

At Your Service

January 2018

Orange County Employees Retirement System

Quarterly Newsletter

Do You Have a myOCERS Account Yet?

Register now to access your information online, any time

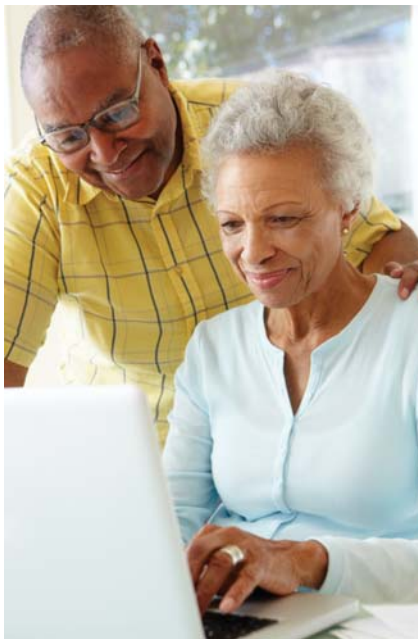
myOCERS is your secure online resource for accessing your personal information from the privacy and comfort of your own home. Once you complete the easy registration process at www.ocers.org, your myOCERS account will be active and you can manage a number of features online. If you have not yet registered, you will need to use your unique "Security PIN" when you register to use your myOCERS account. OCERS' Member Services staff is available to assist you when you log into the portal for the first time.

If you are a payee you will be able to:

1. View your payment history.
2. Update your beneficiary(ies) in some cases.
3. Change your address so OCERS can stay in touch with you.
4. Change your direct deposit account and tax withholding elections (*see article on page 4*).
5. View your annual 1099-R form (*see page 8 of this issue*).

If you are an active or deferred member you will be able to use myOCERS to:

1. Use the Benefit Estimator to calculate your future retirement benefits.



2. Submit your retirement application.
3. Change or update your beneficiary information.
4. View and print your Member Statement.
5. Submit a request to Purchase Service Credit.
6. Deferred members can change their address.

If you have more questions about myOCERS, please call Member Services at (714) 558-6200.



At Your Service



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At Your Service is published for members and retirees of the Orange County Employees Retirement System. Comments and suggestions should be directed to:

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Santa Ana, CA 92701-3161
Telephone: (714) 558-6200
Web site: ocers.org

At Your Service is edited and designed by Robert Kinsler and Jayne Ritchey

Board of Retirement Meetings:

All regular business meetings are held in the OCERS Board Room at 9:00 a.m. (unless otherwise specified)

January 16, 2018	February 20, 2018
March 19, 2018	April 18, 2018
May 14, 2018	June 18, 2018
July 16, 2018	August 20, 2018
October 15, 2018	November 19, 2018
December 17, 2018	

Agendas can be found at www.ocers.org.

This newsletter is intended to provide you with general information. It does not constitute legal advice, and OCERS cannot provide legal advice to members. If there are any discrepancies between the information in this newsletter and the law, the law will prevail. Should you have legal questions, you are advised to consult an attorney.

Your Security; Our Concern

OCERS became aware of a recent scam attempt impacting members of CalPERS in which members were contacted by phone, and told to send money through prepaid credit cards in order to receive their benefit payments.

Scams like this are unfortunately far too common. Please be advised that OCERS will never cold call you to ask that you pay funds over the phone and will never ask you to pay funds via pre-paid credit or reloadable cards.



Telephone scams are not the only method by which criminals attempt to defraud members of their money. The following are common types of email phishing attacks and examples of each:

Basic Phishing: An email seeking to obtain sensitive information such as user names, passwords, and credit card details by masquerading as a trustworthy entity. The email can contain real company graphics and can look like a real company email.

Example: *"Your system password has expired, click on link to reset your password."*

Spear Phishing: Same as phishing, but includes specific information about you, leading you to believe the email is legitimate. Cyber threat actors leverage information about you taken from a third party.

Example: *"Dear [your real name], this is the help desk, your account has been locked, click here to reset access."*

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Disaster Preparedness Includes Direct Deposit

Natural disasters can strike any time.

In December 2017, hundreds of homes were lost and thousands of people were evacuated during massive fires in Los Angeles County and Ventura County. In October 2017, raging wildfires struck in Orange County, while a number of areas in Northern California were also devastated by wildfires. Recent hurricanes in Texas and Florida also disrupted the U.S. Postal Service's ability to deliver mail during disasters.



If there is a disaster that impacts OCERS' operations, members who receive their monthly benefit as a paper check could be impacted and not receive a payment on time. During a disaster, OCERS' staff may be able to process checks but depending on conditions in the community where you live, the post office might not be able to get your check to you.

For the 99 percent of OCERS members who do have direct deposit, they benefit from OCERS' strong business continuity and disaster recovery plan. In the event of a disaster, OCERS has plans in place to ensure your monthly allowance is issued even if our physical location is closed.

