

ERIP FREQUENTLY ASKED QUESTIONS (FAQ)
Developed Jointly by the CAO and LACERS

Updated October 30, 2009

The answers to the following questions presume the opening of the ERIP window will occur on Monday, November 2, 2009. If the ERIP window opens on a different date, the answers to some questions may vary.

Please note that questions 1 – 23 (pages 1 – 4) refer to the ERIP Process, while questions 24 – 38 (pages 5 – 8) refer to the ERIP Benefits.

ERIP PROCESS

1. When will the ERIP enrollment period (window) open/close?

If ERIP is approved by Council on October 30th, then the ERIP enrollment period will open at 8:00 a.m. on Monday, November 2nd and close at 5:00 p.m. on Wednesday, December 16th.

2. How will I be notified that the enrollment period (window) is open?

The CAO will communicate the opening of the window period, but it is important that you check the ERIP web site at erip.lacity.org and/or LACERS web site at www.lacers.org for up-to-date ERIP information.

3. How can I get more information regarding the ERIP process?

Due to the high demand of phone calls, it is highly recommended to visit the ERIP website at erip.lacity.org. You may also call (213) 473-3231 or send an email to erip@lacity.org.

4. I submitted a retirement application and I'm already scheduled to retire.

a. Is there anything I need to do to ensure I get the ERIP benefits?

If you want to qualify for ERIP benefits, you must submit an ERIP Election Form and Severance Agreement to the City Administrative Officer as soon as possible during the enrollment period. If you do not submit an Election Form or if you submit it after the maximum number of people has applied for the ERIP, you will not qualify for ERIP benefits.

b. Will my retirement be delayed?

Pursuant to the ERIP ordinance, if you retire under the ERIP City management has the right to determine on what date you retire.

5. I submitted a retirement application with LACERS, but my retirement date falls into the ERIP enrollment period (window). Can I retire without the ERIP benefits so I can control my retirement date (which City management controls under the ERIP)?

You can elect to retire without the ERIP benefits, but pursuant to the ERIP ordinance, your date of retirement will have to wait until after the ERIP window period closes.

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- 6. I'm a deferred vested member. Can I qualify for ERIP?**
No, only qualifying active LACERS are eligible to participate in the ERIP.
- 7. Can I use Reciprocity to help me qualify for ERIP?**
Yes, but only if the reciprocal time was certified by the other agency and the certification was received by LACERS prior to November 2, 2009.
- 8. How/where can I submit my ERIP Election Form?**
You can submit your Election Form:
- On line at erip.lacity.org;
 - In person – from November 2nd through December 16th weekdays (except for City holidays) from 8:00am to 5:00pm at Room 1200 City Hall East (office of the City Administrative Officer);
 - Via fax at (213) 978-7613;
 - Via e-mail erip@lacity.org;
 - Via mail: City Administrative Officer, Employee Relations Division, 200 N. Main Street, Room 1200, Los Angeles, CA, 90012
- 9. I'm trying to submit my Election Form on-line, but am having some trouble because:**
- a. It's not recognizing my employee ID number/SSN number**
For technical support, please contact (213) 978-7676 or send an email to erip@lacity.org. Since ERIP enrollment is determined on a first-come-first-served basis, you are encouraged to submit the ERIP Election Form via one of the alternative methods listed in #8 above. The number of available ERIP packages is 2,400.
 - b. I'm receiving a message that the form is not complete**
Please ensure all of the required fields (designated by an asterisk * and highlighted in yellow) are filled out (i.e. not left blank).
 - c. I don't know some of the information that the form is asking for**
All information in required fields (designated with an asterisk * and highlighted in yellow) must be completed for your ERIP Election Form to be accepted. If the information you don't know is not a required field, just go ahead and submit the Election Form without it. Staff of the CAO or LACERS will follow-up with you regarding the information you left blank. If you do not know your Employee ID, please contact your department's personnel section.
- 10. When I submit my Election Form, will I receive some type of receipt showing the date and time I submitted it?**
- a.** For on-line submissions, an email receipt will be generated. You may print out the email and retain for your records.
 - b.** If you apply in person or by mail, you will be provided with a receipt.
 - c.** If you apply via fax, please print a confirmation from your fax machine.
 - d.** If you apply via e-mail, please print a copy of your sent email and retain for your records.

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11. How can I ensure that I am one of the first 2,400 employees to file an Election Form?

The best way to ensure you are one of the first 2,400 to file is to file on the first day of the enrollment period. It is highly recommended that you file online at erip.lacity.org.

12. I submitted an Election Form and have not heard whether I will be eligible to retire under the ERIP. When will I know whether I am eligible?

After you submitted your Election Form, your information was sent to LACERS so they could confirm that you meet the age and Service requirements. LACERS will then send that confirmation to the CAO. The CAO then will notify you that you have been accepted to participate in ERIP. If you are in a limited classification, the CAO's notification may be delayed for at least two weeks after the window period.

13. When will I be advised of my eligibility to retire under ERIP?

Please refer to question #12 above.

