pieces of information regarding your pension benefits, effective July 1, 2025.

I am happy to inform you that a Cost-of-Living Adjustment (COLA) has been approved by the Board at 3.1%. All eligible pensioners and DROP participants will receive an increase

beginning with the payment/deposit dated July 31, 2025. This increase will ensure that your pension keeps pace with inflation and help maintain your purchasing power in retirement.

In addition to the COLA, the maximum Non-Medicare Retiree Health Subsidy for retired members will increase by 7% to \$2,398.29 per month. This subsidy helps to offset the cost of healthcare for our retired members and their covered dependents. We are committed to supporting your health and well-being in retirement, and this adjustment will provide continued assistance with your healthcare premiums.

Furthermore, I am pleased to announce that the 2024 Annual Report is now available on our website at lafpp.lacity.gov. This report provides a comprehensive overview of the Fund's financial performance, investment results, and other relevant activities that ensure the long-term stability of your pension benefits. We encourage you to take a moment to review the report and stay informed about the ongoing work we are doing to safeguard your retirement.

We value the sacrifices you've made in service to your communities, and we are committed to ensuring your financial security and well-being throughout your retirement.

Thank you for your continued trust in the Fire & Police Pension system.

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

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2025 COST OF LIVING ADJUSTMENT IS 3.1%

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*Must have retired or entered DROP with a pension effective date prior to June 2, 2025, in order to have an available COLA bank balance.

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/Administrative Code, the 2025 COLA was calculated based on the Los Angeles-Long Beach-Anaheim area using a 12-month period from March 2024 through February 2025.

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 3.1%.

For Tiers 1-2

$3.1\% \text{ of } \$6,000.00 = \186.00
 $\$6,000.00 + \$186.00 = \$6,186.00$
The monthly pension benefit increases to \$6,186.00

For Tiers 3-6

$3.0\% \text{ of } \$6,000.00 = \180.00
 $\$6,000.00 + \$180.00 = \$6,180.00$
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.

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

2025 NON-MEDICARE RETIREE HEALTH SUBSIDY INCREASE

Effective July 1, 2025, the new Non-Medicare Retiree Health Subsidy maximum is \$2,398.29 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 February 6, 2025, the Board of Fire and Police Pension Commissioners approved a 7% increase to the Non-Medicare Health Subsidy maximum. This was determined using the formula adopted by the Board, which establishes 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).

With the increase to the Non-Medicare Health Subsidy, most eligible members will be fully subsidized or experience a lower out-of-pocket premium deduction on their monthly pension payment. 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 page 5) and the retiree's respective health plan premium. The approved increase to the maximum Non-Medicare subsidy provides fully subsidized single- and two-party coverage for all eligible pensioners under age 65, with a non-frozen subsidy and 25+ years of service. Family plan premiums may be fully subsidized depending on your health plan administrator. 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 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 less.

CALCULATING YOUR MONTHLY SUBSIDY AMOUNT

Members who retired with 25 or more years of service may qualify for the maximum monthly subsidy of \$2,398.29. 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

Maximum Monthly Subsidy*

\$2,398.29

Calculating Your Monthly Subsidy**

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

✓ 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

or

✓ Retired under Tier 6

You will receive a health subsidy based on the **NON-FROZEN** maximum amount of \$2,398.29 if you:

FROZEN HEALTH SUBSIDY

✓ Retired or entered DROP on or after July 15, 2011 under Tiers 2, 3, 4, or 5

and

✓ Did not opt-in during the designated period to contribute 2% of your base salary

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



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. Information is also available on the Retirees (Plan Details) page of our website at lafpp.lacity.gov.



SOCIAL SECURITY FAIRNESS ACT

On January 5, 2025, President Biden signed into law the Social Security Fairness Act of 2023 (H.R. 82), which repeals two long-standing federal laws: the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These provisions reduced Social Security payments for recipients of other benefits such as a pension from state or local government, impacting over three million individuals, including some LAFPP retirees and beneficiaries.

In late February 2025, the Social Security Administration (SSA) began to pay retroactive benefits (retroactive to January 2024) to people previously affected by the WEP and GPO.

WHAT ARE WEP AND GPO?

WEP and GPO were federal laws that reduced Social Security benefits for individuals who also receive a pension from work not covered by Social Security, such as City of Los Angeles employees.

