



# DIGEST

## From The Editor

By CHARLES R. STEAKLEY

I have received a number of calls asking if the County intends to retract its withdrawal from Social Security on December 31, 1982.

The County intends to withdraw on that date, and is meeting and conferring with employee representatives regarding the "impact" of withdrawal. Fact finding before the Employee Relations Commission was concluded on November 22, 1982. We are awaiting the recommendations of the Fact Finder but the County intends to withdraw as scheduled.

After attending the last two fact finding sessions, it is difficult for me to understand what possible objection employee representatives could have to withdrawal. Representatives from other public jurisdictions which have withdrawn from Social Security testified that their employees were overwhelmingly in favor of withdrawal and that they had received no complaints from employees since withdrawing.

Particularly impressive was the testimony of Dr. Michael Boskin, Professor of Economics at Stanford University and head of the Institute for Economic Studies. Dr. Boskin is one of the nation's foremost authorities on Social Security. He projected a short term deficit of \$100 billion to \$200 billion if

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## LABOR AND MANAGEMENT UNITED IN CHARITABLE GIVING DRIVE



*Linda Crismond, County librarian receives Department of Distinction Award from Supervisor Schabarum at Charitable Giving Awards Program.*

The second annual Los Angeles County Charitable Giving Awards Program was held in the Hall of Administration on November 23.

Local labor leaders joined County management, the Board of Supervisors, United Way/AID, and Brotherhood Crusade in presenting awards to outstanding County departments for the County's 1982 Charitable Giving Drive. Supervisor Pete Schabarum called the concerted effort by management and labor "a truly joint venture" and lauded County employees as "concerned people who care about the needs of their community." Despite a continued re-

duction in work force and the possibility of further layoffs, County employees gave more to charity this year than ever before. The projected annual charity dollars total \$1,670,830 — the largest annual contribution in County history.

One measure of participation is reflected in contributions to United Way/AID. Los Angeles County employees are the third largest giving group of employees to that organization in the public or private sector in the Greater Los Angeles area.

Joe Wetzler, Chairperson, Coalition  
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## EDITORIAL

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the system continues to operate by the present formula.

The long term deficit would be \$1.5 trillion!

Professor Boskin pointed out that there are only two ways to make the present system solvent, by raising contributions and/or cutting benefits. As far as employee contributions are concerned a substantial increase to a maximum of \$2,391 per year is scheduled to take effect January 1, 1983.

But that is not the end of the story. Deductions from employees' pay checks will be more than twice that amount in the next few years. In order to generate more contributions, many leaders in Washington are proposing that more than doubling of the rates take effect on January 1, 1984. The proportion of Social Security recipients to workers paying into that system continues to rise. There are now 3.5 workers for every recipient and it is projected that eventually there will be one recipient for each worker in the system.

This would be frightening enough if present benefits were assured, but they are not. Professor Boskin points out that Congress can change those benefits at any time. Some current proposals are to raise the minimum age for receiving Social Security benefits to 68 and to eliminate cost of living increases.

Compare this scenario with the County's proposed retirement benefits outlined in this issue of the *Digest*. There is no doubt in my mind that the vast majority of County employees will benefit from our withdrawal from Social Security.

## Holiday Cheer For The Disabled

Bring holiday cheer to the many elderly or disabled people cared for by the Los Angeles County Public Guardian. You'll have plenty of help to wrap and distribute gifts, and the smiles and hugs of appreciation you'll get will brighten YOUR holidays. Your holiday visit may be the *only* one for some of these shut-ins!

If you'd like to be a Santa's Helper, jingle the bell of the Public Guardian at (213) 974-0499 or 974-0589, and ask for Joan Vitale.

## LAST COUNTY PROPOSAL ON SOCIAL SECURITY WITHDRAWAL OUTLINED

The following is a summary of Employee Retirement contributions and benefits based upon the County's last proposal regarding Social Security withdrawal.

