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Tax Exclusion
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Next Of Kin – Important Information

2026 HEALTH AND DENTAL SUBSIDY UPDATES

MEDICARE HEALTH SUBSIDY BENEFIT

The maximum Medicare Health Subsidy will increase to \$633.08, effective January 1, 2026. Pursuant to the City of Los Angeles Administrative Code Section 4.1154(c), the maximum Medicare Health Subsidy is set at the highest monthly premium of an approved plan supplemental to Part A of Medicare available to retired members of the Los Angeles City Employees' Retirement System (LACERS).



A Medicare Health Subsidy is provided to eligible retired members or Qualified Surviving Spouses/Domestic Partners who are enrolled in both Medicare Parts A and B. The monthly subsidy that you may receive is based on the number of whole years of service at the time of retirement (or DROP entry) as shown in the chart on page 3.

MESSAGE FROM THE **General Manager**



Season's Greetings from LAFPP!

As 2025 comes to an end and we prepare for 2026, the Los Angeles Fire and Police Pensions (LAFPP) team and I would like to wish you and your family a prosperous and healthy New Year.

This year, our City experienced one of the most devastating wildfires in Los Angeles history. I want to take a moment to recognize and thank the courageous first responders who worked

around the clock to protect lives and property. Your service and dedication inspire us all.

In this edition of our newsletter, you'll find important updates to help you plan for 2026. Included are details about the new maximum Medicare health subsidy increase effective January 2026, the updated Medicare Part B monthly premium reimbursement amount, and information about your year-end 1099-R tax form. We encourage you to read through the newsletter to ensure you don't miss any important updates or reminders.

I am pleased to report that we experienced another increase in the Plan's funding status (i.e., the ratio of the Plan's assets to its expected liabilities) for pension benefits this year. For the fiscal year ending June 30, 2025, the combined funded ratio for LAFPP's pension and health benefits is 97.6%, up from 97.0% the previous year. Separately, the pension benefit funded ratio is now 100.5%, up from 99.8%, and the retiree health benefits funded ratio decreased slightly from 78.2% to 78.1%. The overall increase in the Plan's funding status is remarkable and is indicative of the continued strength and stability of your retirement plan.

Thank you for your service to the City of Los Angeles and its residents. We remain dedicated to supporting you and your pension needs in the coming year. Should you have any questions or comments, please contact us at (213) 279-3000 or via email at pensions@lafpp.com.

Respectfully,

Joe Salazar, CEBS General Manager

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2026 HEALTH AND DENTAL SUBSIDY UPDATES

RETIRED MEMBER DENTAL SUBSIDY BENEFIT

The maximum retiree dental subsidy will remain at \$42.93 per month, effective January 1, 2026. Per City of Los Angeles Administrative Code Section 4.1164(b), the maximum dental subsidy for retirees shall be the lower of LACERS' maximum dental subsidy or any amount allowed active members of any LAFPP Tier.

You are eligible for a dental subsidy if you are retired with at least 10 years of service, are at least 55 years old, and are enrolled in a Board-approved dental plan. If you retire with more than 25 years of service, your eligibility is capped at 100% of the maximum subsidy. If you retire with 10 to 24 years of service, your subsidy is calculated at 4% of the current maximum for each whole year of service.

Note: Qualified Survivors are <u>not</u> eligible to receive a dental subsidy from LAFPP but are allowed to enroll in a Board-approved dental plan.

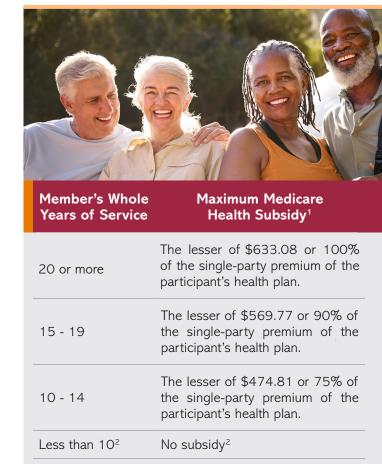
QUALIFIED SURVIVOR NON-MEDICARE HEALTH SUBSIDY BENEFIT

The non-Medicare health subsidy maximum for Qualified Surviving Spouses/Domestic Partners (Qualified Survivors) will increase from \$1,117.28 to \$1,161.91 per month, effective January 1, 2026.

