

The Guardian

Los Angeles Police Relief Association, Inc.



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LAPRA Treasurer's Report

By Tim McBride

What a year 2013 **was** for stocks. What a year 2013 **was not** for fixed income. Most of our members have one or more investments for long-term savings such as a 401(k) or Deferred Compensation Plan, Individual Retirement Account (IRA) or the Deferred Retirement Option Plan (DROP).

When it comes to investing in stocks, if you sat on the sidelines in 2013, you missed out on a year of great returns that only comes along once in a while. If you put your money into fixed income investments such as bonds in 2013, your returns were probably lower than you hoped. The S&P 500 Stock Index posted returns of 32% in 2013, while the Barcap Aggregate Bond Index had returns of -2%. The MSCI Emerging Markets Index had returns of -5% while both European and worldwide stocks had returns of more than 25%.

The uncertainty that goes along with investing is like police work in a way — each day is different from the last, and change is constant. As we all know, the world can be a dangerous place. From the streets of Los Angeles, to the Sudan, Ukraine

or anywhere. So we try to be as safe as we can while managing the risk that comes with the work we do.

From conversations with our members, I know the risk of investing makes many people nervous. With the Great Recession of 2008 and the bursting of the housing bubble, it's completely understandable. But with a little research, you can invest your discretionary income or the money you've set aside for investing into a 401(k), Deferred Compensation Plan, IRA or DROP in a combination of stocks and fixed income investments through mutual funds.

A mutual fund pools money together from thousands of small investors using a professional fund manager who buys stocks, bonds or

other securities with it. When you contribute to a mutual fund, you get a stake in all of its investments. When you invest in mutual funds, you can attain a diversified portfolio balancing risk and returns for much less that you could buying individual stocks and bonds. Plus, you don't have to worry about keeping track of dozens of holdings – that's the fund manager's job.

There are many resources available where you can learn about the different types of mutual funds:

- Morningstar is an independent advisory service that publishes the Fund Investor, an easy to read monthly bulletin along with a large array of other investment publications.

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LAPRA
LOS ANGELES POLICE RELIEF ASSOCIATION, INC.

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- The Independent Advisor for Vanguard investors provides investment recommendations based on a person's investor profile including risk tolerance, time horizon and investment goals.
- Fidelity Investments publishes an advisory service for Fidelity mutual funds offering advice on a wide range of investments from conservative to aggressive or somewhere in between.
- Magazines such as Money, Forbes and Fortune publish mutual fund results and provide investment advice.

I use Morningstar extensively, Vanguard's Independent Advisor periodically and read Forbes and Fortune every month. There are also a variety of other publications and resources to help investors decide where to put their money.

The forecast for 2014 is for moderate growth. It's doubtful we will see stock market gains in the next year or two as we have experienced in 2013. Like police work, expecting the unexpected prevents disappointment and allows us to take advantage of opportunities. January's 8% correction in the stock market is an example of what may lie ahead. I believe we will see a more traditional balanced return for equities and

fixed income in the coming year. Recommendations from Morningstar, Vanguard Independent Advisor and others can help you accomplish your investment goals.

In early March, Warrant Buffet, legendary investor and CEO of Berkshire Hathaway published his annual letter to shareholders. In the letter Buffet said, "You don't have to be an expert to in order to achieve satisfactory investment returns. But if you aren't, you must recognize your limitations and follow a course certain to work reasonably well. Keep things simple and don't swing for the fences. When promised quick profits, respond with a quick No." ■



2014 Open Enrollment Q&As

This year's open enrollment period for all medical and dental plans offered by the Los Angeles Police Relief Association (LAPRA) to its members is May 1 through May 31, 2014. This is the annual period during which members may make changes to their medical and/or dental plans, by changing plans or adding or deleting eligible dependents.

Please look for your open enrollment packet in the mail during the first week of May 2014 and call LAPRA at (213) 674-3701 or (888) 252-7721 if you do not receive it. If you have moved and did not previously complete an address change form with LAPRA, you can download a form from the LAPRA website at www.LAPRA.org or you can call LAPRA to request a form.

Here are answers to some frequently asked questions about open enrollment:

Q: What documents are needed to add my eligible dependents to my insurance plans?

