



# **Separation Incentive Program Informational Overview**

May 5, 2020

# **Table of Contents**

## **I. Eligibility for Separation Incentive Program**

1. Eligibility
2. Definition of the Separation Incentive Program
3. How to Initiate the Process
4. Time Limitations for Applicants to Accept the Separation Incentive Program
5. Separation Incentive Program Example
6. Benefits
7. Distribution of Payments
8. Tax Considerations

## **II. Retirement**

1. Separation Incentive Program Agreement
2. LACERS Tier 1 Retirement Eligibility
3. Retirement Process
4. Retirement Options
5. Health and Dental Care Coverage

## **III. Frequently Asked Questions and Answers**

1. Program Participation
2. Reemployment
3. Separation Incentive Program Payment
4. Benefits
5. City Assistance and Service
6. Important Phone Numbers

## **IV. Appendices**

1. Appendix A – Employee Agreement
2. Appendix B – Application for Service Retirement
3. Appendix C – Letter to Rescind Participation
4. Appendix D – LACERS Retiree Health Plan Information
5. Appendix E – Deferred Compensation Overview
6. Appendix F – LACERS Required Documents

## **I. ELIGIBILITY FOR THE SEPARATION INCENTIVE PROGRAM**

### **1. Eligibility**

The Separation Incentive Program (SIP) will provide cash payment for Los Angeles World Airports (LAWA) employees who choose to voluntarily retire from the City of Los Angeles (City). This program is available to all LAWA employees who have been in an active pay status for twelve (12) consecutive months and are eligible for a normal retirement effective by July 1, 2020. Normal retirement eligibility effective by July 1, 2020 shall be confirmed by the Los Angeles City Employees' Retirement System (LACERS) or the Los Angeles Fire and Police Pensions (LAFPP).

The SIP will have a single application period taking place from May 15, 2020 to June 15, 2020. It is contemplated that employees who accept the SIP will start departing City service as soon as practicable after June 15, 2020. The final retirement date will be determined by LACERS management.

To help you plan for possible retirement, it is suggested that you view the two-part video, Tier 1 Planning for Retirement Seminar, which can be found on the LACERS' website at [lacers.org/view-tier-1-seminar](http://lacers.org/view-tier-1-seminar).

### **2. Definition of the Separation Incentive Program**

The Separation Incentive Program provides a lump-sum payment for eligible employees who choose to voluntarily retire from City service.

The Separation Incentive Program is:

- $\$7,500 + (2.0\% \times \text{Years of Service} \times \text{Annual Salary})$  with a maximum payout of \$80,000

### **3. How to Initiate the Process**

To take advantage of the SIP, employees must sign the Employee Agreement (Appendix A) **and** the Application for Service Retirement (Appendix B) and submit the forms during the May 15, 2020 through June 15, 2020 application period. Completed forms must be submitted to LAWA's Human Resources Division, Attn: Paula Adams, Director of Airports Administration, at [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org). [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org) is the sole LAWA email address to be used for this program. For those that do not have access to email, you may drop the completed forms off every Monday – Friday from 9:00AM to 1:00PM at the Human Resources Division's front counter located in Admin West, 7301 World Way West, 5<sup>th</sup> Floor.

### **4. Time Limitations for SIP Applicants**

If an employee applies for the SIP benefit, he/she must sign the Employee Agreement (Appendix A) **and** the Application for Service Retirement (Appendix B) and submit the forms during the application period of May 15, 2020 through June 15, 2020. The deadline time for SIP filing is at 3:00 PM on June 15, 2020. LAWA Human Resources will respond to all electronic paperwork submissions with an email receipt to verify the date and time the paperwork was received. All in-person paperwork submissions will be date and time stamped upon receipt.

Employees have seven (7) calendar days from the time/date stamp on their submission of the SIP Application to rescind the Employee Agreement and withdraw their Application for Service Retirement with the last date being June 22, 2020 at 3:00PM. Employees making the decision to rescind and withdraw their SIP applications have the responsibility to do so with LAWA's Human Resources Division, Attn: Paula Adams, Director of Airports Administration, by submitting a Letter to Rescind Participation (Appendix C) to [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org). For those that do not have access to email, you may drop the form off every Monday – Friday from 9:00AM to 1:00PM at the Human Resources Division's front counter located in Admin West, 7301 World Way West, 5<sup>th</sup> Floor. LAWA Human Resources will respond to all electronic paperwork submissions with an email receipt to verify the date and time the paperwork was received. All in-person paperwork submissions will be date and time stamped upon receipt.

The SIP Employee Agreement (Appendix A) states that if an employee is re-employed by the City within three years from the date of separation, he/she must pay back the SIP amount. Any retiree who becomes employed by, or receives a personal services contract from, any City agency, including proprietary departments within 12 months (i.e. 365 days) of the termination date, shall return the full amount. An employee, who returns to City service between 12 months and one day (i.e. 366 days) and 36 months (i.e. 1,095 days) of the retirement date, shall return a prorated amount. However, the City is not obligated to accept the return of individuals willing to repay their SIP amount.

**5. Separation Incentive Program Example**

Employee Age: 55  
Years of Service: 31  
Annual Salary: \$55,000

SIP Offer = \$7,500 + (2.0% x Years of Service x Annual Salary)

Calculation based on this information: (2.0% x 31 years x 55,000) = \$ 34,100  
+ \$ 7,500  
\$ 41,600

This hypothetical employee's SIP would amount to **\$41,600.00**

**6. Benefits**

If an employee chooses to retire with the SIP, all existing Los Angeles City Employees' Retirement System (LACERS) or Los Angeles Fire & Police Pensions (LAFPP) benefits and limitations will apply, including health and dental benefits.

Retiree cost for health care may vary depending on the plan selected and the number of dependents covered. The current maximum subsidy the City pays for retiree health care is \$1,790.80 per month. However, the amount of an employee's individual subsidy is based on his/her years of service. For more information about retiree health and dental benefits, please see Appendix D.