If you currently receive a survivorship pension from LAFPP, you may also be eligible for a health subsidy if the following qualifications are met:

- You must be enrolled in a Board-approved health plan offered by:
 - Los Angeles Firemen's Relief Association (LAFRA)
 - Los Angeles Police Relief Association (LAPRA)
 - United Firefighters of Los Angeles City (UFLAC)
- The sworn member completed at least 10 whole years of service; and
- The sworn member received, or was eligible to receive, a health subsidy at the time of death, otherwise, you become eligible when the member would have been 55 years old.

Note: You may also be eligible to receive a health subsidy if you participate in the Health Insurance Premium Reimbursement (HIPR) Program (visit lafpp.lacity.gov for more information).



¹ For members who: (1) entered DROP or retired after July 14, 2011, and (2) did not opt-in during the designated period to make the additional 2% pension contributions, the Maximum Medicare Health Subsidy is equal to the July 1, 2011 amount of \$480.41.

² Tier 6 members who retire on a service-connected disability pension with less than 10 years of service may qualify for a minimum health subsidy at age 55 if they are not eligible for a subsidy from any other source.

If you receive a survivorship benefit pursuant to a purchase made by the retired member under the *Survivor Benefit Purchase Program for Retirees*, you are **not** eligible for a health subsidy.

If you would like more information about LAFPP's Health and Dental Subsidy Program, including eligibility requirements, please contact the **Medical & Dental Benefits Section** at (213) 279-3115, (844) 88-LAFPP ext. 3115, or via email at mdb@lafpp.com. Information is also available at lafpp.lacity.gov.

MEDICARE PART B PREMIUM REIMBURSEMENT

The Centers for Medicare and Medicaid Services (CMS) has announced the new standard Medicare Part B monthly premium for 2026 is \$202.90. However, some pensioners may pay less than this amount, as CMS does not increase a Medicare Part B participant's premium by more than the dollar increase of their Social Security cost-of-living adjustment. This is known as the "Hold Harmless Rule" and applies to all participants who have their Medicare Part B premium deducted directly from their Social Security check and who do not pay Income-Related Monthly Adjustment Amounts (IRMAA) in addition to the standard premium.

- If you are a new Medicare Part B enrollee in 2026, you will be reimbursed the standard monthly premium of \$202.90 and do not need to provide additional documentation.
- If you began receiving the Medicare Part B premium reimbursement prior to 2026, LAFPP will notify you by email or mail with instructions on how to update your Part B premium amount on record.

PROOF OF PREMIUM

The amount you pay for Medicare Part B is shown on the following documents provided to you by the Social Security Administration (SSA) or CMS:

- "New Benefit Amount" Annual Notice from SSA
- Notice of Medicare Premium Payment from CMS
- Quarterly Billing Statement from CMS

REIMBURSEMENT AMOUNT

The amount LAFPP reimburses you for your Medicare Part B premium is listed under the "ADJUSTMENTS" on your LAFPP pension check stub or direct deposit advice (See sample below).

Sample LAFPP Pension Check Stub

		ADJUSTMENTS		
Amount	YTD	Description	Amount	YTD
		Medicare Reimbursement		
		Subsidies paid by LAFPP*		
		Health Subsidy		
		Dental Subsidy		
	Amount	Amount YTD	Amount YTD Description Medicare Reimbursement Subsidies paid by LAFPP Health Subsidy	Amount YTD Description Amount Medicare Reimbursement Subsidies paid by LAFPP* Health Subsidy

* Does not increase pension



REIMBURSEMENT ELIGIBILITY

Retired members and Qualified Surviving Spouses/Domestic Partners can receive reimbursement for their standard Medicare Part B premiums if they are eligible for a health subsidy and are enrolled in both Medicare Parts A <u>and</u> B. If you are enrolled in a Board-approved health plan, your reimbursements will automatically be included in your monthly pension payment. If you are enrolled in a state-regulated health plan (e.g., through your spouse or another employer), you may also receive a quarterly reimbursement of your Part B premiums by participating in LAFPP's Health Insurance Premium Reimbursement (HIPR) Program.

Important:

You must maintain your Medicare enrollment to remain eligible for subsidy benefits. LAFPP does <u>NOT</u> make payments to SSA or CMS on your behalf for any Medicare premiums. LAFPP can only reimburse members for their <u>basic</u> Part B premium (i.e., no reimbursement for late enrollment penalties or Income-Related Monthly Adjustment Amounts (IRMAA) charged by CMS).