- **WEP:** This provision affected individuals who qualify for Social Security benefits through other jobs covered by Social Security but also earn a pension from non-covered employment (e.g., LAFPP members). Under WEP, Social Security benefits were typically reduced by about 50%, although they could not be reduced to zero.

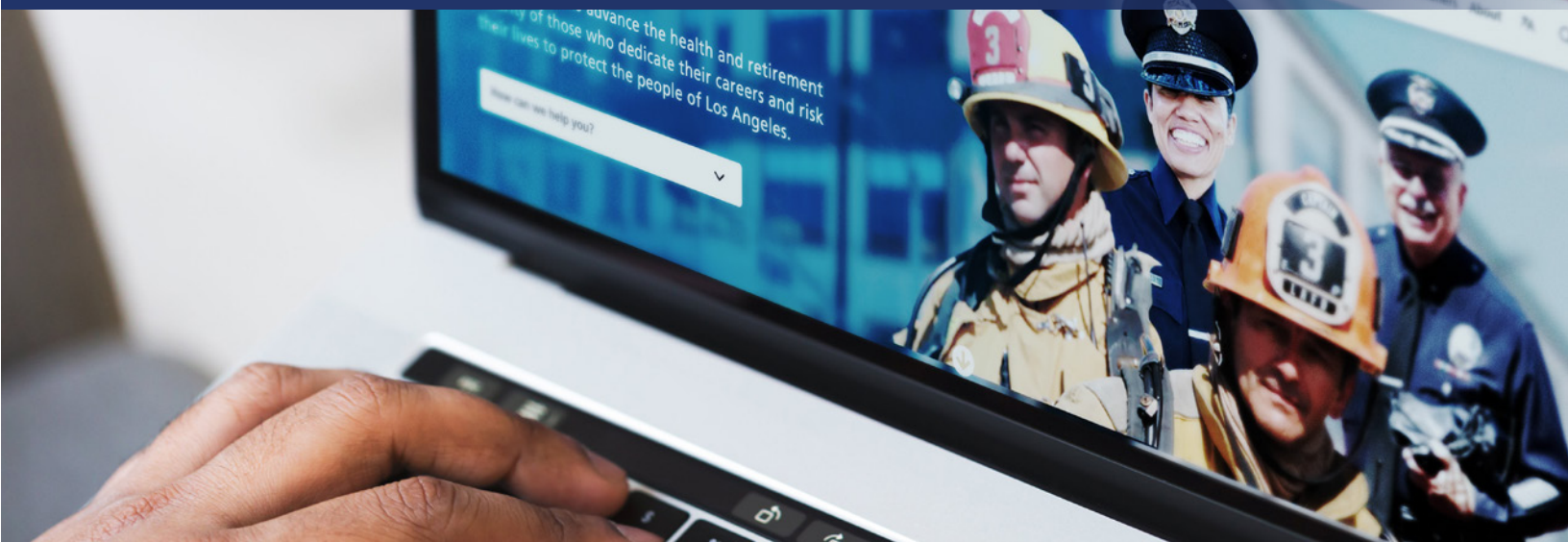
- **GPO:** This provision applied to individuals who qualify for spousal Social Security benefits and also earn a pension from non-covered employment. The GPO reduced benefits up to a certain amount, often eliminating the spousal benefit entirely.

Please note that this change DOES NOT IMPACT your benefits received from LAFPP.

What Should You Do?

For specific questions about how the repeal will impact your individual Social Security benefits, it is recommended to contact the SSA directly. Visit www.ssa.gov/benefits/retirement/social-security-fairness-act.html to learn more.

TAX WITHHOLDING ELECTIONS — HOW TO MAKE UPDATES



Now that tax season is over, if you need to update your federal or state of California tax withholding elections, you have two options.

1 Update through the MyLAFPP portal:

To make changes electronically, follow these steps:

- 1 Log in to your MyLAFPP account.
- 2 Select **Retiree Benefits**.
- 3 Click on **Update Pension Tax Withholding Instructions**.
- 4 Complete all required fields, even if you're only adjusting your federal or state of California withholdings.
- 5 Click **Submit** to finalize your changes.