14. After I have been advised of my eligibility to retire under ERIP, can I change my mind?

You will have a 7-day rescission period. Please refer to page 2 of the Election Form and page 2 of the Severance Agreement. The CAO will provide you with information regarding the rescission period and process when they send you notification that you have been accepted for participation in the ERIP.

15. When will my 7-day period to rescind my ERIP Election Form begin?

Your rescission period will begin on the day you received written notification that your ERIP retirement has been approved ("ERIP Approval Notice"). For purposes of ERIP, "received" means the delivery of the ERIP Approval Notice to your address on file with LACERS.

16. How will my retirement date be determined? Will I have any input regarding my retirement date?

You may list a preferred retirement date on the ERIP Election Form and discuss it with your departmental personnel director. Your employing department and CAO staff will discuss and decide the priority in which LACERS should process your retirement. Pursuant to the ERIP ordinance, City management has the right to determine your retirement date.

17. Can I appeal the retirement date that is selected for me?

No, you cannot appeal your ERIP retirement date. Pursuant to the ERIP ordinance, City management has the right to determine your retirement date.

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18. I am in a Limited Classification:

a. When will my eligibility to retire under ERIP be known?

It is likely that your eligibility to retire under the ERIP will not be known for two to three weeks after the close of the window period because the percentage of retirements available in each class may not be decided until then (pursuant to the ERIP ordinance).

b. What happens if I file to retire under ERIP, but later find out I'm not eligible because I am in a Limited Classification and am not reachable?

If you are eligible for and want to retire under a non-ERIP retirement, you may submit a retirement application to LACERS. Your ERIP Election Form will not serve as a LACERS retirement application.

19. I'm in an excluded class, is there any chance I'll still be eligible to retire under the ERIP?

A member in an excluded class is not eligible to retire under ERIP. To access the list of excluded classes provided by the CAO, please visit the ERIP website at erip.lacity.org.

20. How do I get retirement counseling from LACERS?

After you have been accepted for participation in the ERIP and your retirement priority has been determined, LACERS will contact you regarding group counseling opportunities.

21. What documents will be required as part of the retirement process?

Please see the list of required documents at:

www.lacers.org/ActiveMembers/PlanningToRetire/Required_Documents.pdf

22. Will the City allow more than 2,400 LACERS members to retire under the ERIP?

The City could extend the ERIP to more than 2,400 members, but that extension would require actions by the City Council and Mayor. If more than 2,400 members file for ERIP, then a wait list will be created.

23. What impact, if any, does the Severance Agreement have on pending claims for Workers' Compensation benefits?

The release/waiver language contained in the Severance Agreement shall not apply to any claim for Workers Compensation benefits where the employee has filed an application for adjudication of the claim. No prior or existing award of workers' compensation benefits will be affected by the Severance Agreement.

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ERIP BENEFITS

24. Can I qualify for the ERIP if I would become eligible during the enrollment (window) period?

No, you have to be eligible to participate in the ERIP as of the first day of the window period.

25. What are the ERIP benefits?

The Early Retirement Incentive Program (ERIP) provides incentives in the form of retirement benefit enhancements and/or separation payments. The incentives are dependent on your eligibility. There are five distinct groups of benefits, each with their own unique incentives and eligibility criteria. A description of each group is as follows:

Group 1 includes only those LACERS members who already qualify for a normal (unreduced) retirement with less than 33 years of Service and are at least 55 years of age. These employees would receive three years of Service and Service Credit, and a \$15,000 separation payment.

Group 2 includes only those LACERS members who do not currently qualify for a normal (unreduced) retirement and who have at least 33 years of Service but have not reached age 55. These employees would receive sufficient age credit to receive a normal (unreduced) retirement, three years of Service and Service Credit, and a \$15,000 separation payment.

Group 3 includes only those LACERS members who do not currently qualify for a normal (unreduced) retirement. These employees have less than 33 years of Service and are within five years of age credit and/or both Service and Service Credit to achieve a normal (unreduced) retirement. These employees would receive a minimum of three years and a maximum of five years of age credit and/or both Service and Service Credit to receive a normal (unreduced) retirement and/or to enhance a retirement benefit in addition to a \$15,000 separation payment.

Group 4 includes only those LACERS members who already qualify for a normal (unreduced) retirement with a minimum of 33 years of Service and are at least age 55. These employees would receive a separation payment of \$1,000 for each year of Service.

Group 5 includes only those LACERS members who do not currently qualify for a normal (unreduced) retirement. These employees lack more than five years of age (in order to meet age qualification for a benefit) and/or more than 5 years of Service, were hired by the City prior to 1983 and currently have a portion of their employee contribution defrayed by the City. These employees would receive five

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years of Service and Service Credit to receive an early or reduced retirement and a \$15,000 separation payment.