A: Once you receive the forms from LAPRA, you will need to submit the following document(s):

Child: a copy of the certified birth certificate (or commemorative hospital certificate listing the names of both parents)

Spouse: a copy of the certified marriage certificate

If you do not have a copy of the certified certificate at the time of enrollment, you may complete and submit a verification of birth or marriage form. You will then have 60 days from your dependent's coverage effective date to submit a copy of the required certified certificate. If you fail to submit the required certificate within the 60-day period, your dependent's coverage will automatically be canceled on the first day of the month following the expiration of the 60-day period. You will then be required to wait until the next open enrollment period to re-enroll your dependent and submit the copy of the certified certificate.

Q: How do I add my domestic partner to my medical and/or dental plans?

A: First request an affidavit to add your domestic partner by calling:

Active Members: the City Employee Benefits Department at (213) 978-1640

Retired Members: the Pension Department at (213) 978-4529

Next, call LAPRA to request the necessary medical and dental enrollment forms. Please be aware that even though you may complete an affidavit, addition of your domestic partner to your medical and dental plans is not automatic. You also need to make sure that the plan enrollment forms are completed and mailed to LAPRA.

Q: How will I know my dependent has been added to my coverage?

A: Once LAPRA receives your completed forms and any required documentation, you will receive a confirmation letter advising you of the name of the dependent that was added and the effective date. If you do not receive a confirmation letter,



please call our office to inform a benefits representative at (213) 674-3701 or (888) 252-7721.

Q: Do I have to cancel my cash-in-lieu benefits if I enroll in a LAPRA medical plan?

A: Yes. If you enroll in a LAPRA medical plan, you will need to contact the City Personnel Department at (213) 978-1584 to cancel your cash-in-lieu benefits. You will not be able to get on payroll for your medical benefits until the cash-in-lieu is canceled.

Q: What happens to my medical plan if I move out of state?

A: Your PPO medical plan is the same regardless of the state in which you reside. If you are covered by the Blue Cross CaliforniaCare HMO or Kaiser HMO, you will need to change to the PPO plan.

Q: Under the Blue Cross CaliforniaCare HMO plan, can I see any specialist I want?

A: No. Your primary care physician will make the decision whether to refer you to a specialist and who that specialist will be.

Q: When does my Blue Cross PPO deductible start?

A: The Blue Cross PPO plan has a calendar year deductible (January 1 through December 31). Even though you may enroll in the plan July 1, the deductible starts over again in January. Any covered expense applied to your calendar year deductible during the last quarter of the calendar year (October 1 through December 31) will also be applied toward your calendar year deductible for the next year.

Q: Can I change my medical plan election after the open enrollment period has closed?

A: No. If your change is received by LAPRA and is postmarked after May 31, 2014 (the last day of the open enrollment period), it will not be processed and you will have to wait until the 2015 open enrollment period to make your change.

Q: What if I enroll in the Anthem CaliforniaCare HMO medical plan or the Anthem HMO dental plan and don't indicate a medical group or a dental office number on the enrollment form?

A: If you do not list a medical group or dental office number on your enrollment form, Anthem will automatically assign you to one within 30 miles from your home address. If you're not satisfied with Anthem Blue Cross' selection, you should call Anthem Blue Cross Customer Service at (800) 289-2250 to request a medical group change or dental office change.

Q: If I change my Blue Cross plan from the PPO to the CaliforniaCare HMO, can I keep my same primary care doctor?

A: Only if your doctor is your primary care doctor under the medical group you select when you enroll in the HMO.

Q: What is the "Plus" portion of the Blue Cross CaliforniaCare HMO plan?

A: Under the "Plus" benefits, you have the option to choose providers outside the CaliforniaCare HMO network for certain outpatient services and still receive limited benefits for those services. See the Blue Cross CaliforniaCare Evidence of Coverage booklet for details, or call a LAPRA benefits representative.

Q: I have a child who is under age 26 and not a full-time student. May I add my child to my LAPRA plans?