2 Submit a paper form:

If you prefer to complete a form manually, follow these steps:

- 1 Download the appropriate federal or state of California tax withholding form from lafpp.lacity.gov.
- 2 Fill out the form and sign it (no digital signatures are allowed) and send it to the Retirement Services Section via fax to (213) 628-7716. You may also mail the form to:

Los Angeles Fire and Police Pensions
Attention: Retirement Services
701 E. 3rd Street, Suite 200
Los Angeles, CA 90013

IMPORTANT NOTES:

- If you reside outside of California, no state taxes will be withheld from your pension. Please contact your tax preparer or the tax agency for your state of residence to determine how to remit state taxes.
- Pensioners living outside of California are currently unable to make updates using MyLAFPP. Please submit a paper Form W-4P to update your federal tax withholding election.
- The Form W-4P does not allow for federal tax withholding at a specific amount or percentage. Please review the "General Instructions" section of the form for information on how to complete the form.
- **LAFPP cannot provide tax or legal advice. We encourage you to contact the tax agency or your tax advisor for assistance with completing tax withholding forms for your pension payment.**

If you have questions regarding your current tax withholding elections, please call the Retirement Services Section at (213) 279-3125 or email rs@lafpp.com for assistance.



Fraud Prevention:

How to Protect Your Online MyLAFPP Account

Safeguarding your online accounts is an ongoing effort to stay ahead of evolving and sophisticated predators. Making it a habit to exercise caution and staying on top of your personal information will prevent you from becoming a victim. There are several ways to secure your online accounts. Here are some tips on how to protect your MyLAFPP account and data:

- 1 Upon registration to your MyLAFPP online portal, create a unique username and strong password.
 - a. A strong password is one that is not easily guessed, not used for other websites, and has a combination of letters, numbers, and special characters.
 - b. Your username, password, and security questions should not be answers that someone could find by looking up your information online or through social media.
- 2 Enable the Multi-Factor Authentication (MFA) by using either your email or mobile text message.
 - a. MFA makes your account more secure by requiring two or more different verification methods (like a password and a code texted to your phone) to access your MyLAFPP account, adding an extra layer of protection beyond just a password.
- 3 Monitor your account regularly. Review your personal information for accuracy and look for any suspicious activity. If you suspect fraud, quickly update your password and report the suspicious activity to LAFPP staff.
- 4 Look out for notifications via email or regular mail regarding a recent password or personal information change that you did not initiate. Contact LAFPP immediately if you did not authorize any changes.
- 5 Do not include any personally identifiable information (PII) in your email messages or email attachments, such as Social Security numbers, dates of birth, driver's license numbers, or addresses. Instead use the secure upload feature in MyLAFPP for sending any PII.



Here are steps LAFPP takes to safeguard your information:

1. LAFPP staff takes additional steps to verify your identity when you call and ask about information related to your account.
2. If staff has an indication that the caller might not be who they claim to be, staff will not give out any confidential information.
3. Staff does not make changes to your account unless you submit your request in writing or submit an official form.
4. Staff will never call, email, or text you to request your MyLAFPP username, password, or any other personal information. If you receive a call from someone claiming to be with LAFPP and asking for this information, it is recommended that you hang up and call LAFPP using the phone number on your pension statement or found at lafpp.lacity.gov to confirm you are speaking to LAFPP staff.

OTHER NEWS & INFORMATION



LAFPP QUARTERLY REVIEW

Fast Facts - As of March 31, 2025*

Membership

Total Membership	26,651
Active Members (including DROP)	11,881
Service Pensioners	10,717
Disability Pensioners	1,520
Qualified Survivors	2,533

DROP Program

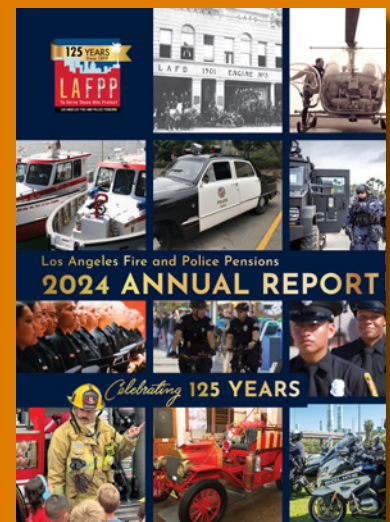
Total Entries: Fiscal Year through 3/31/2025	209
Fire	9
Police	200
Harbor Port Police	0
Airport Police	0
Total Exits: Fiscal Year through 3/31/2025	172
Fire	18
Police	154
Harbor Port Police	0
Airport Police	0
Total Current Participants	1,335

**This information is unaudited.*

2024 ANNUAL REPORT — NOW AVAILABLE ONLINE

LAFPP is pleased to present our *2024 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, 2024. 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 2024 Annual Report is now available on our website lafpp.lacity.gov, under *About, Financial Reports*, or by visiting the following link: lafpp.lacity.gov/financial-reports.