IF YOU ARE UNDER PLAN A, NON-INTEGRATED (i.e., not under Social Security), there will be no change in your contribution rate. However, the County is seeking the necessary approval from the Internal Revenue Service to make employee contributions under general member Plans A, B, C, and D tax-exempt. As the accompanying charts show, this will result in considerable savings to employees.

The County proposes to increase the County-paid life insurance from \$2,000 to \$10,000 for employees in general member Plans A, B, C, and D effective December 31, 1982.

The existing Plan E Long-Term Disability and Survivor Benefit Plan (LTD Plan) will be extended to employees in general member Plans A, B, C, and D. The extension process will take place on a phased-in basis over the next three or four years. It should be noted that the LTD Plan combines Disability and Survivor benefits into one program. Survivor benefits are provided in the form of lifetime monthly payments equal to 50 percent of the benefits paid to disabled employees. (See Chart II.)

The LTD Plan provides monthly Disability benefits equal to 60 percent of an employee's average base monthly salary during the 12 months preceding disability less specified offsets.

County-paid retiree health insurance premiums shall be a vested right. The County will divert existing retiree health insurance subsidy toward Medi-Care coverage at retiree's option.

IF YOU ARE IN PLAN A, INTEGRATED (i.e., you are under Social Security now), your contribution rate will be the same as that for employees in Plan A, non-integrated. Your changes and benefits will be the same as those in that plan.

IF YOU ARE IN PLAN B, PLAN C or PLAN D, your contributions will be taken at the full "non-integrated" rate. If the cost of living adjustment is raised from 2 percent to 3 percent (see below), you will make an additional small contribution.

The County proposes to raise the cost of living adjustment from 2 percent to 3 percent. With this adjustment,

the benefit changes will be the same as those in Plan A.

IF YOU ARE IN PLAN E, no contributions will be required. However, the County proposes to add a *voluntary* thrift plan to Plan E involving tax-deferred employee contributions with a County match.

## ReadyTeller Open For Business In Mall

Security Pacific Bank has opened a new ReadyTeller self-service banking machine in the Civic Center Mall between the Hall of Administration and the Courthouse.

Bank representatives are available to sign up County employees and demonstrate the operation of the ReadyTeller machine through December 15 between 7:30 a.m. and 4:00 p.m. Any County employee who visits the ReadyTeller will receive a free cup of coffee and the mug it's served in. Employees opening a new checking account of \$300.00 or more will receive their choice of a digital desk clock/calendar or wrist watch.

Security Pacific Bank ReadyTeller offers customers the opportunity to use their Security Pacific Bank Card (ReadyTeller Card, MasterCard, Visa or Check Guarantee Card) along with their personally selected Secret Code to: 1) Withdraw up to \$200 a day in cash from a checking or regular savings account, 2) Make deposits to those same accounts (Security Pacific offers same day credit on deposits made before 6:00 p.m.), 3) Transfer funds between their checking and regular savings accounts and from their credit line to their checking or regular savings. In addition, customers may make cash withdrawals from their credit line, inquire on checking, savings or credit line balances and make credit line or loan payments. Customers can begin using ReadyTeller the same day they open their checking account.