Any Deferred Compensation Plan benefits, if applicable, should be computed based on the employee's individual account. In addition, employees may choose to roll their SIP lump-sum payment into their Deferred Compensation Plan, **but**

there are certain limitations and contribution thresholds that must be met. For more information regarding Deferred Compensation, please see Appendix E.

## **7. Distribution of Payments**

**SIP Payment:** If an employee is granted an SIP package, he/she will receive a lump-sum SIP payment approximately six to eight weeks after retiring from City service. The lump-sum payments will be paid through the City's regular payroll process with all required tax withholdings calculated by the Controller's Office. LAWA does not have any role in calculating or determining tax requirements of the lump-sum payment. Employees who opt in to the SIP package are solely liable for all tax consequences and may consult a tax consultant, as noted below.

**Vacation and Sick Leave Payment:** Employees will be paid for the balance of any unused vacation upon separation from the City through the City's regular payroll process. Employees who retire will also be paid half of their accumulated 100% sick leave and half of their accumulated 50% sick leave (there is no payment of 75% accrued sick leave) in accordance with their MOU and the Los Angeles Administrative Code Section 4.196 (b).

## **8. Tax Considerations**

Employee's SIP payment is taxable in the calendar year in which it is paid to them and is subject to withholding taxes. If employees began working at the City after April 1986, they are also subject to Federal Medicare Part A.

Since the tax consequences of accepting the SIP vary with each individual, employees are encouraged to consult with their tax advisor or financial planner for the specific impact on their situation.

# **II. RETIREMENT**

## **1. Separation Incentive Program Employee Agreement**

If an employee chooses to retire from the City and take advantage of the SIP offer, he/she must complete, sign and submit the following forms:

- SIP Employee Agreement (Appendix A)
- Application for Service Retirement (Appendix B)

Completed forms must be submitted to LAWA's Human Resources Division, Attn: Paula Adams, Director of Airports Administration, at [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org). [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org) is the sole LAWA email address to be used for this program. For those that do not have access to email, you may drop the completed forms off every Monday – Friday from 9:00AM to 1:00PM at the Human Resources Division's front counter located in Admin West, 7301 World Way West, 5<sup>th</sup> Floor.

All forms must be filed during the SIP Application period of May 15, 2020 through June 15, 2020. The deadline time for SIP filing is at 3:00PM on June 15, 2020. LAWA Human Resources will respond to all electronic paperwork submissions with an email receipt to verify the date and time the paperwork was received. All in-person paperwork submissions will be date and time stamped upon receipt.

It is contemplated that employees who accept the SIP will start departing City service as soon as practicable after June 15, 2020. The final retirement date will be determined by LACERS management.

Employees have seven (7) calendar days from the time/date stamp on their submission of the SIP Application to rescind the Employee Agreement and withdraw their Application for Service Retirement with the last date being June 22, 2020 at 3:00PM. Employees making the decision to rescind and withdraw their SIP applications have the responsibility to do so with LAWA's Human Resources Division, Attn: Paula Adams, Director of Airports Administration, by submitting a Letter to Rescind Participation (Appendix C) to [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org). For those that do not have access to email, you may drop the form off every Monday – Friday from 9:00AM to 1:00PM at the Human Resources Division's front counter located in Admin West, 7301 World Way West, 5<sup>th</sup> Floor. LAWA Human Resources will respond to all electronic paperwork submissions with an email receipt to verify the date and time the paperwork was received. All in-person paperwork submissions will be date and time stamped upon receipt.

If an employee's SIP application is approved by LAWA, the Human Resources Division will notify the employee about whether the application has been approved after 30 days of receipt. After that time, **all decisions will be final**.

The SIP Employee Agreement (Appendix A) states that if an employee is re-employed by the City within three years from the date of separation, he/she must pay back the SIP amount. Any retiree who becomes employed by, or receives a personal services contract from, any City agency, including proprietary departments within 12 months (i.e. 365 days) of the termination date, shall return the full amount. An employee who returns to City service between 12 months and one day (i.e. 366 days) and 36 months (i.e. 1,095 days) of the termination date, shall return a prorated amount. However, the City is not obligated to accept the return of individuals willing to repay their SIP amount.

The City may waive this repayment provision for employees whose services are needed to respond to a local emergency (as defined in City of Los Angeles Charter under Article 3, Section 8.30) declared by the Mayor and approved by the City Council. These waivers are at the sole discretion of the City Administrative Officer as to the number of classifications and individuals needed.

## **2. LACERS Tier 1 Retirement Eligibility**

Los Angeles City Employees' Retirement System (LACERS) members who choose to retire must meet one of the following requirements to be eligible for Normal Retirement:

- 70 years of age or older, regardless of length of City Service
- 60 years of age or older, with at least 10 years of Continuous Service
- 55 years of age or older, with at least 30 years of City Service
- For part-time employees, age 60 or older and first date of membership was 10 years prior

### **3. Retirement Process**

All applications for Service Retirement which are received by LAWA will be forwarded to LACERS for necessary processing.

There are also several required documents that will need to be presented to LACERS when an employee signs his/her final retirement papers. It is suggested that employees begin gathering these documents now in preparation of meeting with LACERS. For a list of required documents, please refer to Appendix F.

Failure to timely submit to LACERS any required documents that are needed to process a retirement package will cause employees to forfeit their ability to receive the SIP.

### **4. Retirement Options**

Employees will receive an information/estimate letter from LACERS that will include options and the estimated monthly retirement allowance applicable for each option. In addition, employees are able to access their estimated benefit statement at any time by logging in to their LACERS account at [mylacers.lacers.org](http://mylacers.lacers.org). Lastly, employees will be able to discuss their specific retirement options with a LACERS counselor before completion of the retirement process.

Staff of LACERS can discuss the various retirement options available to each employee. LAWA staff will ensure that each employee will have an appointment with a LACERS representative which will be held at LAX.

