

MOU 24 Retirement Incentive Pay (RIP) Program Frequently Asked Questions

1. What is the Retirement Incentive Pay (RIP) program?

RIP is a program developed by the City and the Los Angeles Police Protective League (LAPPL) to allow LAPD sworn employees who are retiring or entering DROP to include specified salary increases as part of their pension benefit calculation. Specifically, the RIP is treated like a pensionable bonus equivalent to the base wage increase that the Los Angeles Police Protective League (MOU 24) agreed to be non-pensionable for a period of time.

- **MOU 24** agreed to:
- From July 16, 2023 to June 29, 2024, inclusive, the member shall receive a RIP bonus in the amount of three percent (3%) of the member's base hourly wage as reflected in MOU 24, Appendix B for up to a 12-month period as indicated below. This additional pay shall be treated as an Adds to Rate and shall be pensionable.

Note: RIP will be backdated to July 16, 2023, for members that apply for the RIP by December 2, 2023.

- From June 30, 2024 to June 28, 2025, inclusive, the member shall receive a RIP bonus in the amount of six percent (6%) of the member's base hourly wage as reflected in MOU 24, Appendix C for up to a 12-month period as indicated below. This additional pay shall be treated as an Adds to Rate and shall be pensionable.
- From June 29, 2025 to June 27, 2026, inclusive, the member shall receive a RIP bonus in the amount of nine percent (9%) of the member's base hourly wage as reflected in MOU 24, Appendix D for up to a 12-month period as indicated below. This additional pay shall be treated as an Adds to Rate and shall be pensionable.

The RIP will replace the subsequently scheduled base wage increase during the contract period for employees entering DROP or retiring. On **June 28, 2026**, each of the increases cited above, will become pensionable and RIP will end.

Option 1: A member who qualifies and enrolls in the RIP program Option 1 will remain in the RIP from their effective date through June 27, 2026, AND will notify CAO Employee Relations Division via email at rip.cao@lacity.org of their intention to enter DROP OR take a service pension.

Option 2 or 3: A member who qualifies for and enrolls in the RIP program in either Option 2 or 3 shall be paid for (1) up to a 12-month period or (2) the number of pay periods between the date that they enroll in the RIP and the pay period ending on June 27, 2026, whichever is less. This will ensure that the member receives the maximum final average salary (FAS) that they are entitled to under their pension tier formula. Any interruptions in the final 12-month period can dramatically decrease the members DROP and pension. However, if the member does not enter DROP or receive a service connected pension, they will revert to a non-pensionable bonus unless they reapply for the RIP. Please allow

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at least 30 days from the submission of the application for the processing of the new RIP application.

Note: The effective date of the RIP will be the first full pay period after the application is submitted.

2. Where can I obtain and submit a RIP Application and Agreement?

Please see the link below:

<https://forms.gle/BSmsLEmqj76zQ4Ri9>

3. When can I submit my RIP Application and Agreement?

You can submit your RIP application any time between today and May 16, 2026. (Although the RIP extends to June 27, 2026, your payroll section needs time to process your RIP, which is why the last practical day to submit your application and ensure successful RIP payment is May 16, 2026.)

The sooner you submit your application the better, even if your RIP doesn't start right away. The CAO will determine your RIP effective date (always on the start of a pay period) based on your individual circumstance and communicate to your payroll section when to apply the RIP. **Please do not wait until the pay period that you are asking for the RIP to take effect**; the sooner you apply, the more lead time there will be to ensure that the RIP is properly and effectively applied.

4. Who can answer my questions about the RIP?

Please contact:

- Corina Lee – (213) 792-1089; corinalee@lappl.org
- Jerretta Sandoz – (213) 545-4903; jerrettasandoz@lappl.org
- Debbie Thomas – (424) 653-4433; debbiethomas@lappl.org

Do not call Los Angeles Fire and Police Pensions staff.

5. What happens after I submit my RIP Application and Agreement?

The Personnel Division (PER) will process your RIP application or revocation.

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6. Which RIP option is right for me?