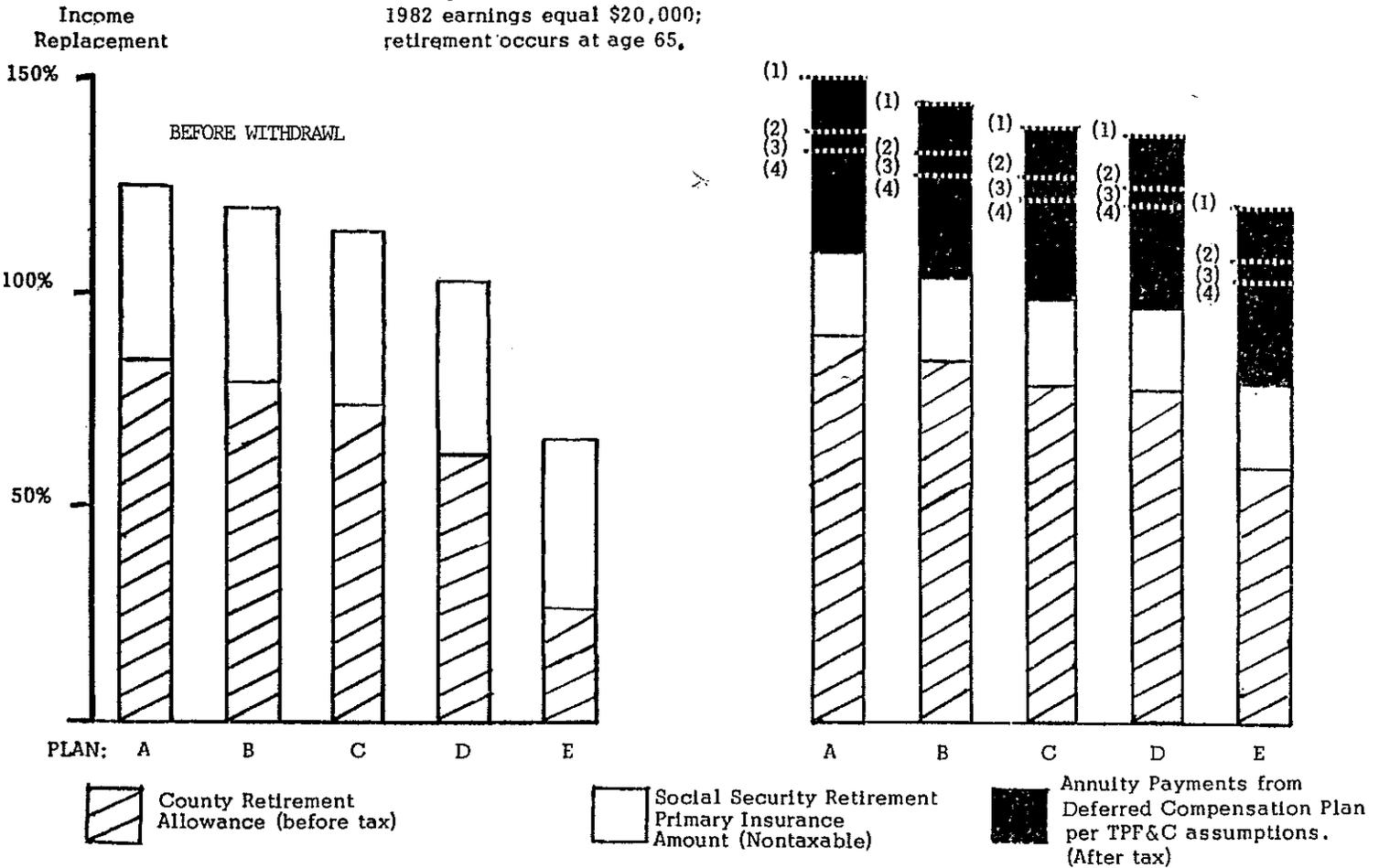
Security Pacific's ReadyTeller network has over 350 locations throughout California available 24 hours a day, 7 days a week.



COUNTY OF LOS ANGELES  
 COMPARISON OF PRE-SOCIAL SECURITY WITHDRAWAL AND  
 POST-SOCIAL SECURITY WITHDRAWAL RETIREMENT BENEFITS  
 (BASED ON COUNTY'S LAST OFFER)

CHART I

Assumptions: "Fully insured" employee  
 age 35 with five years'  
 County service in 1982;  
 1982 earnings equal \$20,000;  
 retirement occurs at age 65,



