



LAPRA Treasurer's Report

By Tim McBride

Calendar year 2014 was a year like many others... law enforcement under scrutiny and financial markets sending mixed signals.

The big financial story in 2014 was the decline in the price of gasoline resulting from a decline in the price of oil. This should lead to greater consumer spending in 2015. Some economists see the decline as temporary. Others see it as longer lasting. In 2014 we also saw the re-emergence of the U.S. as a major producer of crude oil averaging 8.4 million barrels a day with shale fracturing (or fracking) as the primary reason for increased production. Lawmakers must still work out a plan for federal fracking regulations to ensure safety in well design, water use, air emissions and other key areas.

Also in 2014, Exchange Traded Funds (ETFs) generally outperformed actively managed mutual funds. ETFs have a passive investment style with most ETFs tracking an index, such as a stock index or bond index. I still believe in actively managed funds as they tend to outperform over time and in bear markets. The introduction of many new ETFs gives investors tremendous flexibility and investment choice. ETFs

trade like stocks and can be purchased and sold as one sector becomes attractive and another less so. In 2014, biotech, health care and the dollar were standouts. Toward the end of the year, gold resurfaced for a short time reversing a long downward trend. Gold and the dollar usually go in opposite directions but the latter part of 2014 saw both going up.

Many economists forecasted rising interest rates in 2014 which did not occur. LAPRA investments have primarily remained on the short and ultra short end of the bond market as have many other investment managers. Hindsight has indicated this was overly cautious.

Forecasts for 2015 are mixed, just as the results were for 2014. There are no shortage of investment opinions, so I'll try to provide a balanced view. Jeff Gundlach, CEO of Double Line and dubbed the new bond king by Barron's magazine, expressed concern with the global situation including the recession in Europe, emerging market concerns, a slowing economy in China and continuing

2014 Investment Scorecard

| Index or Sector | Investment Return |
|------------------------------|-------------------|
| Dow Jones Industrial Average | 7.5% |
| S&P 500 | 11.4% |
| NASDAQ | 13.4% |
| Gold | -1.5% |
| Oil | -45.9% |
| 10 Year Bond | -0.86% |

stagnation of Japan. Gundlach is forecasting a bull market in bonds during 2015, but he does not see equity markets doing much.

In contrast, the noted Wharton School of Business Professor and former teacher of mine, Jeremy Siegel, sees opportunities in equity markets with the Dow going from its current 17,000 to 20,000 in 2015. He believes interest rates will rise slightly with a positive reaction from the markets. The U.S. is in better shape than most countries and he expects slow growth will continue. ■

Make your workouts easier with a free gym membership!

When you sign up for Healthy Lifestyles, you and your adult dependents who are enrolled in a LAPRA medical plan get a free gym membership. Sign up now at MyHealthyLifestyles.com or call 855-817-0647.



LAPRA Executive Director Retires March 31

Since January 2002, Cindy King has served as LAPRA's Executive Director and has announced her plan to retire on March 31, 2015. LAPRA has come a long way over the past 13 years because of Cindy's dedication and passion for the work she did.

Under Cindy's leadership, benefit programs were enhanced and new programs for members were introduced including long-term care insurance, the annual fitness challenge and the new Healthy Lifestyles wellness program. She also cultivated strong working relationships with her colleagues at the City and Pension Department.

Cindy enhanced the level of service our members receive with better training and professional development of LAPRA staff and improved member communications including professional Open Enrollment materials, a new user-friendly LAPRA website and the redesigned Guardian Newsletter.



Cindy's commitment to excellence truly made a lasting impact, and one that has changed LAPRA for the better in so many ways. The Board of Directors and LAPRA staff wish you the very best as you begin your retirement. And remember, this is when the fun begins so toss out the alarm clock and have a blast on your new adventure! ■

Introducing LAPRA's New Executive Director

Starting April 1, 2015, Diane Whisnant will take over as LAPRA's new Executive Director. Diane joined LAPRA in February 2014 as the Assistant Executive Director. She brings significant experience in all aspects of benefits management to her new role at LAPRA. Prior to joining LAPRA, Diane worked as the Manager of Employee Benefits for the J. Paul Getty Trust for 13 years and most recently worked as the Manager of Employee Benefits at Ares Management, LLC.