Uncertain DROP/Service Date	Option 1	Option 1 provides you with the maximum flexibility to enter the in the DROP or service pension at your discretion with the highest final average salary (FAS) based on your pension tier formula.
Enter DROP	Option 2	Options 2 and 3 provide you with RIP pay for up to 12 months or 26 pay periods or the time between your application date and May 16, 2026, whichever is less. Under these options the RIP will affect your Final Average Salary (FAS) used to calculate your retirement allowance when you enter the DROP or retire from City employment. You may re-enter the RIP at the conclusion of your current term or revoke at any time.
Service Retirement	Option 3	
Disability Retirement	Option 4	Similar to Options 2 and 3, Option 4 applies if the LAFPP Board of Commissioners grants a disability pension, in which case LAFPP staff will assist with identifying the appropriate RIP pay effective dates that will benefit the employee's FAS calculation. This may mean that the RIP is retroactively applied.

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7. Can I revoke my RIP application after it was submitted?

Yes, you may revoke the RIP by submitting a revocation form at: <https://forms.gle/9PweDXs5UyNs34v97>.

Revocation of the RIP is a significant decision. The member is strongly encouraged to discuss this with the Los Angeles Police Protective League.

If you have any general retirement questions contact Los Angeles Fire and Police Pensions via telephone at (213) 279-3100 or via email at droppsp@lafpp.com prior to making any final decisions.

8. Can I change the DROP entry, or service pension effective date in my RIP application after I submit it?

Yes. You may change your DROP entry or service pension effective date by revoking your previous RIP form and resubmitting a new RIP form with the updated dates.

Option 1 participants do not need to revoke their RIP application, if your DROP entry or service pension effective date changes, please provide your new anticipated date by contacting the Department at LAPD PER at rip@lapd.online.

Note: Be sure to notify all necessary entities. A new RIP = A new FAS time period.

The member is strongly encouraged to discuss this with the Los Angeles Police Protective League.

9. Will the RIP affect me if I plan to apply for a disability pension?

Yes. A disability retirement is treated the same as a normal service retirement where RIP is concerned. However, the disability pension application process can be lengthy and the determination to receive a disability pension is made by the Board of Fire and Police Pension Commissioners. LAFPP staff will work with an employee to identify the appropriate RIP effective date upon approval of a disability pension application. LAFPP staff, the CAO, and LAPD payroll staff are aware that this may result in a retroactive application of the RIP. Please contact the LAFPP Disability Pensions Section at (213) 279-3165 if you have questions.

10. During the RIP time period, I will have a hearing about a disability retirement. Does this type of retirement qualify for the RIP?

Yes. A disability retirement is treated the same as a service retirement where the RIP is concerned.

11. How will my pension contributions be affected?

RIP is pensionable. Therefore, pension contributions will be deducted from your allocated

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RIP bonus.

12. Am I eligible to receive the RIP if I'm out on Workers' Compensation?

Yes, if you're on IOD and collecting a salary through the City's salary continuation. No, if you're collecting the State rate. No distinction is made regarding an employee's status relative to Workers' Compensation.

Note: Be sure to submit a RIP application.

13. What happens if I either enter or don't enter DROP; either retire or don't retire on the date I indicated on my RIP Application and Agreement?

You must immediately notify LAPD PER at rip@lapd.online. They will process your request to cease your pensionable bonus and it will revert to a non-pensionable bonus as outlined in MOU 24.

For example: If this occurs before the 12% base wage increase, scheduled on June 28, 2026, you will receive a bi-weekly, non-pensionable, "Adds to Rate" bonus at the percent determined by the salary schedule in MOU 24, Article 5.1.

14. Who should I call if I'm not getting the RIP on my paycheck and should be OR I am getting the RIP on my paycheck and shouldn't be?

Please contact LAPD PER at rip@lapd.online.

15. How does RIP affect my pension calculation?

RIP will increase your pensionable pay and will be included in your Final Average Salary (FAS) if you receive RIP during your designated FAS period.