### **5. Health and Dental Care Coverage**

As a retiree of the City, employees are entitled to enroll in a LACERS or LAFPP health and/or dental plan. The City may subsidize some of the cost of this coverage. The amount of the subsidy varies according to an employee's age and years of service at the time of retirement. Employees must enroll within 60 days of their retirement effective date or wait for the next open enrollment period.

Retirees who have 25 or more years of service and who are at least 55 years of age, or have 30 or more years of service and are at least 50 years of age, are eligible for the maximum retiree subsidy, depending upon their premium cost. The maximum retiree health plan subsidy for contract year 2020 is \$1,790.80 per month. For more information about retiree health and dental benefits, please see Appendix D.

## **III. FREQUENTLY ASKED QUESTIONS AND ANSWERS**

### **1. Program Participation**

- **Do I have to accept the Separation Incentive Program?**

No. The SIP is entirely voluntary.

- **Can I participate in the Separation Incentive Program (SIP) if I am not eligible for normal, unreduced retirement?**

No. Only employees who have been in an active pay status for twelve (12) consecutive months and are eligible for a normal retirement effective by July 1, 2020 can participate in the SIP.

- **How long do I have to decide if I want to take advantage of this offer?**

Employees wishing to participate in the SIP have until 3:00PM on June 15, 2020 to file their application.

- **If I choose to participate in this program now, will I still be able to change my mind later?**

Employees have seven (7) calendar days from the time/date stamp on their submission of the SIP Application to rescind the Employee Agreement and withdraw their Application for Service Retirement with the last date being June 22, 2020 at 3:00PM. Employees making the decision to rescind and withdraw their SIP applications have the responsibility to do so with LAWA's Human Resources Division, Attn: Paula Adams, Director of Airports Administration, by submitting a Letter to Rescind Participation (Appendix C) to [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org). For those that do not have access to email, you may drop the form off every Monday – Friday from 9:00AM to 1:00PM at the Human Resources Division's front counter located in Admin West, 7301 World Way West, 5<sup>th</sup> Floor.

- **If I decide to leave early, can I choose the date of my retirement?**

It is contemplated that employees who accept the SIP will start departing City service as soon as practicable after June 15, 2020. The final retirement date will be determined by LACERS management.

- **I already accepted another job offer and left City service before the LAWA SIP was formally offered. Will there be a "grandfather clause" for employees like me so that we can still take advantage of the SIP?**

No. Only individuals who are currently on the City's payroll will be eligible for the SIP.

## 2. **Re-employment**

- **Is there any chance of returning to work for the City after being granted the SIP?**

Yes. You may return to City service only under City of Los Angeles Charter Section 1164(b) if approved by the Mayor. However, if you return to City service in any class within three years of leaving the City, or you receive a personal services contract from any City agency, including proprietary departments, you must pay back some or the entire SIP amount you received. However, the City is not obligated to accept the return of individuals willing to repay their SIP amount. Re-employment for retired employees can be approved by the Mayor under very limited circumstances.



The City may also waive repayment provision for employees whose services are needed to respond to a local emergency declared by the Mayor and approved by the City Council. These waivers are at the sole discretion of the City Administrative Officer as to the number and classification of individuals needed.

- **If I return to the City within three years, how much will I have to repay?**

You will have to repay the full amount if you return within 12 months (i.e. 365 days) of your separation date. You will repay a pro-rated amount if you return between 12 months and one day (i.e. 366 days) and 36 months (i.e. 1,095 days), depending on how much time has elapsed.

### **3. Separation Incentive Program Payment**

- **Will I be able to reduce the tax impact of my cash incentive by spreading out the payments?**

If an employee is granted an SIP package, he/she will receive a lump-sum SIP payment approximately six to eight weeks after retiring from City service, which will be paid through the City's regular payroll process with all required tax withholdings calculated by the Controller's Office. Employees may choose to roll their SIP lump-sum payment into their Deferred Compensation Plan, **but** there are certain limitations and contribution thresholds that must be met. For more information regarding Deferred Compensation, please see Appendix E.

- **What are the tax consequences of accepting this lump-sum cash payment?**

Since tax consequences vary with each individual, you are encouraged to consult with your tax advisor or financial planner for the specific impact on you.

### **4. Benefits**

- **Will I receive payment for my vacation and sick time?**

You will receive payment for any unused accumulated vacation and/or overtime hours at the time you separate from City service in accordance with City policy and your individual Memorandum of Understanding (MOU) agreement.

You will also receive payment for half of your accumulated 100% sick leave and half of your accumulated 50% sick leave. (Note: there will be no payment of 75% accrued sick leave).

Payment of your vacation, overtime, and sick leave will be made by LAWA approximately six to eight weeks after leaving City service consistent with current Department practice.

- **When will my LAwell Program benefits end?**

If you retire through LACERS using the SIP your LAwell Program benefits will end on the last calendar day of the month in which you retire. Your LAwell Program coverage for your final month of employment is maintained in full provided your City paychecks cover all monthly required benefits deductions. If amounts are owed you will be separately billed for those costs.

## **5. LAWA Assistance and Service**

- **Will the City provide counselors to answer questions to help me decide whether to accept the SIP?**

After speaking with representatives from the appropriate Departments (i.e. LACERS, Personnel Department Employee Benefits Office), any additional questions may be directed to:

- Minerva Gutierrez, Assistant Airport Manager, [mgutierrez@lawa.org](mailto:mgutierrez@lawa.org)
- Jorge Sanchez, Airport Labor Relations Advocate, [jsanchez2@lawa.org](mailto:jsanchez2@lawa.org)
- Rodrix Jennings, Senior Personnel Analyst II, [rjennings@lawa.org](mailto:rjennings@lawa.org)
- Darcy Driscoll, Management Analyst, [ddriscoll@lawa.org](mailto:ddriscoll@lawa.org)

- **If I retire from the City, will I lose my membership in the Los Angeles Federal Credit Union?**

No. You and your family members retain your lifetime membership in the credit union.