For those who still receive paper checks, we strongly encourage you to contact us to set up direct deposit.

It is good to remember that if a major disaster strikes (*such as the recent Canyon Fire 2 in Orange, Tustin and Anaheim, seen in the photos on this page*), it could be several days before vital services are restored. Emergency preparedness experts say you should be ready to be self-sufficient – able to provide for your own shelter, water, food, first aid and sanitation – for at least three days. For more information on disaster preparedness and services available to you during an emergency, visit www.211oc.org.



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and Twitter @myocers



Important Tax Withholding Changes Now in Place

It's that time of year when payees focus their attention on filing tax returns! As part of our ongoing compliance with tax regulations, OCERS wants you to know of important changes in the way we treat tax withholding. Depending on your situation, different tax rules apply.

California State Tax

If you live outside of California: If you are an out-of-state resident, OCERS is not permitted to withhold California state taxes from your benefit. Therefore, any California tax withholding election that was previously in place will be discontinued and California state taxes will not be deducted on your next benefit payment. Please note that any California state tax amounts that were deducted from your benefit during the tax year before you moved will be reported on your 1099-R. No change is made to your federal tax withholding election.

If you moved in to California in 2017: If you have moved back to California, OCERS will not change your current tax withholding election or automatically start California state tax withholding from your benefit. If you wish to begin withholding California state taxes from your benefit, or change an existing election, you must elect or submit a request.

If you receive monthly benefit payments, there are several options if you want to make tax withholding changes:

1. Log into myOCERS, your personalized online account, and update your tax election electronically;
 2. Download a form from the "Forms and Publications" page on the OCERS website;
- or
3. Contact OCERS' office and request that a form be mailed to you.

Tax Reporting

An important thing to remember when you are retired or receiving benefit payments is to always keep your home address up to date with OCERS. Each year OCERS receives many returned tax forms.



Our website has a **Tax Information** page with information about the 1099-R Form and other resources including an easy-to-read guide about your 1099-R Form. There are also links to view 415 Lim-

its and the OCERS' Tax Withholding Election Form.

There are also several links to the IRS website where there is specific information for seniors and retirees. This wealth of information includes a "Tax Scams" and "Consumer Alerts" page with timely safety tips.

OCERS will mail all payees who received any payments in 2017 a 1099-R to their home address on or before January 31, 2018. The 1099-R will also be available to payees who log into their myOCERS account.

OCERS' Outreach Extends Throughout Your Career

By Steve Delaney, Chief Executive Officer

Hello and welcome to 2018!

I am proud to inform members that as of the end of October 2017, OCERS officially became a \$15 billion fund. As of the writing of this column, OCERS' investment portfolio has recorded strong returns for 2017, as well as over the long-term. *Please see the article on page 7 of this edition for an in-depth look at OCERS' investment portfolio.*

And while the financial health of OCERS is essential, customer service and communication is equally important. Whereas most members will see our staff in person around the time of their retirement – be it at our Pre-Retirement Sessions or during a meeting with their retirement program specialist – we also believe it is important to enhance your understanding of retirement matters early in your career. That is why OCERS has continued to make an effort to reach out to members where they work.

Last year, OCERS staff members from our Member Services and Communications departments attended a number of special health and wellness fairs, as well as new employee orientation events.

Here are some highlights of our staff outreach in 2017.

In March 2017, a member of OCERS' staff attended a special four-hour Fire Academy Orientation at Orange County Fire Authority to speak with incoming members about OCERS and its benefits.

OCERS staffed information tables at three Orange County Transportation Authority Wellness Fairs.

An OCERS team attended a day-long event hosted by the Association of Orange County



Sheriffs (AOCDS) in October, meeting with new and veteran Safety Members to discuss retirement issues.

OCERS' largest single outreach occurs at the OCEA Health Fair. This past September, members of our staff met with hundreds of active and retired members, using a tablet to showcase our website Benefits Calculator and other tools.

Members of OCERS' Executive team attended a number of business meetings and informational events hosted by the Retired Association of Orange County (REAOC) to discuss retirement-related issues with payees. At the REAOC Luncheon held in December, several of our staff assisted members to register and use their myOCERS account and to learn more about other online resources.

You can expect to see us at many events again in 2018. We look forward to being here to provide you with answers to your questions and to always offer you quality customer service in your retirement years.

Pre-Retirement Sessions Key to Readiness

Can you afford to retire? This is the first and maybe the most important question you need to answer before deciding to retire. Experts predict that you need approximately 80 percent of your working income to maintain your current standard of living in retirement. According to Brenda Anderson, Associate Vice President of Nationwide Investment Services Corp., out-of-pocket health care expenses during retirement could total \$220,000, on average. Your OCERS defined benefit pension is an important part of the equation of preparing to meet your retirement goals.