16. What is Final Average Salary (FAS)?

FAS means an amount equivalent to a monthly average of salary actually received during any 12 consecutive months of service for Tiers 3, 4 and 5. Tier 6 is calculated on a 24 consecutive months of service. Included in the calculation of Final Average Salary shall be Length of Service Pay, Special Pay, Assignment Pay, Longevity and Hazard Pay.

FAS is based on complete calendar months and the pay received during the Pay Periods with End Dates that fall within each month. For example, the Pay Period End dates for the month of October 2023 include October 7, 2023, and October 21, 2023.

DROP/Service Pensions Section will be able to answer questions regarding FAS. DROP/Service Pensions can be reached at dropsp@lafpp.com, 213-279-3100, or toll-free at (844) 88-LAFPP (52377).

Members can read more about their plan benefits, including Normal Pension Base (Tier 2

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only) or Final Average Salary (Tiers 3 - 6) in the Summary Plan Description (SPD) for their Tier. SPDs can be found at the following link: <https://www.lafpp.com/post/summary-plan-descriptions-spd>.

17. What is an example of a 12-month period for my FAS?

If you are to enter DROP on September 8, 2024, and choose to designate the 12-month FAS period immediately preceding your DROP entry date, your FAS period will be from August 27, 2023 through September 9, 2024. Please note except for disability pensions, all 12-month FAS periods are prospective only.

18. What happens if I incur Lost Service Time in my Final Average Salary for the pay periods I received the RIP?

Your FAS will be reduced in the pay period(s) the Lost Service Time was incurred. If this happens, you may choose a different 12-month period for your FAS. The LAFPP DROP/Service Pensions Section will assist you prior to your DROP entry or retirement in choosing a different 12-month period that will provide your highest FAS.

19. What happens if I pass away while I'm collecting the RIP?

The RIP is treated like any other standard, negotiated, pensionable pay, meaning that it is made part of your regular pay. Therefore, your heirs would not be required to pay it back if you were to pass away before retiring or entering DROP.

20. Are the rules the same as the RIP in 2022 for deferred wages?

No. There are some changes, be sure to read the FAQs closely and contact the LAPPL Representatives listed above if you have any questions. The terms and conditions contained in this RIP agreement supersede any previous RIP agreements made prior to July 16, 2023.

21. What happens when I re-submit a new RIP application?

Any time another application is submitted your 12 months Final Average salary starts over.

22. What is the grace period for members to apply to retroactively start RIP on July 16, 2023?

To apply for RIP with a retroactive start date on July 16, 2023, you must submit your RIP application by December 2, 2023.

23. If I am a participant in the RIP that ended in December 2022, can I participate in the RIP that started on July 16, 2023?

Yes. Participation in the two RIPs are independent. If you exceed your six month grace period under the first RIP, you will be required to repay the money that you were paid under

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the RIP, and in accordance with the original agreement, your RIP pension credit will be reversed. If you do not repay your RIP debt, your wages may be garnished.

24. If I am participating in the original RIP and have an outstanding balance due, can I participate in the new RIP?

Yes, however you must fill out a new RIP application. If you have questions regarding your outstanding balance for the original RIP, please contact the CAO at rip.cao@lacity.org.

25. Who should I call to stop taking out my Pension contributions for the RIP bonus once I enter DROP?

Please contact rip@lapd.online.

26. I am eligible to retire but am not sure when I want to retire. When should I submit a RIP application?

A member who is eligible to retire and not sure when they want to retire should submit a RIP application ASAP so that all bonuses will be pensionable for all three years to be part of finale average salary.

27. Will a member lose 6 months of FAS on the 9% if they turn in a RIP application 3.5 years into the MOU?

No. The 4th year of the MOU is when all bonuses turn pensionable. Under this example the member will continue to receive a 9% RIP bonus for 6 months as part of their FAS and the equivalent of a 12% RIP bonus over the next 6 months.

28. Can I turn in a RIP application once for the entire length of the contract instead of annually?

Yes, a member can turn in a RIP application once (by selecting Option 1) until they either enter DROP, retire, get a disability pension, or the MOU expires.