- **I have participated in LAWA's Tuition Reimbursement Program. One of the program provisions states that recipients of tuition reimbursement are obligated to repay the Department if they leave City service within two years of receiving this benefit. Will I have to pay LAWA back, if I decide to accept the SIP?**

LAWA will waive the requirement to pay back tuition reimbursement received in the last two years for eligible employees who accept the SIP.

## **6. Important Phone Numbers**

- |   |                |
|---|----------------|
| • Los Angeles City Employees' Retirement System | (800) 779-8328 |
| • Los Angeles Fire & Police Pensions            | (213) 279-3000 |
| • COBRA   | (213) 978-1600 |
| • Deferred Compensation                         | (213) 978-1636 |
| • Employee and Family Assistance Program (EFAP) | (800) 213-5813 |
| • City Employees' Club of California            | (800) 464-0452 |
| • City Employee Benefits Office                 | (213) 978-1655 |
| • Los Angeles Federal Credit Union              | (877) 695-2328 |
| • The Standard Insurance Company                | (800) 368-2859 |



For HR Division Only – Time/Date of Receipt

**Separation Incentive Program (SIP)  
Employee Agreement**

**APPENDIX A**

I, \_\_\_\_\_, Employee # \_\_\_\_\_  
(Print) First Name, Middle Initial, Last Name City Employee Identification Number

am employed as a(n) \_\_\_\_\_  
Civil Service Classification Title

for Los Angeles World Airports, in the \_\_\_\_\_  
Division Name

In exchange for valuable compensation from my employer, the City of Los Angeles (City) as described below, I hereby agree, acknowledge, accept, and promise as follows:

**1. Voluntary Separation**

In exchange for certain compensation described in paragraph 2 below, I agree to accept the terms of the Separation Incentive Program (SIP) and RETIRE from my employment with the City.

My effective date of retirement will be determined by the Los Angeles City Employees' Retirement System (LACERS) or Los Angeles Fire & Police Pensions (LAFPP) and confirmed with Los Angeles World Airports (LAWA). A true and correct copy of the SIP Letter of Agreement has been provided to my union and is an integral part of this Employee Agreement.

**2. Compensation Package**

In exchange for the promise contained in paragraph 1, the City will compensate me with the benefit package described in the attached Letter of Agreement. I acknowledge and agree that any monetary compensation I am to receive will be payable only after the expiration of the "rescission period" described in paragraph 5 below, and after my retirement has become effective. This monetary compensation is not compensation already owed me by the City.

**3. Consideration Period**

I acknowledge that I was given up to twenty (20) calendar days to consider the SIP and this Employee Agreement, and to seek personal, legal and/or professional advice in evaluating them. No one acting on behalf of the City has pressured me in any way to accept or reject this Employee Agreement.

**4. Application and Approval**

By my signature below, I hereby apply for participation in the SIP. I fully understand that this Employee Agreement becomes final and binding only upon specific approval of the LAWA Chief Executive Officer or designee, consistent with the SIP Letter of Agreement approved by my bargaining unit, consistent with my MOU.

## **5. Rescission Period**

I acknowledge and understand that I have seven (7) calendar days from the time/date stamp on my submission of the SIP Application to rescind the Employee Agreement and withdraw my Application for Service Retirement by giving written notice on the prescribed Letter to Rescind Participation form (Appendix C) to LAWA's Human Resources Division, Attn: Paula Adams, Director of Airports Administration. My right to rescind is absolute and requires no explanation or justification on my part. Upon timely submission of written notice of my rescission, my employment status will remain unchanged. If I do not submit a written rescission after seven (7) calendar days from my submission, my retirement date from the City will be determined by the Los Angeles City Employees' Retirement System or the Los Angeles Fire & Police Pensions, and confirmed with LAWA.

## **6. Release and Waiver**

I freely, voluntarily, completely and permanently release the City, its governing bodies, and all officials, employees, agents and any others acting for it, including but not limited to the Board of Airport Commissioners (BOAC), LAWA and its management, (collectively "Releasees"), from all claims resulting from participation in the SIP and this Employee Agreement, including all federal, state, local, administrative, civil service, collective bargaining, and other claims. I agree not to bring any grievance, arbitration, lawsuit or other proceeding against the city of Los Angeles or LAWA and release all claims resulting in any way from the City's offering and my accepting the SIP or entering into this Employee Agreement, and hereby waive any right to contest those claims in any forum. I understand that any action by me in violation of this promise may result in a civil suit against me for breach of this Employee Agreement.

I realize there may be unknown facts or claims which had they been known today, could affect my decision to sign this Employee Agreement. I knowingly and voluntarily waive the provisions of Civil Code Section 1542, and release of the City of Los Angeles, its governing bodies, BOAC, LAWA and management from any unknown claims covered by Section 1542 which states:

*"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."*

This complete release and waiver extends to and is binding upon my heirs, executors, administrators, assigns, and my community estate.

By signing the Employee Agreement to participate in the SIP, I also waive any claim or right I have to challenge the SIP on age discrimination or other grounds under the Age Discrimination in Employment Act (ADEA). Any rights or claims under ADEA, which arise after this Employee Agreement is signed, are not waived.

## **7. Severability**

If any part of this Employee Agreement or its operation is found to be invalid, that finding does not negate any other provision(s) or operation(s) of the Employee Agreement which can be given effect.

## **8. Return to the City**

If, within three years from the date that my retirement becomes effective, I am employed in any capacity by, or receive a personal services contract from any City agency, including proprietary departments, I agree to return the monetary compensation paid by the City under the SIP by:

- A. the full amount, if I return within 12 months (i.e. 365 days) of the separation date; or
- B. a pro-rated amount, if I return after 12 months (i.e. 366 days), but within 36 months (i.e. 1,095 days) of the separation date, based on the time elapsed since the effective date of my resignation, retirement, or separation.