ERIP 1% Reduction - An “ERIP 1% Reduction” shall apply to all members retiring under ERIP (excluding Group 4 members). This means the retirement allowance for each person receiving ERIP benefits will be reduced by 1%. For members of Groups 1, 2 and 3, the member’s actual retirement allowance will be calculated as follows:

[Final Compensation x ERIP-enhanced Service Credit x Retirement Factor (2.16%)] x 0.99

For members of Group 5, the member’s actual retirement allowance will be calculated as follows:

[Final Compensation x ERIP-enhanced Service Credit x Retirement Factor (2.16%)] x [Reduction Factor] x 0.99.

26. Can I use already purchased Service/Service Credit to help me qualify for ERIP?

You can use Service/Service Credit purchased under:

- Government Service Buybacks (GSB)
- Back Contributions and
- Re-Deposits

to help you qualify for ERIP as long as the purchase is completed (including having paid for the Service Credit) by November 7, 2009, the end of the pay period in which the window opens.

Please note: Public Service Buybacks do not add to Service (only Service Credit) and, therefore do not count toward qualifying for the ERIP.

27. Can I initiate a Service Credit purchase to help me qualify for the ERIP?

You can use Service/Service Credit purchased under:

- Government Service Buybacks (GSB)
- Back Contributions and
- Re-Deposits

to help you qualify for ERIP as long as the purchase is completed (including having paid for the Service Credit) by November 7, 2009, the end of the pay period in which the window opens.

28. Can I use Reciprocity to help me qualify for ERIP?

Yes, but only if the reciprocal time was certified by the other agency and the certification was received by LACERS prior to November 2, 2009.

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29. Is it possible to purchase Service Credit under the Government Service Buyback (GSB) program to increase my retirement allowance?

Yes, as long as the purchase is completed by your retirement date. Please note that, to be used to help you qualify for ERIP, your purchase must be completed (including having paid for the Service Credit) by November 7, 2009, the end of the pay period in which the window opens.

30. If I am in the process of purchasing Service Credit under:

- **Government Service Buybacks (GSB)**
- **Back Contributions and**
- **Re-Deposits**
- **Public Service Buybacks (PSB)**

by when do I have to pay off the purchase to have it count toward my retirement allowance?

The purchases must be paid off prior to your retirement date (which is decided by City management).

31. Is it possible to change ERIP Groups during the window period?

Yes, it is possible. In such a situation, you can select the Group you would like to belong to.

32. If I receive additional years of Service Credit under the ERIP, is it possible that my retirement allowance could exceed 100% of my Final Compensation?

No, your ERIP retirement allowance cannot exceed your Final Compensation.

33. If I retire under the ERIP, what happens to my accumulated sick and vacation time?

You will not be entitled to payment of their sick or vacation time; however, you will receive a Severance Payment in the amount that you would have been paid for your sick and vacation time.

- a. This payment will be paid over two calendar years with the City selecting the payment dates.
- b. The Severance Payments will be paid by the member's employing department. (This is not a retirement benefit and is not paid by LACERS.)
- c. This Severance Payment does not apply to people who retired before the ERIP enrollment (window) period ("Grandfathered Participants") as:
 - Their retirements are not considered retirements under the ERIP and
 - They would have (or will, depending on the timing) receive their sick and vacation payouts pursuant to standard, non-ERIP policies and procedures.

34. How do the ERIP Separation Payments work?

- a. Separation Payments for Groups 1, 2, 3, and 5 will be \$15,000 (this is in addition to other ERIP benefits these Group members will receive).

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- b. The Separation Payments for Group 4 members is \$1,000 per year of Service
 - The Group 4 payments are prorated for fractional years
 - The years of Service for the Group 4 payment do not include years purchased under the Government Service Buyback program
- c. The Separation Payments are not considered retirement benefits.
- d. The Separation Payments will be made by the employing department (not LACERS – unless they are a LACERS employee)
- e. These payments will be paid over two calendar years with the City selecting the payment dates.

35. I'm currently paying less than a 6% contribution rate to LACERS. When will my contribution rate increase to 6%?

The contribution rate will increase to 6% beginning the payroll period following the ERIP Ordinance effective date, November 8, 2009.

36. When will my contribution rate to LACERS be increased to 7%?

July 1, 2011

37. If I retire under the ERIP and want to leave a continuance to a spouse/domestic partner, does the usual requirement that I must be married or have filed domestic partnership documents at least a year before my retirement apply?

Yes

38. If I retire under ERIP, will I be eligible for retiree health benefits and a retiree health subsidy from LACERS?

- a. You are eligible to participate in LACERS medical and dental plans if you are receiving a monthly retirement allowance from LACERS, so all members retiring under ERIP would be eligible, however
- b. To be eligible for a medical plan premium subsidy you must:
 - Be age 55 or older **and**
 - 1. inclusive of the years of age granted under the ERIP
 - a. Some Group 5 members will still not have enough age to qualify
 - Have at least 10 years of Service (Service Credit for part-time members whose LACERS membership date is after April 22, 1990) **and**
 - Be enrolled in a LACERS-sponsored medical plan or a participant in LACERS Medical Premium Reimbursement Program (MPRP)
- c. The amount of the subsidy will depend on your years of Service (Service Credit for part-time members whose LACERS membership date is after April 22, 1990) and/or Medicare status.