You may have other programs to help you achieve financial security, including an optional 457 plan, Social Security and other savings. A successful retirement starts by understanding the benefits you can count on

when you retire. If retirement is in your near future you should plan on attending OCERS' Pre-Retirement Sessions which are designed to help members navigate the choices that impact employees approaching retirement.

The retirement-related sessions are designed to provide a wide-range of information and resources to help any active or deferred member take the necessary steps to make their move into retirement. All sessions will be held at OCERS, 2223 E. Wellington Avenue, Santa Ana.

The upcoming **Pre-Retirement Sessions will be held on January 17 and 31; February 7 and 21; March 7, 14 and 21, 2018.**

Due to limited seating, all attendees must register to attend at www.ocers.org.

Pre-Retirement Sessions Schedule

8 – 9:30 a.m.	Social Security and Medicare session
9:45 – 10 a.m.	Retired Employees Association of Orange County (REAOC) session
10 – 11:30 a.m.	Orange County Employees Retirement System (OCERS) session
12:30 – 1:05 p.m.	County Deferred Compensation Plan (Empower Retirement) session
1:05 – 2:30 p.m.	County of Orange Retiree Medical session

Your Security; Our Concern

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Clone Phishing: Using a previously sent, legitimate email, cyber actors alter small and imperceptible elements of the email and resend it to the victim, prompting the victim to click on links and respond with private information.

Example: *“Your last password request failed, please try again by clicking here.”*

If you suspect that you have received a phishing email, don't click on the link, open the attachment, or respond to the email. Instead, go to the official website to conduct business. Remaining vigilant is the best defense against email phishing and will go a long way in protecting you.

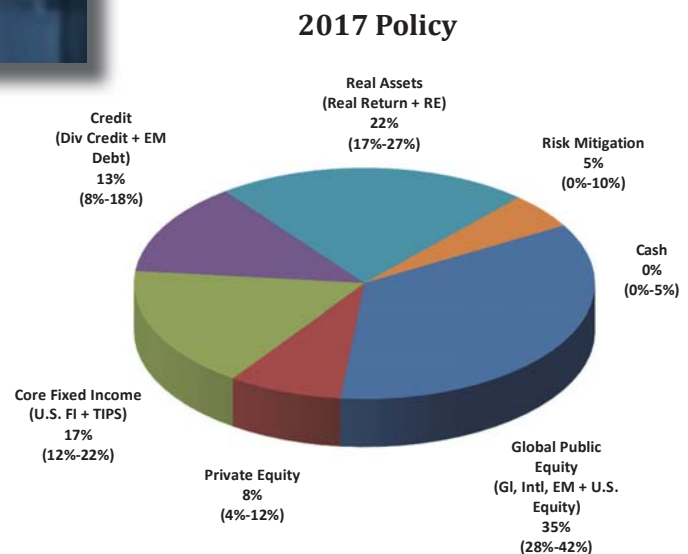
OCERS Reports 12.2 Percent Net Investment Return for First 10 Months of 2017

At the Investment Committee meeting held on November 29, 2017, Chief Investment Officer Molly Murphy reported that OCERS' portfolio was at an all-time high of more than \$15 billion as of October 31, 2017.

That high mark for OCERS' investment portfolio came in the wake of continued short- and long-term performance. While OCERS recorded a 1.2 percent positive gain in the month of October 2017, the fund posted a 12.2 percent (net of fees) investment return for the first 10 months of 2017, with growth being driven by strong performance across all markets. The strongest gains came via OCERS' investments in equity funds. That 12.2 percent gain beat OCERS' policy benchmark for the period (11.2 percent).

The trailing 1-year return of 14.0 percent, 2-year return of 9.5 percent and 7-year return of 7.2 percent as of October 31, 2017 also provided good news for OCERS' members and employers whose contributions are invested in the portfolio used to pay benefits to retirees.

Strong performance over time is the focus of a pension fund like OCERS, so the system's 7.7 percent return for the trailing 15-year span as of October 31, 2017 compares favorably when looking at OCERS' investment assumption rate (which is currently 7 percent).





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1099-R Forms to Be Mailed at End of January 2018

OCERS will mail personalized copies of Internal Revenue Service Form 1099-R to all payees on or before January 31, 2018. The Form 1099-R provides each payee with detailed information on his or her income for the previous year. Payees may also view and print copies of their 2017 1099-R online, effective Thursday, February 1, 2018, by logging into their personalized account on the myOCERS portal.

It is important that you keep OCERS updated with a current address and phone number so you continue to receive important information from us, including your annual 1099-R Form and future issues of *At Your Service* newsletter. If you are an OCERS payee and have recently moved, please make sure to submit an address change using your myOCERS account by Thursday, January 18, 2018 to ensure the timely delivery of your 1099-R form. This will also ensure that your current address is printed on your official 1099-R form.

For more information, visit www.ocers.org.

Coming up in our next issue of
At Your Service...
2018 COLA Update