## **9. Entire Agreement**

This Employee Agreement embodies the entire agreement and fully supersedes any prior agreements, discussion, promises or understandings between the Parties pertaining to the SIP or this Employee Agreement. There are no oral side agreements, promises or understandings, and any changes to this Employee Agreement must be in writing and signed by LAWA's Chief Executive Officer or Director of Airports Administration.

## **10. Signature**

I have read, considered and understand the information presented above. I have received and reviewed a true copy of the SIP Letter of Agreement. I also understand my right to consult an attorney prior to signing this Employee Agreement. By my signature below, I enter this Employee Agreement freely, knowingly, voluntarily, and without coercion or duress of any kind.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

## **11. Approval**

The foregoing Employee Agreement to participate in the City's Separation Incentive Program is approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
LAWA Director of Airports Administration





For HR Division Only – Time/Date of Receipt

**Separation Incentive Program  
Application for Service Retirement**

**APPENDIX B**

Attached is the City of Los Angeles Service Retirement Application. If you plan to retire, please fill out the attached form and deliver it along with Appendix A (Employee Agreement) to LAWA Human Resources Division, Attn: Paula Adams, Director of Airports Administration, at [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org). For those that do not have access to email, you may drop the completed forms off every Monday – Friday from 9:00AM to 1:00PM at the Human Resources Division's front counter located in Admin West, 7301 World Way West, 5<sup>th</sup> Floor. LAWA Human Resources will respond to all electronic paperwork submissions with an email receipt to verify the date and time the paperwork was received. All in-person paperwork submissions will be date and time stamped upon receipt.

**Please note that no action will be taken to initiate the retirement process until the following two events have occurred:**

1. A seven-day rescission period has transpired from the receipt of the time/date stamp on your email; and,
2. You receive written confirmation from the LAWA Human Resources Division that your application for a separation package has been approved.

If your application for the SIP is approved, the Human Resources Division will forward the attached Service Retirement Application to the Los Angeles City Employees' Retirement System (LACERS) or Los Angeles Fire & Police Pensions (LAFPP) for processing.

Please be advised that you should not contact LACERS or LAFPP unless you are notified that your application has been approved.

It is contemplated that employees who accept the SIP will start departing City service as soon as practicable after June 15, 2020. The final retirement date will be determined by LACERS management. Employees will be notified of their separation dates by LAWA Human Resources Division based on individual circumstance.







*Securing Your Tomorrows*

**Mailing Address: PO Box 512218, Los Angeles, CA 90051-0218**  
Visit LACERS at 202 W. First Street, Los Angeles, CA 90012-4401  
[www.lacers.org](http://www.lacers.org) | [lacers.services@lacers.org](mailto:lacers.services@lacers.org) | Mail Stop 175  
(800) 779-8328 | TDD (888) 349-3996 | Fax (213) 473-7297

## SERVICE RETIREMENT APPLICATION

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Middle Name

\_\_\_\_\_  
SSN (last 4 digits) and/or Employee ID

\_\_\_\_\_  
Retirement Effective Date

\_\_\_\_\_  
Department/Bureau

\_\_\_\_\_  
Home Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Home Phone Number

\_\_\_\_\_  
Work Phone Number

\_\_\_\_\_  
Cell Phone Number

\_\_\_\_\_  
Email Address

Marital Status: ☐ Married ☐ Divorced ☐ Single ☐ Legally Separated ☐ Widowed

Domestic Partnership: ☐ LACERS Declaration ☐ State Registered

Have you established reciprocity with LACERS? ☐ Yes ☐ No

If yes, name of reciprocal agency: \_\_\_\_\_

For details, please see the LACERS Reciprocity Information Sheet

1. Have you served in the Military? (Active duty, Reserves, etc.) ☐ Yes (From: \_\_\_\_\_ To: \_\_\_\_\_) ☐ No

2. Will you receive a retirement benefit from Labors' International Union of North America (LIUNA) or a Hiring Hall Union plan now or in the future? ☐ Yes ☐ No

If yes, provide the approximate monthly amount \$ \_\_\_\_\_

3. Have you scheduled a retirement counseling appointment? ☐ Yes ☐ No

If no, appointments are highly recommended.

### RETIREMENT FILING PERIOD

Your application for retirement may be filed with LACERS no less than 30 days prior to your retirement date but no more than 60 days prior to your retirement effective date.

### WITHDRAWAL PROCEDURE

Your application for retirement may be withdrawn up to, but no later than midnight the day prior to your retirement effective date. Your signed written notice of withdrawal may be mailed, submitted in person, or faxed, but it must be received by LACERS no later than midnight the day prior to your retirement effective date.

### AMENDMENT

You may amend your application for retirement 30-60 days from the date on which your retirement application was received. Your retirement effective date and amended date must not have passed and your signed amendment must be received by LACERS no later than midnight the day before your retirement effective date.

### COLLECTION OF MISSING

Please be advised the retirement process includes a thorough review of your mandatory contributions to LACERS. If you are missing contributions, the Controller's Office will be notified and will contact you about possible payments.