Diane received her B.A. from California State University and earned a professional designation as a Certified Employee Benefits Specialist (CEBS). She has also completed the majority of coursework to earn a Certified Compensation Professional (CCP) designation. We wish Diane the best of luck in her new position as LAPRA's Executive Director starting April 1.

Important Benefit Reminders

ADDING A NEW DEPENDENT TO YOUR LAPRA COVERAGE: If you are adding a new dependent to your LAPRA medical, dental or vision coverage due to a qualifying event (such as marriage or birth or adoption of a child), you must contact a LAPRA Benefits Representative and complete and return the necessary forms within 31 days of the qualifying event (or 60 days for loss of eligibility for Medi-Cal or Healthy Families Program coverage). If more than 31 days (or 60 days, as applicable) have lapsed since the qualifying event took place, you must wait until the next Open Enrollment to add a dependent to your coverage.

IT IS YOUR RESPONSIBILITY TO NOTIFY LAPRA OF CERTAIN CHANGES: It is your responsibility to promptly notify LAPRA if 1) you have an address change; 2) you are divorced; 3) your domestic partnership is terminated, or 4) your child or children no longer qualify as your dependent(s). LAPRA does not provide coverage for divorced spouses, domestic partners who no longer are your domestic partner, or children who do not qualify as dependents under the plan. Failure to provide timely notice may jeopardize your dependent's eligibility for COBRA continuation coverage.

Note: Domestic partners and children of domestic partners are not eligible for Federal COBRA continuation coverage.

2015 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, 2015. 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 2015 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.

Below are answers to some frequently asked questions about open enrollment and your LAPRA benefits.

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, 2015 (the last day of the open enrollment period), it will not be processed and you will have to wait until the 2016 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. ■



Foundation Happenings

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

Thanks to generous donations from members, spouses of deceased members and a positive investment climate, the Foundation is flourishing. Recently the widow of a deceased LAPD officer made a donation in the amount of \$34,095 through her estate plan in memory of her late husband who served in the LAPD from 1936 to 1956.

Since 2007, the 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. The last crisis donation was given to a retired officer in need several months ago.

For the Foundation to continue to thrive, we are reaching out to our members for their support.

Here are some ways you can make a donation:

- Active members can contribute a small ongoing amount through charity deductions from your paycheck.
- Retired members can contribute a small ongoing amount through charity deductions from your pension check.

- Make a tax-deductible direct donation to the Los Angeles Police Relief and Assistance Foundation.
- Through estate planning, add the Foundation as a beneficiary to your trust or will. Be sure to specify the **Los Angeles Police Relief and Assistance Foundation** as the named beneficiary.
- Reach out to your contacts who have the means and the desire to offer financial support to the Foundation.

For more information on how you can make a donation, please call (213) 674-3724. ■

LAPRAF 2015 Scholarship Program Now Accepting Applications

The Los Angeles Police Relief and Assistance Foundation (LAPRAF) is now accepting applications for the 2015 scholarship program. LAPRAF will be awarding four \$10,000 academic scholarships to graduating

seniors for the 2015 fall school term. The scholarships are distributed over four years awarding \$2,500 per year.

Eligibility Requirements

To be eligible for a 2015 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 2015 Scholarship Program Application and a school transcript by May 15, 2015.

A 2015 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 May 15, 2015 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 2015 scholarship program, please contact Paul Enox at (310) 989-2456, Dana Berns at (818) 832-3712 or Lieutenant Ruby Malachi at (213) 216-3973. ■





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 Los Angeles, California 90012

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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, 2015. 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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