

At Your Service

October 2018

Orange County Employees Retirement System

Quarterly Newsletter

Public Pensions Are Good For The Economy

As most OCERS members know, public pensions are often portrayed in the media from a negative perspective. However, what is not often included in the discussion is just how much public pensions positively impact the U.S. economy.

According to a recent article published by *PLANSPONSOR* magazine that highlighted recent research provided by the National Conference on Public Employee Retirement Systems (NCPERS), the impact of investment of assets plus spending of pension checks by retirees in 2016 yielded a \$1.3 trillion contribution to the economy and \$277.6 billion to state and local revenues.

In the study titled “Unintended Consequences: How Scaling Back Public Pensions Puts Government Revenues at Risk,” NCPERS found the economy grows by \$1,088 for each \$1,000 of pension fund assets. For high population states such as California, the economic and revenue impact of pension assets generated by systems such as OCERS is particularly significant.

The NCPERS report says: “If these (public) services were privatized, they would cost taxpayers more. The goal of private companies is to make a profit. The goal of a public service is



to ensure the public good.”



Michael Kahn, NCPERS’ research director and author of the study, noted that “The evidence shows that if public pensions did not exist, taxpayers not only wouldn’t save money; they would have to cover a severe annual revenue shortfall.”

Public pensions generate state and local revenues in two ways. First, when retirees spend their pension checks in local economies, the economy grows. Second, when pension funds invest their assets in the economy, the economy grows.

When the economy grows, tax revenues grow and that helps everyone.

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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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Board of Retirement Meetings:

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

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.

General Member Election Is Now Underway

Two candidates will face off this fall to serve a three-year term on the Board of Retirement beginning January 1, 2019.

The incumbent Chris Prevatt is currently serving in the General Member seat, and challenger Artin Baron will be on the ballot.

Ballots were mailed out to all active General Members (the only members allowed to vote in this election) in late September. If you believe you are eligible to vote and didn't receive a ballot, contact the Registrar of Voters at (714) 567-7600.

Completed ballots must be received by the Registrar of Voters Office no later than October 30, 2018 at 9 a.m. to be counted.

The election will be held on October 30, 2018 when all ballots are counted. The Board of Supervisors will then certify the election on December 4.

The winner of the election will take office on January 1, 2019 and will hold his seat for a three-year term that ends on December 31, 2021.

OCERS is administered by the Board of Retirement, a group of ten trustees bound by the County Employees' Retirement Law of 1937. Of the ten members, four are appointed by the County Board of Supervisors; four (including the Safety Member and Alternate Safety Member) are elected by OCERS' active membership. One is elected by the retired membership. The County Treasurer serves as an ex-officio member. Board members serve three-year terms, with the exception of the County Treasurer, who serves during his or her tenure in office.

For more information on the Board of Retirement, please visit OCERS' website.

OCERS Unveils Innovations and Fun at Health Fair

An estimated 3,000 OCERS members attended the annual OCEA Health Fair on September 11.

Held at the headquarters of the Orange County Employees Association, the OCEA Health Fair provided members with the chance to learn more about retirement-related benefits, get health and dental information, and learn more about additional services available to them.

OCERS staffed an information table at the event and welcomed hundreds of members who came by to get a quick retirement estimate – “Know Your Number” – for retirement planning purposes. They also got to look into the future courtesy of several iPads that have a special application that allows people to see themselves at retirement age, and speak with members of the Member Services and Communications departments.

“We really enjoy getting out and meeting members,” said Communications Manager Robert Kinsler. “Many members are so busy they don’t often think about retirement until late in their working career. We really want all of our members to know it’s never too early to begin thinking about the future, and that includes learning more about OCERS and their benefits.”



Member Yolanda Jordan, left, and Retirement Program Specialist Barbara Fields.



Communications Manager Robert Kinsler assisting member “Know Your Number” at OCEA Health Fair.



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Divorce and Your OCERS Retirement

It is important to note that a divorce may impact your OCERS retirement benefit.