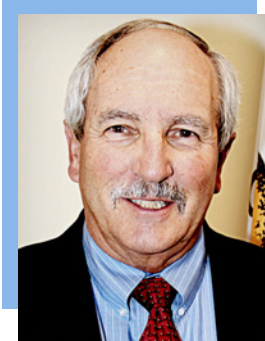


BOARD NEWS & INFORMATION

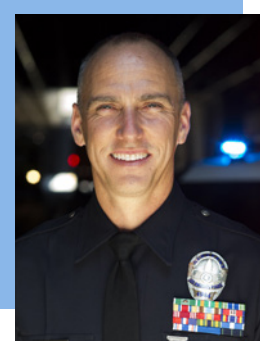
COMMISSIONERS RE-ELECTED TO THE BOARD

Congratulations to Commissioners Kenneth E. Buzzell and Brian J. Churchill who were re-elected as the Fire Department Retired Member and Police Department Active Member, respectively, of the Board for the term beginning July 1, 2025, and ending June 30, 2030.

Inquiries regarding the results of the election can be directed to LAFPP's Administrative Services and Human Resources Section at (213) 279-3080.



Kenneth E. Buzzell



Brian J. Churchill

COMMISSIONER CARLTON J. JENKINS APPOINTED TO THE BOARD

Effective April 22, 2025, Carlton J. Jenkins was appointed by Mayor Karen Bass and confirmed by the City Council to serve the remaining term ending June 30, 2025, for the seat vacated by former Commissioner Michael Lawson. Commissioner Jenkins will also serve a subsequent five-year term ending June 30, 2030. This is Commissioner Jenkins' first appointment to the Board of Fire and Police Pension Commissioners.

Welcome, Commissioner Jenkins!



Carlton J. Jenkins

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 Board Meeting Agendas on our website for the most current information and meeting details.

Commissioner	Appointed/Elected	Term Expiration
Garrett W. Zimmon, President	Elected by Retired Police Members	June 30, 2029
Andrea Ambriz, Vice President	Appointed by the Mayor	June 30, 2026
Rigo Arellano	Elected by Active Fire Members	June 30, 2027
Kenneth E. Buzzell	Elected by Retired Fire Members	June 30, 2030
William "Billy" Chun	Appointed by the Mayor	June 30, 2027
Brian J. Churchill	Elected by Active Police Members	June 30, 2030
Carlton J. Jenkins	Appointed by the Mayor	June 30, 2030
Nanxi Liu	Appointed by the Mayor	June 30, 2029
Raul Perez	Appointed by the Mayor	June 30, 2028

For additional Board information, please visit 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.

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

ACCOUNTING

(213) 279-3040
(213) 628-7782 (Fax)
Email: 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

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

DISABILITY PENSIONS

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

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

DROP/SERVICE PENSIONS

(213) 279-3100
(213) 628-7716 (Fax)
Email: 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

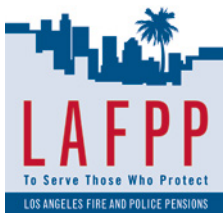
- Health and Dental Insurance Subsidies
- Health Insurance Premium Reimbursement Program
- Medicare Part B Reimbursement
- Year-to-Date Insurance Deduction Totals

RETIREMENT SERVICES

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

- 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





**Los Angeles Fire &
Police Pensions**
701 East 3rd Street, Suite 200
Los Angeles, CA 90013

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FIRST-CLASS MAIL
US POSTAGE
PAID
LOS ANGELES CA
PERMIT NO. 12932

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
Website <https://lafpp.lacity.gov>

2025 HOLIDAY SCHEDULE

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

JUNE 19, 2025
Juneteenth Day

JULY 4, 2025
Independence Day

SEPTEMBER 1, 2025
Labor Day

OCTOBER 13, 2025
Indigenous Peoples Day

NOVEMBER 11, 2025
Veterans Day

NOVEMBER 27 & 28, 2025
Thanksgiving Holidays

DECEMBER 25, 2025
Christmas Day

2025 BOARD MEETINGS

■ June 5 & 18 ■ September 4 & 18
■ July 3 & 17 ■ October 1 & 16
■ August 7 & 21 ■ November 6 & 20 ■ December 4 & 18

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