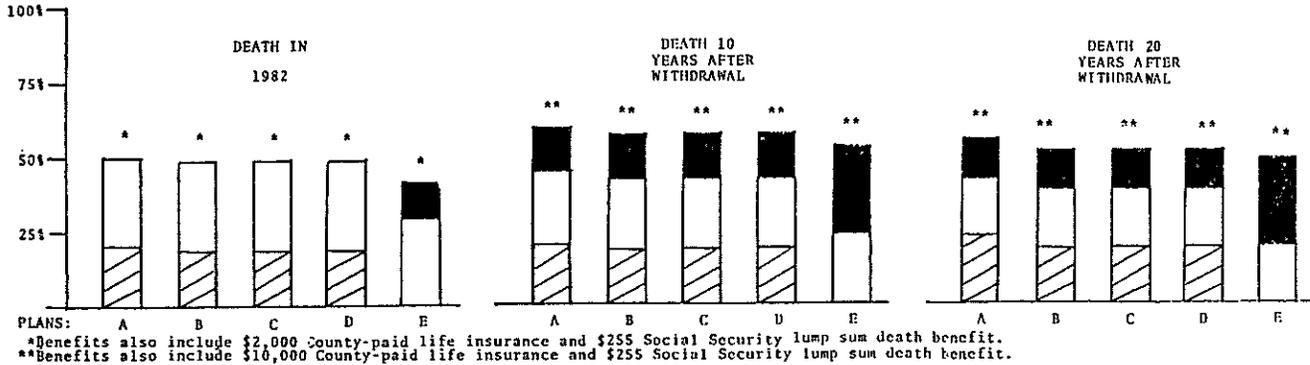
- (1) Life time annuity payments with no cost-of-living adjustments (typically referred to as straight life annuity).
- (2) Life time annuity payments with cost-of-living adjustments based on full movement in Consumer Price Index.
- (3) Life time annuity payments with cost-of-living adjustments based on full movement in Consumer Price Index and 50% continuance to surviving spouse of deceased employee.
- (4) Life time annuity payments with cost-of-living adjustments based on full movement in Consumer Price Index plus 50% added benefit payable to spouse of living employee and 100% continuance to surviving spouse of deceased employee, i.e. annuity arrangement would be similar to design of Social Security retirement benefits.

COUNTY OF LOS ANGELES  
 COMPARISON OF PRE-SOCIAL SECURITY WITHDRAWAL AND  
 POST-SOCIAL SECURITY WITHDRAWAL SURVIVOR BENEFITS  
 (BASED ON COUNTY'S LAST OFFER)

CHART II

ASSUMPTIONS: "Fully insured" employee age 35 with five years' County service as of 1982; 1982 earnings equal \$20,000; employee dies while in active service.

-  "LTD" Survivor Allowance from noncontributory Long-Term Disability and Survivor Benefit Plan. (before tax.)
-  Social Security Survivor Allowance equal to 75% of Primary Insurance amount (nontaxable).
-  County Retirement Survivor Allowance (before tax).