# SERVICE RETIREMENT APPLICATION

\_\_\_\_\_  
Name

## OTHER IMPORTANT INFORMATION

1. Your retirement is **IRREVOCABLE** upon your retirement effective date. Failure to submit all required documents will not impact the irrevocability of your retirement effective date.
2. Pursuant to Charter Section 1164, as a retired employee, you are ineligible for re-employment with the City.
3. Please be advised that pursuant to Section 72(t) of the Internal Revenue Code, you may be subject to an excise tax penalty should you have a prearranged re-employment agreement with any agency or department of the City prior to age 60; including re-employment under a permitted exception contained in Charter Section 1164.
4. **YOU WILL NOT RECEIVE SERVICE CREDIT** for any **UNCOMPLETED** agreement to purchase prior government service time, purchase unpaid leaves, purchase any workers' compensation time and/or any ongoing administrative disputes. Your purchases must be completed while you are an Active Member of LACERS prior to your retirement effective date. You cannot complete the purchase after your retirement. All uncompleted purchase agreements will receive a proportional service credit. All service purchases must be paid in full prior to your retirement effective date to receive full service credit.
5. If you have reciprocity with another governmental agency you must retire from both the City and the reciprocal agency on the same day. Please see LACERS Reciprocity Information Sheet for more information.
6. Please review the Required Document sheet. Failure to provide the required documents will delay the processing of your retirement application.
7. **SICK AND VACATION PAYOUTS ARE NOT PAID OR PROCESSED BY LACERS.** If you believe you are eligible for a sick and/or vacation payout, please direct all questions regarding these payouts to your employing department.
8. If you have a pending community property division, administrative proceeding, or other legal matters that could impact your retirement benefits, your retirement allowance is subject to change. LACERS reserves the right to make corrections to your retirement allowance upon receipt of any Court Order, or in the event additional information regarding your service credit, final contributions or compensation are received subsequent to your retirement effective date.
9. **EMPLOYEES SEEKING OR IN THE PROCESS OF AN ADMINISTRATIVE PROCEEDING.** Please be advised that if you are or are planning to seek administrative remedy involving your employment, please be advised your retirement may impact that process or proceeding.

## DISCLAIMER

Submission and acceptance of your retirement application is not a confirmation of your eligibility to retire. Your eligibility to retire will be determined upon final review of your City employment records.

\_\_\_\_\_  
Employee Identification Number

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Date

## FOR OFFICE USE ONLY

\_\_\_\_\_  
Counselor and Date

☐ Tier 1   ☐ Tier 3





For HR Division Only – Time/Date of Receipt

**Separation Incentive Program  
Letter to Rescind Participation**

**APPENDIX C**

To: LAWA Human Resources  
Attn: Paula Adams, Director of Airports Administration  
Los Angeles World Airports  
7301 World Way West, 5<sup>th</sup> Floor  
Los Angeles, CA 90045  
Via email at: [LAWASIP@lawa.org](mailto:LAWASIP@lawa.org)

I, \_\_\_\_\_ Employee # \_\_\_\_\_  
(Print) First Name, Middle Initial, Last Name City Employee Identification Number

hereby rescind my voluntary retirement, which I previously tendered on  
\_\_\_\_\_ 2020.

I understand that if this rescission was not made after seven (7) calendar days from the time/date stamp on my submission of the Employee Agreement, then my intention to withdraw from the Separation Incentive Program (SIP) is null and void, and will be rejected on that basis.

I further acknowledge that, by rescinding my original agreement to leave City service, I give up any and all entitlement to any consideration, including monetary consideration, offered under the SIP. I hereby certify I have not received any benefit or consideration of any kind under the SIP.

I understand and acknowledge that this rescission does not in any way limit or otherwise affect the City's rights under the Charter with respect to involuntary layoff.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature





## Separation Incentive Program LACERS Retiree Health Plan Information

---

## APPENDIX D

### Member Subsidy Eligibility

You may be eligible to receive a monthly medical plan premium subsidy from LACERS. A subsidy is a monthly dollar credit applied to the cost of your medical plan premium. The premium is the monthly cost of insurance coverage for a LACERS Retired Member and any dependents.

The LACERS Board determines the maximum monthly subsidy amount that you may receive on an annual basis, pursuant to the authority granted to it in the Los Angeles Administrative Code. Your subsidy amount is based on your **whole** years of Service and Service Credit.

Your subsidy may or may not cover the total cost of your monthly premium. If your subsidy is less than your monthly premium, the balance is deducted from your retirement allowance.

Medical Plan Premium	minus	Subsidy	equals	Retirement Allowance Deduction
-------------------------	-------	---------	--------	--------------------------------------

Your subsidy eligibility is based on your age and your **whole** years of Service. To be eligible for a subsidy, you must:

- Be at least age 55;
- Have a minimum of 10 **whole** years of Service;
- Be enrolled in a LACERS-sponsored medical plan.

### How Your Medical Subsidies Are Calculated

#### For Retired Members Who Are Under Age 65 or Enrolled in Medicare Part B Only

Full-time employees receive 4% of the maximum medical subsidy for each **whole** year of Service Credit (a minimum of 10 **whole** years of Service is required). Any balance of the subsidy not used for your Retired Member coverage may be applied toward the cost of your dependent's medical plan coverage. Any unused subsidy cannot be received as cash compensation.

Part-time employees who have at least 10 **whole** years of Service are eligible to receive 40% of the maximum medical subsidy. For each **whole** year of Service Credit above ten years, you receive an additional 4% of the maximum medical subsidy.

<b>Service Credit</b>	<b>% of Maximum Subsidy</b>
1-10	40%
11	44%
12	48%
13	52%
14	56%
15	60%
16	64%
17	68%
18	72%
19	76%
20	80%
21	84%
22	88%
23	92%
24	96%
25+	100%

For health plan year 2020, the maximum monthly medical subsidy amount for non-Medicare or Medicare Part B only enrollees is \$1,790.80.

#### **For Retired Members Who Are Age 65 or Older with Medicare Parts A and B**

If you are enrolled in Medicare Parts A and B, your maximum monthly subsidy amount will be based on your **whole** years of Service Credit and the one-party premium of the LACERS Senior Plan in which you are enrolled.

<b>Service Credit</b>	<b>% of Maximum Subsidy</b>
1-14	75% of one-party Monthly Premium
15-19	90% of one-party Monthly Premium
20+	100% of one-party Monthly Premium

If you have Medicare Parts A and B, are enrolled in a LACERS Senior Plan, and are covering dependents, the amount of subsidy that will be available for your dependents will be the same as if you were enrolled in the corresponding Under-65 Plan.

#### **How Your Dental Subsidy is Calculated**

Your dental subsidy is calculated the same way as the medical subsidy for Members under age 65 or enrolled in Medicare Part B only (see above). However, the subsidy dollars can only be applied toward the cost of the Member's premium.

For plan year 2020, the maximum monthly dental subsidy is \$14.38 for the DHMO plan and \$44.60 for the PPO plan.