RETROACTIVE REIMBURSEMENT FOR 2025

You may be retroactively reimbursed for your Part B premiums for up to 12 months if you have been receiving a Medicare Part B reimbursement that is lower than your basic Part B premium.

To claim retroactive reimbursements, you may submit a copy of your 2025 tax Form 1099 from SSA, a copy of the SSA benefits statement you received at the end of 2025, or a copy of the last CMS bill you received in 2025.

All documentation should be sent to the Medical & Dental Benefits Section using the Secured Messaging feature of MyLAFPP, via fax to (213) 628-7782, or emailed to mdb@ lafpp.com. You may also mail a copy to: Los Angeles Fire & Police Pensions, Attn: Medical & Dental Benefits, 701 E. 3rd Street, 2nd floor, Los Angeles, CA 90013. Prior to submitting any documentation, please redact any personally identifiable information such as your date of birth, Social Security Number, or address.



Questions?

If you would like more information about LAFPP's Health and Dental Subsidy Program, including eligibility requirements, Medicare Part B Premium Reimbursements, or the HIPR Program, please contact the **Medical & Dental Benefits**Section at (213) 279-3115, (844) 88-LAFPP ext. 3115, or via email to mdb@lafpp.com. Information is also available in the Retired Members section at lafop.lacity.gov.

TAX SEASON— FORM 1099-R INFORMATION

As you prepare to file your tax return, below are a couple of options for obtaining your 2025 Form 1099-R tax information:

Online by January 31, 2026

You may view and/or print a copy of your 1099-R tax form by logging into your MyLAFPP portal. Visit lafpp. lacity.gov and click on the red button labeled "Access MyLAFPP Portal" located in the upper right corner.

Mailed by January 31, 2026

If you prefer to wait for a hard copy of your 1099-R tax form, it will be mailed to your address on file via U.S. mail by January 31, 2026. Please allow up to 10 business days to receive your 1099-R by mail. If you have not received your 1099-R form by February 15, 2026, you may request a copy by contacting the **Accounting Section** at (213) 279-3040, (844) 88-LAFPP ext. 3040, or via email at PensionAccounting@lafpp.com.

Some members may receive more than one 1099-R tax form in a year. Here are some of the possible reasons why this may occur:

- You exited DROP and received the proceeds of your DROP account via a rollover, a lump-sum cash distribution, and received at least one monthly pension check in the same year. In this case, you would receive multiple 1099-Rs. One 1099-R for the DROP rollover (Distribution Code G), one 1099-R for the DROP lump-sum (Distribution Code 2), and at least one 1099-R for monthly pension payments (also Distribution Code 2 and/or Distribution Code 7 if you were age 59 ½ or older).
- You have a non-tax dependent covered on your LAFPP-subsidized health insurance plan (e.g., domestic partner or child of a domestic partner). This 1099-R would reflect Distribution Code 9.
- Your IRS tax distribution code changed during the year (i.e., when member attains age 59 ½ by June of the same year). You would receive two 1099-Rs, one for when you were under the age of 59 ½ (Distribution Code 2) and another for when you were age 59 ½ or older (Distribution Code 7).
- You received pension payments based on your City service and from a qualified domestic relations order (QDRO) (Distribution Code 2) or as a beneficiary (Distribution Code 4).

DOWNLOAD YOUR 1099-R FORM

via Your MyLAFPP Account

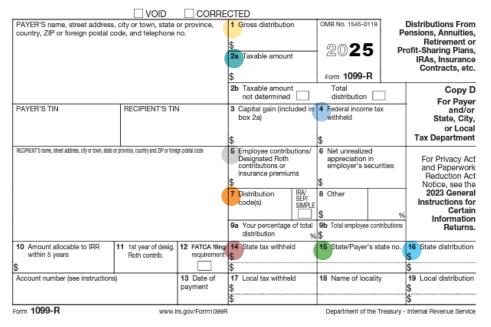
You can securely access your 1099-R, anytime, anywhere, and on any device.

MyLAFPP is the designated online portal where members and beneficiaries have 24-hour access to personalized pension benefits information and services, including the ability to download 1099-R tax documents through one convenient system. A one-time registration PIN is required for first-time users. During the registration process, you will be asked to verify your credentials in order to request a PIN. For security purposes, PINs will be mailed to the address on file and should be received within 3-5 business days. If you need to update your mailing address, please contact the **Retirement Services Section** at (213) 279-3125 or (844) 88-LAFPP ext. 3125, or by email at rs@lafpp.com.