Part of your retirement benefit may be community property and subject to division by the Family Court.

Here are answers to questions commonly asked by members who are divorced or in the process of divorce:

Q: What is a Domestic Relations Order?

A: A Domestic Relations Order, or DRO, is a court order that instructs OCERS to pay your former spouse his/her portion of the community property interest in your retirement benefit. You can view a sample DRO online at www.ocers.org under “Forms & Publications.”

Q: Can OCERS give me legal advice on the impact my divorce will have on my retirement benefit?

A: OCERS’ staff will review a draft DRO only to determine that we can administer the terms of the DRO, i.e., that the terms of the DRO do not conflict with the retirement law. However, we cannot give you legal advice concerning your divorce, including community property issues. OCERS strongly encourages you to obtain independent legal advice to deal with the impact a divorce might have on your retirement benefit.

Q: My divorce judgment states that my retirement is my separate property. Do I need a DRO?

A: If your entire retirement benefit is awarded to you as your separate property, a DRO will not be necessary. You should consult with an attorney if you have any concerns over whether your retirement benefit is your separate property.



Q: Do I need to provide my divorce documents to OCERS if my divorce was final prior to my membership in OCERS?

A: Yes, but in that case you only need to provide the notice of entry of judgment (no need for the judgment and its attachment(s).)

Divorce documents should be submitted to OCERS at the earliest possible time prior to your retirement. This will allow sufficient time for you to resolve any existing issues without delaying your retirement.

For those looking for more information, visit OCERS’ website at www.ocers.org. Once at the website, go to the “Forms and Publications” page and view the “How a divorce may impact your OCERS retirement” brochure.

New OCERS Website Coming Soon

OCERS' website is critical to the system's efforts to communicate with members, employers and other stakeholders about benefits, the administration of the plan and investments.

The last significant redesign of the website took place more than a decade ago, and before a world where many members use smart phones, tablets and laptops to access the website.

For the past several years, OCERS has been soliciting input from members, plan sponsors, and staff about features and resources to be included on a new website. Members of OCERS' team have long recognized the importance of bringing the site up-to-date with the latest online technology, a fresh design and powerful content management system that makes it easier to update the site.



OCERS is working closely with Digital Deployment, a noted expert in the design of public agency websites including CalSTRS and a number of California public pension systems.

"We are looking to go live with the new site by early 2019," said Suzanne Jenike, Assistant Chief Executive Officer, External Operations. "Our goal is to help all of our members and other users of the website get the information and resources they're looking for faster and easier. We also want a more appealing look to the site, which will be optimized for mobile devices such as smart phones and tablets."

A much more comprehensive article on the new website and enhanced features will be provided in the January 2019 edition of *At Your Service*.

Important Notice for Retirees from County of Orange

Medicare is a federal health insurance program regulated by the Centers for Medicare and Medicaid Services (CMS). The CMS is taking a step to protect Medicare beneficiaries from identity theft and Medicare fraud by removing Social Security numbers from Medicare cards.

The CMS is assigning all Medicare beneficiaries a Medicare Beneficiary Identifier (MBI) which is a unique number that contains a combination of numbers and uppercase letters.

The CMS started mailing the new cards in April 2018. All Medicare cards containing Social Security numbers are expected to be replaced by April 2019.

If you are a retiree currently enrolled in a

County of Orange Medicare health plan, please provide the County of Orange with your new Medicare card that has your MBI number, so that they can update their records.

You can submit a copy of your new Medicare card using one of the following options:

Online: Log in to the Benefits Center website: <https://countyoforange.iselect.com>. Go to the "Docs" tab and follow the instructions to upload the necessary documents.

Secure Fax: 1-800-803-1636

Mail: County of Orange Benefits Center
3090 Bristol St., Suite 200
Costa Mesa, CA 92626

Pre-Retirement Sessions Key to Readiness

Are you thinking about retirement? Have you thought about all the key elements that are a part of your retirement planning, including calculating your retirement allowance from OCERS, signing up for Social Security and Medicare benefits, and considering how you want to take distributions of your Defined Contribution plan monies?