## LACERS Medical Plan Options

The LACERS medical insurance plan options available to you are dependent on your location and Medicare status.

LACERS MEDICAL PLAN OPTIONS		
Residence*	Insurance Plan	Required Medicare Enrollment
CA	Kaiser Permanente HMO	Non-Medicare
CA	Kaiser Permanente Senior Advantage	Medicare Parts A and B, or Medicare Part B Only
CA	Anthem Blue Cross HMO	Non-Medicare or Medicare Part B Only
U.S.A.	Anthem Blue Cross PPO	Non-Medicare or Medicare Part B Only
U.S.A.	Anthem Blue Cross Medicare Supplement	Medicare Parts A and B
CA, NV, AZ	UnitedHealthcare Medicare Advantage	Medicare Parts A and B
CA	SCAN Health Plan	Medicare Parts A and B

\*The insurance plan may be available in a state, but not necessarily in a specific zip code within that state. If you are planning to move outside the United States, we have an Out-of-Country Plan through Anthem Blue Cross PPO.

## LACERS Dental Insurance Plan Options

LACERS dental insurance plans are available throughout the United States:

- DeltaCare USA DHMO
- Delta Dental PPO

## LACERS Vision Insurance

- Anthem Blue View – for Members enrolled in LACERS Anthem Blue Cross, UnitedHealthcare, or SCAN plans.
- Kaiser Permanente provides vision insurance benefits for Members enrolled in LACERS Kaiser Permanente plans.

## Additional Information

For more information about your medical and dental plan premium subsidies, health plan options, and health plan benefits, please review the LACERS 2020 Health Benefits Guide at [www.lacers.org](http://www.lacers.org).

For more information, visit the LACERS website or email [LACERS.health@lacers.org](mailto:LACERS.health@lacers.org). Please indicate in your email that you are a LAWA employee applying to retire under the LAWA SIP.



## Separation Incentive Program Deferred Compensation Overview

---

## APPENDIX E

### LAWA SEPARATION INCENTIVE PROGRAM AND RETIREMENT SAVINGS

The Los Angeles World Airports (LAWA) Separation Incentive Program may present opportunities for retiring employees to boost retirement savings as they separate from service. The purpose of this communication is to provide you with information regarding how to take advantage of these opportunities with the City of Los Angeles Deferred Compensation Plan (DCP).

#### **What is the DCP?**

The DCP is a voluntary tax-advantaged governmental 457(b) plan allowing you to save a portion of your salary now so you can provide income to yourself in retirement. The future retirement income you receive from this plan supplements pension income from the Los Angeles City Employees' Retirement System (LACERS). All LACERS members are eligible to participate.

#### **How can I increase my retirement savings and possibly defer taxes as I'm retiring?**

Retiring employees have three primary means of boosting their retirement savings as they're separating from service:

- Age-50 Contributions - Employees age 50 or older are automatically eligible to contribute up to **\$26,000** in 2020
- Catch-Up Contributions - Employees eligible for "Catch-Up" can contribute up to **\$39,000** in 2020
- Accrued Leave Program - Employees can make contributions out of their **accrued leave** payouts of sick and vacation time up to their applicable annual contribution limit (either \$26,000 or \$39,000)

Age-50 and Catch-Up contributions cannot be combined in the same calendar year, but Accrued Leave can be used in connection with either Age-50 or Catch-Up contributions.

Since the LAWA Separation Incentive Program may result in unexpected additional income in 2020, taking advantage of all of DCP savings opportunities for which you are eligible may provide certain tax advantages. Please consult with a tax advisor for specific guidance regarding your personal tax situation.

#### **Can I make contributions to the DCP out of my separation incentive payment?**

No. Retiring employees may not make deferrals out of their separation incentive payments because those payments are not eligible for post-severance contributions under Internal Revenue Code rules. However, contributions can be made out of normal wages and payouts of accrued vacation, sick, and overtime.

#### **What deadlines should I be aware of for participating in any of these savings options?**

The Internal Revenue Code requires that all contribution amount changes be made no later than the month prior to the month in which the deferral takes place and elections for contributions of

accrued leave no later than the date of separation from service. Please work with a local Retirement Counselor to ensure your deferral changes are executed on time.

## **AGE-50 CONTRIBUTION LIMIT**

### **What is the Age-50 Contribution Limit?**

The Age-50 contribution limit allows those who are age 50 or older to contribute a larger amount than those below age 50. In 2020 the Age-50 contribution limit is \$26,000 (as compared to the contribution limit of \$19,500 for those below age 50).

### **Do I need to enroll to be eligible for the Age-50 contribution limit?**

No special enrollment process is required. Employees who are age 50 or older, or who will be turning age 50 at any point in the calendar year, are automatically eligible to contribute the higher amount applying to that calendar year.

### **How can I increase my retirement savings under the Age-50 contribution limit?**

You can increase your savings by either (a) increasing your bi-weekly contribution amount in between now and the time you retire and/or (b) participating in the City's Accrued Leave Program (see details later).

## **CATCH-UP CONTRIBUTIONS**

### **What is Catch-Up?**

"Catch-Up" refers to Internal Revenue Code provisions permitting participants who are within three calendar years of normal retirement age (meaning retirement without a penalty or actuarial reduction in benefits) to defer up to \$39,000 per year for three consecutive years. You are only eligible for Catch-Up if you under-contributed in prior years of eligibility and have an "unused balance" of contributions. By participating in Catch-Up, you are essentially contributing amounts from your unused balance to the City's DCP as you approach retirement.

### **Do I need to enroll to be eligible for the Catch-Up contribution limit?**

Yes. You must complete a Catch-Up enrollment form with a local counselor (you cannot enroll online or through the DCP call center). The local counselor will verify that you have an unused balance available to you and identify how much you can contribute. The local counselor will also assist you with completing the form to allow you to make your Catch-Up contribution in 2020.