Existing Users: If you have an existing MyLAFPP account, ensure you know your Username prior to logging in. If you have not logged in to your MyLAFPP account since August 2024, you may need to reset your password.

NOTE: MyLAFPP registration is **not** required to receive pension benefits.

WHAT DOES EACH BOX REPRESENT ON THE 1099-R?



Box 2a Your total taxable amount. (If you are retired on a 100% tax-free Service-Connected Disability pension, this box will show \$0.00)

Box 4 Federal income tax withheld

Box 5 Basis recovery distributed

Box 1 Total gross distribution

Box 7 Distribution codes

1=Under 59½ years old 2=Under 59½ years old, exceptions 3=Disability 4=Death

7=Age 59 $\frac{1}{2}$ or older, normal distribution

9=Taxable Health Subsidy

G=Rollover of a distribution to a qualified plan (e.g., DROP distribution)

Box 14 California State tax withheld

Box 15 LAFPP's state and Payer Number (This reflects LAFPP's information only)

Box 16 Total amount subject to California state taxes



NEED TO MAKE CHANGES TO YOUR INCOME TAX WITHHOLDING?

Make them electronically through the MyLAFPP portal! You can make changes in 6 easy steps:

- 1 Click the "Access MyLAFPP" red button in the upper right corner of our website, lafpp.lacity.gov
- 2 Click Retiree Benefits
- 3 Click Tax Withholding
- 4 Click Update Pension Tax Withholding Instructions
- 5 Fill in all information, even if you are only changing either Federal or State of California withholdings.
- 6 Click Submit

Important Note: In addition to Federal taxes, LAFPP is responsible for tax withholding only in the state of California. Since LAFPP does not have an operating business presence in other states, we do not offer tax withholding for states other than California. If you reside outside the state of California, no state taxes will be withheld. The State tax withheld (Box 14) and State distribution (Box 16) on your Form 1099-R will be populated with \$0.00 if you were a resident of a state other than California for the entire year.

Tax Year 2025 1099-Rs: The State/Payer's State No. (Box 15) will continue to reflect the LAFPP Tax ID CA/800-7968-4 regardless of your state of residence. Box 15 is an administrative 1099-R field for California payers.



TAX EXCLUSION BENEFIT FOR RETIRED MEMBERS

\$3,000 Healthcare Tax Exclusion

As a retired public safety officer, you may be able to exclude up to \$3,000 from your annual gross income for health, dental, and long-term care insurance premiums that were deducted directly from your pension payments in 2025. These year-to-date amounts are reflected on your December 31, 2025, pension payment statement.

Note: This exclusion is also available to retired members participating in the *Health Insurance Premium Reimbursement* (HIPR) Program.

Please note, any health or dental premiums covered by LAFPP's subsidy (including reimbursements under the HIPR Program) will not qualify for this tax exclusion. For assistance with determining the total amount which may be eligible for exclusion, we recommend that you consult with your tax professional.

For questions, please contact the **Medical and Dental Benefits Section** at (213) 279-3115 or (844) 88-LAFPP, ext. 3115.



2026___

PENSION PAYMENT SCHEDULE



The schedule below will assist you in determining when you can expect to receive your 2026 pension payments.

Pension payment	Make changes no later than 3pm PT*	Mail Date for Paper Checks	Payable date**	+
December	December 15, 2025	December 26, 2025	December 31, 2025	*This is the deadline to make any changes to your contact information,
January	January 15, 2026	January 27, 2026	January 30, 2026	tax withholding elections, or direct deposit information for the pension
February	February 13, 2026	February 24, 2026	February 27, 2026	payment indicated.
March	March 13, 2026	March 25, 2026	March 31, 2026	**Availability of funds from direct deposit may vary according to
April	April 15, 2026	April 27, 2026	April 30, 2026	your financial institution.
May	May 15, 2026	May 26, 2026	May 29, 2026	For questions regarding your pension payments, please contact
June	June 13, 2026	June 25, 2026	June 30, 2026	the Retirement Services Section at (213) 279-3125 or (844)
July	July 15, 2026	July 28, 2026	July 31, 2026	88-LAFPP ext. 3125, or email to:
August	August 14, 2026	August 26, 2026	August 31, 2026	rs@lafpp.com.
September	September 15, 2026	September 25, 2026	September 30, 2026	\rightarrow
October	October 15, 2026	October 27, 2026	October 30, 2026	
November	November 13, 2026	November 24, 2026	November 30, 2026	
December	December 15, 2026	December 28, 2026	December 31, 2026	