Your OCERS defined benefit pension is obviously an important part of the equation of preparing to meet your retirement goals, but 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 **Wednesdays, October 17; November 7 and 21; and December 5, 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

Sign Up For Evening OCERS Benefits Seminars

It isn't always easy for members who work during the day to attend OCERS' Pre-Retirement Sessions held during the daytime. OCERS is offering two (2) 90-minute evening presentations focused strictly on OCERS benefits for members who are nearing retirement or are interested in learning more about their benefits but are unable to attend daytime sessions.

The upcoming OCERS presentation will be held at 6 p.m. on October 25 and again on November 28, and will last approximately 60 to 90 minutes depending on the number of questions. *Those attending the daytime Pre-Retirement Sessions do not need to attend this seminar.*

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

Publications Showcase In-depth Look At OCERS

Are you a numbers person? Looking for data about OCERS? Our publications *OCERS by the Numbers* and *The Evolution of OCERS' Unfunded Actuarial Accrued Liability* have it all!

OCERS by the Numbers is issued annually to compliment the *Comprehensive Annual Financial Report* (CAFR) by providing a wealth of information about the retirement system in a way that our members, plan sponsors and the public can easily understand.

Capturing a comprehensive view of OCERS as of December 31, 2017, the 44-page document is anchored by graphs and charts that provide a clear view of OCERS' demographics, benefit payments and diversified investment portfolio.

We have also included data about the geographic location of where OCERS' payees now call home as well as funding sources and fund performance.



Employee Contributions
This is the money active employees pay into the fund for future benefits

Net Investment Income
This includes earnings from stocks, bonds, alternatives, real estate and other investments, minus fees.

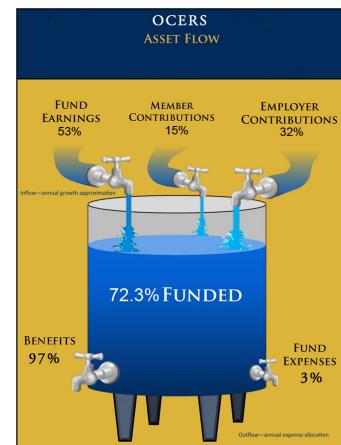
Employer Contributions
This is the money paid to OCERS from employers for pension benefits.

The Evolution of OCERS' Unfunded Actuarial Accrued Liability

For those looking to understand even more about the long-term nature of public plans and how their design allows for the smoothing of the highs and lows of pension costs over an OCERS member's career, OCERS annually publishes *The Evolution of OCERS' Unfunded Actuarial Accrued Liability*.

OCERS understands there is a certain amount of funds needed over time that will be used to pay pensions to current retirees and active members who will retire in the future. This publication is an overview of OCERS' Unfunded Actuarial Accrued Liability (UAAL), the shortfall, as it developed from the year 2000 through 2017.

OCERS uses a combination of investment income, and contributions from members and employers to fund those pension payments. *The Evolution of OCERS' Unfunded Actuarial Accrued Liability* provides an in-depth overview of the drivers and components of OCERS' current UAAL and how it is being addressed by the Board of Retirement.



OCERS by the Numbers can be found on the "Forms and Publications" page whereas *The Evolution of OCERS' UAAL* can be found on the "Finance" page on OCERS' website. The "Finance" page also provides you with access to previous CAFRs and a wide range of other financial documents.



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OCERS Benefit Payment Schedule for 2019

Payment Month	Payment Day	Benefit Payment Date
January	Wednesday	January 2, 2019
February	Friday	February 1, 2019
March	Friday	March 1, 2019
April	Monday	April 1, 2019
May	Wednesday	May 1, 2019
June	Friday	May 31, 2019
July	Monday	July 1, 2019
August	Thursday	August 1, 2019
September	Friday	August 30, 2019
October	Tuesday	October 1, 2019
November	Friday	November 1, 2019
December	Friday	November 29, 2019

Coming up in our next issue of
At Your Service...

2018: Year in Review