



# WATER AND POWER EMPLOYEES' RETIREMENT PLAN

## Amendments to the Water and Power Employees' Retirement Plan

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Date: August 24, 2023

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The Board of Administration (Retirement Board) of the Water and Power Employees' Retirement Plan (Plan) adopted several amendments to the Plan. To see the amendments in full, the Retirement Board item is available on our website at <https://retirement.ladwp.com>.

The provision for Other Government Service (OGS) purchases for Tier 2 members has changed effective July 1, 2022. With the amendment, OGS contracts have become simpler and will provide you with certainty when you make the important decision to buy OGS time under Tier 2. In the old method, you had to provide us with your retirement date and your spouse's birthdate. We then did a projection on your salary. If your retirement date, marital information, or salary changes at the time of retirement, we would conduct a recalculation of your contract. This is both a burden to you and to us. To know your exact date for a future retirement, possibly 30 years from now, is difficult, if not impossible. To project your salary 30 years out is extremely difficult, and likely, to be incorrect. To be responsible for making up the difference in cost for the contract due to the recalculation is a financial burden to you at retirement. The amendment takes away the feature of recalculating the contract at retirement, and will no longer require you to provide your future retirement date or marital status. In the new method, you will be given a contract estimate with data that you can rely upon, that will not change when you retire.

- For those of you who have waited patiently this past year for your estimate to purchase OGS time, we will proceed with completing your calculations and will contact you in the coming months with your individualized estimate.
- For the approximately 250 of you who have already initiated or completed your OGS contract prior to July 1, 2022, we will be contacting you with a revised calculation so that you may decide to either keep your contract under the old method or change to the new one without the recalculation requirements. **If you decide to change to the new method, you must make your decision no later than September 1, 2024.** Once this date has passed, the amendment will not allow us to change your contract and we will have to use the old method and will recalculate your purchase at retirement.

This is a complicated matter, so we will conduct group meetings for you to ask questions, provide individualized recalculations specific to you, and will meet with you one-on-one to discuss your situation. Please take advantage of the group meetings so that you may

understand the recalculation in general, and to also hear what your peers are asking, to help you make your decision.

More information about the counseling and meetings will come when you receive your individualized letters.

The other amendments adopted by the Retirement Board, include:

- Increase in the **Family Death Benefit (FDB) Allowance** from \$416 to \$937 per month per child, maximum of \$2,187 per family. This amendment is effective October 1, 2022. If you are a full member of the Plan, you are automatically enrolled in this benefit and will not need to do anything.
- Increase in the retirement amount for employees retiring from Permanent Total Disability effective January 1, 2022. Again, if you are a full member of the Plan, you are automatically enrolled in this benefit and will not need to do anything.

If you have any questions regarding the amendments, please email us at [retire@ladwp.com](mailto:retire@ladwp.com), or visit us in the John Ferraro Building, Room 357, Monday through Thursday from 7:00 am to 3:00 pm. We are open for in-person service.

A handwritten signature in blue ink, consisting of the letters 'L' and 'Le' written in a cursive style.

Linda P. Le  
Retirement Plan Manager