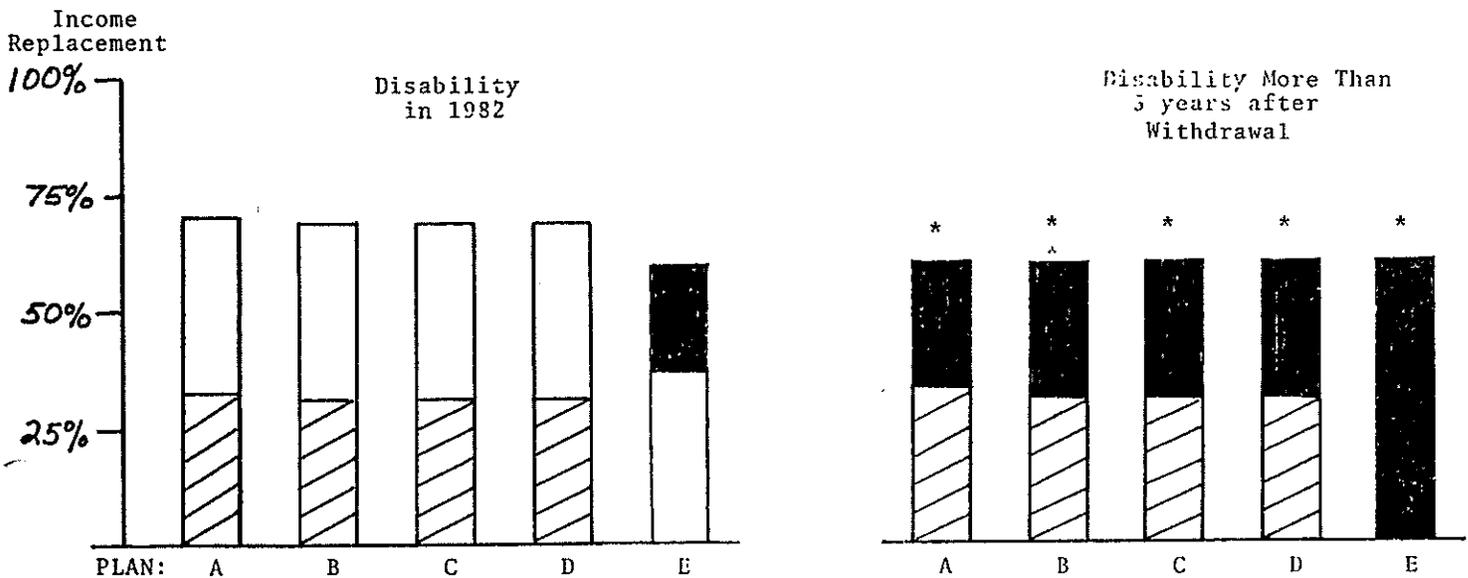
COUNTY OF LOS ANGELES

CHART III

COMPARISON OF PRE-SOCIAL SECURITY WITHDRAWAL AND  
 POST-SOCIAL SECURITY WITHDRAWAL DISABILITY BENEFITS  
 (BASED ON COUNTY'S LAST OFFER)

ASSUMPTIONS: "Disability insured" employee age 35 with five years' County service; earnings equal \$20,000 in year disability occurs.

-  "LTD" Disability Allowance from noncontributory Long-Term Disability & Survivor Benefit Plan (before tax).
-  Social Security Disability Primary Insurance Account (nontaxable).
-  County Disability Retirement (before tax).



\*Excludes Social Security retirement benefits which may begin at age 65 (unless early Social Security retirement is elected). LTD benefits cease at age 65.

## Labor and Management United in Charitable Giving Drive

(Continued from page 1)

of Los Angeles County Unions; John J. Corcoran, President, Los Angeles County Management Council; and Guy Smith, President, Local 660, joined Supervisor Schabarum in presenting departmental achievement awards.

Linda Crismond, County Librarian, accepted the most prestigious award for the Public Library. Entitled "The Department of Distinction Award" it is based not only upon the participation rate, but upon the involvement of the department in taking steps to involve management, labor, and employees in the campaign, as well as creative techniques used by the department to reach its goal.

Five other County departments received awards: Data Processing, Mental Health, Registrar-Recorder, Military and Veterans Affairs, and Treasurer-Tax Collector.

Officials from United Way/AID and Brotherhood Crusade presented special awards to Los Angeles County employees for their contributions.



From left, Supervisor Edelman; Guy Smith, President of Local 660; Linda Crismond, County Librarian; Supervisor Schabarum; Joe Wittzler, Chairperson, Coalition of Los Angeles County Unions; and John Corcoran, President, Los Angeles County Management Council at Awards Ceremony.

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## Children Waiting For Christmas At Adoptions

County of Los Angeles

### DIGEST

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Four-year old August waits for Santa

"It's beginning to look a lot like Christmas at the Los Angeles County Department of Adoptions (CDA)," according to Helen Ramirez, Director.

"We have children of all ages in foster homes and institutions who are in some stage of the adoption process for whom the holiday season would be bleak and meager if it were not for the various groups and individuals who become their Santa Claus until they have permanent families of their own," said Ms. Ramirez.

In spite of the present economy, she is hopeful that these efforts will ensure that the holidays are brightened for every child waiting for a permanent family. For more information regarding the CDA Christmas program for children in need of adoption, phone Doris Atkisson (738-4866), CDA Supervising Child Welfare Worker who is coordinating gift donations for children awaiting adoption.