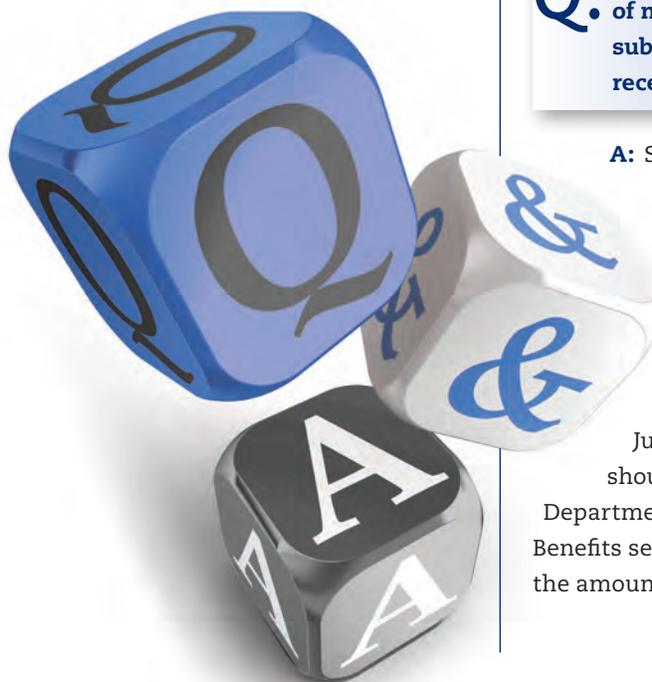
A: Yes. You may add your child to your LAPRA medical and dental plans provided you complete the required enrollment forms during the open enrollment period. Coverage may continue until your child turns age 26.

Q: If my spouse or domestic partner is a sworn active or retired LAPD officer, may we both enroll in the same medical and dental plans and have dual coverage?

A: No. You are eligible to enroll for coverage as either a member or as a dependent, but not both. Your children may be covered as the family members of either you or your spouse, but not both.

Q: How will I know the amount of my new retiree medical subsidy and when will I start receiving it?

A: Subsidy changes for Medicare eligible retirees are made effective January 1st of each year. Subsidy changes for non-Medicare eligible retirees are made effective July 1st of each year. You should call the Pension Department Medical and Dental Benefits section at (213) 978-4560 for the amount of your new subsidy. ■



Los Angeles Police Relief Assistance Foundation Update

The Los Angeles Police Relief and Assistance Foundation (LAPRAF) was formed to provide financial assistance and other support to active and retired officers and their families who find themselves in dire financial circumstances. The foundation was established in 2007 from donations of dollars and securities from individuals and officers.

Since 2007, LAPRAF has helped a number of members and their families with financial assistance resulting from the death or serious illness or injury of an officer or family member.

For the foundation to thrive and reach its full potential, we are reaching out to our members for



their support. Here are some ways you can make a donation:

- **NEW – Retired members can now contribute a small ongoing amount through charity deductions on their retiree pension checks.**
- Active members can contribute a small ongoing amount through charity deductions on their paycheck.

- Make a tax-deductible direct donation to the foundation.
- Through estate planning, add the foundation as a beneficiary to your trust or will.
- Reach out to your contacts who have the means and the desire to offer financial support to the foundation.

We encourage all active and retired members to consider making a donation to this worthwhile cause and help the foundation take care of its own. For more information on how you can make a donation, please call (213) 674-3724. ■

LAPRAF 2014 Scholarship Program Now Accepting Applications

The Los Angeles Police Relief and Assistance Foundation (LAPRAF) is now accepting applications for the 2014 scholarship program. LAPRAF will be awarding four \$10,000 academic scholarships to graduating

seniors for the 2014 fall school term. The scholarships are distributed over four years awarding \$2,500 per year.

Eligibility Requirements

To be eligible for a 2014 scholarship, a student must:

- Be a high school senior at the time of application.
- Have at least a 2.5 GPA in high school.
- Have a parent or legal guardian who is a member of the Los Angeles Police Relief Association.
- Submit a 2014 Scholarship Program Application and a school transcript by June 16, 2014.

A 2014 Scholarship Program Application can be downloaded from the LAPRA website at www.LAPRA.org or can be picked up at the LAPRA office at 600 N. Grand Ave., Los Angeles, CA 90012.

A completed application and school transcript must be submitted to LAPRA by June 16, 2014 via FAX at (213) 674-3715 or dropped off at the LAPRA office. Applications submitted without a school transcript will not be considered.

If you have questions regarding the 2014 scholarship program, please contact Paul Enox at (310) 989-2456 or Lieutenant Ruby Malachi at (213) 216-3973. ■





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Medical & Dental Plans Open Enrollment Coming in May

This year's open enrollment period for the medical and dental plans offered by LAPRA is May 1 through May 31, 2014. This is the annual period when members can change medical and/or dental plans, and add or delete eligible dependents. See pages 3 and 4 for questions and answers about Open Enrollment.

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