



## **Lawsuit update**

The City is *appealing* the recent court ruling on the LOA regarding the 2 percent retiree medical subsidy. Judge Malcolm Mackey of the Los Angeles County Superior Court issued a ruling in favor of the League and against the City, which declares that the individuals who opted to pay 2 percent of base salary pursuant to the League's 2011 Letter of Agreement with the City gained a vested right to receive annual percentage increases in the retiree health care subsidy in the lesser of the actuarially determined Medical Trend Rate, or 7 percent. This means, for example, that if the Medical Trend Rate is established to be 10 percent in a given year, the increase in the retiree health care subsidy would be 7 percent. If the Medical Trend Rate was 5 percent in a given year, the increase in the retiree health care subsidy would be 5 percent. The City unsuccessfully contended that the Pension Board had discretion to deviate downward from the formula described above. Members will continue to pay the 2 percent, and there will be no future opt-ins for members who did not choose to opt in July of 2011 until the case has gone up on appeal. The Board of Directors will update the membership of the outcome of the appeal.

If you have any questions, please call me at (213) 792-1089 or email me at [CorinaLee@lappl.org](mailto:CorinaLee@lappl.org). Be safe.

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## **Purchasing your recruit Academy time**

Purchase your recruit training time with LAFPP! It's an inexpensive way to increase your pension percentage and your lifetime benefits. The average cost for purchasing about six months of recruit training time is \$3,200.

Depending on your pension plan tier and the duration of your fire drill tower or Police Academy training, your pension percentage may increase approximately 1 percent to 2.5 percent. Purchasing your recruit training time:

- Brings you closer to having five years of service, which is when you become eligible for nonservice-connected disability pension benefits.
- Brings you closer to the five-year threshold for a nonservice-connected lifetime survivor pension.

- Brings you closer to the minimum years required for a service pension, depending on your tier.
- Adds to your service pension percentage, up to the allowed maximum percentage for your Tier.

### **Follow these steps to start the process:**

#### **Obtain a cost estimate by logging into MyLAFPP.**

- Click the link for the *Recruit Training Time Calculator*. Next, click the *Calculate Now* button to generate a cost estimate.
- **Submit a Request to Purchase.** If, after reviewing the cost estimate, you want to purchase your recruit training time, click the link at the bottom of the screen to proceed. After completing the required fields, click Start Purchase to submit your request. An email confirming receipt of your request will be sent to the address you provided.
- **Select the payment method(s).** The LAFPP Active Member Services Section will mail a *Request for Contract or Payment Instructions* form to you. Review the information and select your payment method(s) from the following options:
  - Lump sum
  - Payroll deduction
  - Transfer from the City's Deferred Compensation Plan or other eligible retirement plan
- **Sign and date the form and return it to the Active Member Services Section.**
- **Complete Purchase.** Based on the payment method(s) you selected, additional forms will be mailed to you. In order to finalize the purchase, please complete and return the forms as instructed. Note: Your purchase cannot be processed until you submit these forms.

### **Things to consider:**

- If you have less than five years of service, you may only purchase time through a transfer from the City's Deferred Compensation Plan or another eligible retirement plan.
- If you were a recruit from 1994 and later, you participated in the City's part-time, seasonal, temporary (PST) plan while in the Police Academy/fire drill tower. You may roll over these PST funds into your Deferred Compensation account if you have not yet done so. These funds may be used towards the purchase of your recruit training time.
- If you select the option to transfer funds from your Deferred Compensation account or another eligible retirement plan, you will receive a *Trustee-to-Trustee/Direct Rollover Form*. You must complete the "Member" section and then request the plan's administrator to complete the "Plan Sponsor" section of the form. Note: For transfers from the City's Deferred Compensation Plan, Empower Retirement is the administrator and they will return your form to Active Member Services to complete the funds transfer.
- Recruit Time purchases must be completed prior to entering DROP or retiring on a service pension.
- Allow enough time to purchase your service credit before applying for a service pension or DROP entry. The average processing time is typically six to eight weeks.

If you have questions, please contact the Active Member Services Section at (213) 279-3140.