OTHER NEWS & INFORMATION



NEXT OF KIN – IMPORTANT INFORMATION

We highly recommend that all members and survivors 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 where, following a member's/survivor's death, LAFPP was unable to locate a family member to whom the funds of the final payment could be released. Having the Next of Kin form on file allows LAFPP to contact your next of kin in a timely manner and ensure proper delivery of 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 in processing your final pension 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 <u>different</u> 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 employee members to designate beneficiaries to receive a refund of their pension contributions.

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), then print, sign, and return to 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 (844) 88-LAFPP ext. 3125, or email rs@lafpp.com to request a form be mailed to you.

LAFPP QUARTERLY MEMBERSHIP REVIEW

Statistical Facts - **As of September 30, 2025***

Membership				
Total Membership	26,040			
Active Members (including DROP)	11,481			
Service Pensioners	10,546			
Disability Pensioners	1,489			
Qualified Survivors	2,524			

DROP Program				
Total Entries: Fiscal Year through 9/30/2025	96			
Fire	27			
Police	68			
Harbor Port Police	0			
Airport Police	1			
Total Exits: Fiscal Year through 9/30/2025	78			
Fire	8			
Police	70			
Harbor Port Police	0			
Airport Police	0			
Total Current Participants	1,372			

^{*}This information is unaudited.





BOARD NEWS & INFORMATION

OFFICERS OF THE BOARD ELECTED

Each year in July, the Board of Fire and Police Pension Commissioners elects its Officers of the Board to serve one-year terms. On July 17, 2025, the Board elected Andrea Ambriz as President and Brian J. Churchill as Vice President.

As President, Commissioner Ambriz exercises the following duties:

- Approves the Board agenda, presides over all Board meetings, ensures that meetings are conducted in an efficient manner and in accordance with the City Charter and Administrative Code, follows applicable public meeting laws, and applies relevant Board policies;
- Determines who will act as spokesperson for the System should the need arise; and,
- Approves the travel expenses incurred by the General Manager and the Board.

As Vice President, Commissioner Churchill will assume the duties of the Board President when the President is absent or if the President should delegate the Vice President to act. The Vice President will also assume the duties of the President if the President becomes unable to carry out their duties.

Congratulations President Ambriz and Vice President Churchill!











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
Andrea Ambriz, President	Appointed by the Mayor	June 30, 2026
Brian J. Churchill, Vice President	Elected by Active Police Members	June 30, 2030
Rigo Arellano	Elected by Active Fire Members	June 30, 2027
Kenneth E. Buzzell	Elected by Retired Fire Members	June 30, 2030
VACANT	Appointed by the Mayor	
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
Garrett W. Zimmon	Elected by Retired Police Members	June 30, 2029

For additional Board information, please visit lafpp.lacity.gov/board-of-commissioners/commissioners.

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.

DEPARTMENT DIRECTORY

ACCOUNTING

(213) 279-3040

(213) 628-7782 (Fax)

Email: pensionaccounting@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

(toll-free ext.: 3165)

(213) 628-7782 (Fax)

Email: 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

- 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
 - -Next of Kin Forms
- Post-Retirement Marriage Dissolutions
- Retired Member and Qualified Survivor Deaths
- Survivor Benefit Purchases Post-Retirement Marriages/ Domestic Partnerships
- Survivor Pensions

TIPS ON CREATING STRONG PASSWORDS

- Make your password at least 12-18 characters long.
- Use a mix of upper and lower case letters, numbers, and symbols.
- Try using a long phrase, like a news headline or book title, and add punctuation and capital letters.
- Avoid using easy-to-guess information like your name or pets' names.
- Don't use common words; replace letters with numbers or symbols (e.g., @ for A, ! for I or L).
- Use unique passwords, don't repeat passwords used from other accounts.



2025-26 HOLIDAY SCHEDULE

Our offices will be closed on these holidays, but you can still find information on our website and utilize the MyLAFPP self-service portal.





Los Angeles Fire & Police Pensions

To Serve Those Who Protect LOSANGELES FIRE AND POLICE PENSIONS Los Angeles, CA 90013

PRESORTED 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 lafpp.lacity.gov