### **What if I'm already enrolled in Catch-Up?**

If you're already enrolled in Catch-Up you won't need to complete a new enrollment process. However, you should still work with a local counselor to take advantage of opportunities provided by the Accrued Leave Program to maximize your contributions in 2020.

### **What if I previously participated in and completed my three years of Catch-Up?**

If you previously completed participation in Catch-Up you are not eligible to do Catch-Up again. However, you are still eligible to contribute up to the Age-50 contribution limit.

## ACCRUED LEAVE PROGRAM

### What is the Accrued Leave Program?

The Accrued Leave Program allows retiring employees to make contributions from their post-severance payouts of unused vacation, sick and/or overtime hours. This payment is referred to as an “accrued leave” payout.

### Do I need to enroll in Accrued Leave in order to make an Accrued Leave contribution?

Yes. You must complete an Accrued Leave enrollment form with a local counselor (you cannot enroll online or through the DCP call center). The local counselor will assist you with determining:

- The annual limit that applies to you for the calendar year of the deferral
- The amount you are eligible to contribute
- The approximate amount of accrued leave you will be receiving
- The date your payout will be received

Your accrued leave election must be made no later than the month prior to the month in which the deferral takes place and no later than the date of separation from service.

### Can I participate in Accrued Leave at the same time I’m enrolled in Catch-Up or making Age 50 contributions?

Yes. Although the Accrued Leave program does not allow contributions in addition to your Catch-Up or Age contribution limit, it allows you to maximize your calendar year savings through either option.

## BEFORE-TAX OR AFTER-TAX (ROTH) CONTRIBUTIONS

### What are my tax-advantaged contribution options?

Your contributions to the DCP can be made on either a Before-Tax or After-Tax (Roth) basis.

- Before-Tax contributions are not considered taxable income in the year contributions are made. However, contributions and any earnings are subject to ordinary income tax when withdrawn from your account.
- After-Tax (Roth) contributions are included in your taxable income in the year contributions are made. Contributions and any earnings are exempt from taxes when withdrawn from your account if they’re taken after a required five-year holding period **and** you are at least age 59½.
- You have the flexibility to contribute either Before-Tax or After-Tax (Roth) dollars, or a combination of both.
- Since the LAWA Separation Incentive Program may result in unexpected additional income in 2020, it is important to choose the savings option that works best for you. Please consult with a tax advisor for specific guidance regarding your personal situation.

## FIRST TIME ENROLLMENTS

### What if I’m not enrolled in the DCP?

It’s not too late to enroll! You can enroll AND take advantage of Catch-Up, Accrued Leave and others savings opportunities at the same time. Local Retirement Counselors can assist you with this.

**Does it make sense to enroll if I can only save a small amount before I retire?**

Yes. Creating an account with the DCP before you retire not only provides you with previously discussed savings and tax opportunities, it may also open up opportunities to consolidate other or future retirement assets into the City's DCP (such as funds in an Individual Retirement Account or another employer's retirement savings program). When you enroll in the DCP you benefit from "strength in numbers" by being part of a large group plan, allowing you access to institutional pricing not typically available to individuals or smaller retirement programs, so that more of your money is working for you instead of going toward fees.

**SUPPORT AND CONTACT INFORMATION****Who do I work with to ask questions or take advantage of these savings options?**

You can work with DCP local Retirement Counselors. They will facilitate all enrollment and contribution questions. Contact information is provided as follows:

Local Counselor Support: 213-978-1601  
LA457/contact-us  
[perdcp@lacity.org](mailto:perdcp@lacity.org)

Visit online: [LA457.com](http://LA457.com)

**How should I prepare for my review with a Retirement Counselor?**

Please have a copy of your paycheck to help estimate your accrued leave and your anticipated date of separation.



## **Separation Incentive Program LACERS Required Documents**

---

## **APPENDIX F**

Below is a list of required documents that will need to be presented to LACERS when an employee signs his/her final retirement papers. It is suggested that employees begin gathering these documents now in preparation of their meeting with LACERS. Failure to timely submit to LACERS any required documents that are needed to process a retirement package will cause employees to forfeit their ability to receive the SIP.

### **Required Documents for EMPLOYEES**

1. W-9 Request for Taxpayer Identification Number and Certification (form provided by LACERS)
2. Proof of Marriage (Marriage License) or State Registered Domestic Partnership
3. Copy of Birth Certificate
4. \*Names, addresses, phone numbers, and Social Security numbers (optional) of all of your living children and parents regardless of age, if applicable.
5. Copies of documents showing termination of any and all prior marriages and domestic partnerships (i.e. Notice of Entry of Judgment, Death Certificate, Termination of Domestic Partnership) or legal separation court documents, if applicable
6. Copy of Medicare card, if applicable
7. Copy of State or Federal issued photo identification (i.e. Driver's License)
8. Affidavit of Identity (form provided by LACERS)

### **Required Documents for SPOUSE**

1. Request for Taxpayer Identification Number and Certification (W-9) (form provided by LACERS)
2. Copy of Birth Certificate
3. \*Information about previous marriage(s) and/or Domestic Partnership(s)
4. Copy of Medicare card, if applicable
5. Copy of State or Federal issued photo identification (i.e. Driver's License)
6. Affidavit of Identity (form provided by LACERS)

### **Required Documents for DOMESTIC PARTNER**

Note: An Affidavit of Domestic Partnership must be on file with the LACERS or a State Registered Domestic Partnership for at least one year prior to the effective date of retirement in order for your domestic partner to receive eligible survivor benefits.

1. W-9 Request for Taxpayer Identification Number and Certification
2. Copy of Birth Certificate
3. \*Information about previous marriage(s) and/or Domestic Partnership(s)
4. Copy of State or Federal issued photo identification (i.e. Driver's License)
5. Copy of your Medicare card, if applicable
6. Affidavit of Identity (form provided by LACERS)

\*This Information may be listed on the Member Information Sheet if you are retiring

Note: All copies must be clear and legible. Otherwise, please provide the original documents, which will be returned at your request.