

# *At Your* SERVICE

NEWSLETTER FOR MEMBERS OF THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM July 2020

## An Important Message From OCERS' CEO

*By Steve Delaney, Chief Executive Officer*

*A*s I write this, it has been approximately three months since Governor Gavin Newsom issued his first Executive Order in response to the COVID-19 outbreak. OCERS' office has been closed to visitors since that time. Our staff has been working remotely but I want to take this opportunity to share with you – our members and employers – how OCERS has continued to meet its obligations during the pandemic.

We were fortunate that we had the technology and crisis management plans in place that allowed our team to work remotely from the safety of their homes. We have been able to use a new state-of-the-art phone system, video conferencing, as well as tools such as email and the myOCERS member portal to assist you.

Indeed, working remotely has not slowed down our customer service. The months of March and April of every year are OCERS' busiest months as we complete benefit setups for hundreds of retiring members. That was also the case this year: between January 1 and May 25, our Member Services team completed the benefit setups for 675 new retirees (see the article on page 3 of this edition for more information about our service). Moreover, we remain at the ready for other challenges that may be on the horizon.

Of special note to active members nearing retirement we have added new resources on the Pre-Retirement Sessions page on our website ([www.ocers.org/pre-retirement-sessions](http://www.ocers.org/pre-retirement-sessions)). Because our in-person Pre-Retirement Sessions have been cancelled for the immediate future, you will find videos and informational materials from the speakers you would normally listen to in person.

Additionally, our website has a number of wonderful resources and is the gateway to your own myOCERS account. If you are an active member and have not registered to use myOCERS, you should have recently received a letter from OCERS with details on how to register to gain easy access to your myOCERS account. This online tool can be used to view your personalized account 24 hours a day, 7 days a week. You can use the portal to run personalized benefit estimates and even retire online.

We encourage you to call or email our team with questions related to filing a retirement application, your monthly benefit payment, completing a service purchase contract (“buyback”) or other important matters.

We thank you for your service to the citizens of Orange County, and we look forward to continuing to serve you. Good health to us all.

**Find it online!**

Visit the "Latest News" section of our website for updates on OCERS operations during the Coronavirus (COVID-19) outbreak.



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Comments and suggestions should be directed to:  
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Board of Retirement and Committee Meetings  
and Agendas can be found online at  
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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.

# How Market Volatility Impacts OCERS Contribution Rates

Like public pensions around the U.S., OCERS' investment portfolio has been impacted by financial market volatility in the wake of the continuing COVID-19 pandemic. A down market at year end will have an impact on the contribution rates paid by our active members and participating employers. However, because OCERS operates on a calendar year, the markets may rebound by year's end and have a positive impact on rates. OCERS' Board of Retirement will review the 2020 year end returns and set contribution rates for the 2022/2023 Fiscal Year in the spring of 2021.

While any recent investment shortfalls will require increased contributions to make up losses over time, OCERS has already set annual contributions for this fiscal year (July 1, 2020 - June 30, 2021). That means this effect will not be immediate. Additionally, investment gains and losses are smoothed over a five-year period. This produces a smoother pattern of contribution rates for both members and employers.

Of all the assumptions used to estimate the cost of a public pension plan, none has a larger impact than the investment return assumption. This is because, over time, earnings from investments account for about one-half of the revenues required to fund benefits.

The current OCERS assumed rate of return is 7 percent; the Board of Retirement (meeting as the Investment Committee) typically revisits the rate every three years. This rate represents what OCERS' Board of Retirement believes the plan can realistically earn from its investments on an annual basis, when averaged over the long-term.

For more information on contributions and contribution rates, please visit the special area on OCERS' website where you can get specific information that applies to you:  
[www.ocers.org/contributions-and-rates](http://www.ocers.org/contributions-and-rates).

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# OCERS Service Shines During COVID-19 Crisis

In the midst of the continuing COVID-19 pandemic, we have made every effort to provide the best customer service possible despite the most challenging of times. We have been taking action to keep our team safe while assisting OCERS' members with the full range of services they require.

The Member Services department at OCERS continues to successfully complete benefit setups for retiring members. As of May 26, OCERS' team had set up 675 members transitioning into retirement. In recent weeks, many of our members have shared their appreciation for the top-tier service they received during this challenging time.

One member noted their case was particularly complicated because in order for them to complete a service credit purchase, OCERS had to go back into an older microfiche system as well as navigate periods when they were in either a part-time or "extra help" role.

"I recognize that I was relentless but both (OCERS team members who assisted me) were courteous and patient with the numerous emails from me inquir-

ing about the status as well as the process of my request. Moreover, I was in the middle of the service credit purchase when COVID-19 occurred, and everyone began working remotely so this presented additional challenges."

"I recognize and am so appreciative of their outstanding efforts in helping me, and finally, I just looked online and my account has been credited with the service credit. OCERS was the one who gave me the idea, and my specialist has been my go-to person for the last year on almost everything. Her supervisor has been very thorough and responsive in helping me finalize everything."



Another member called and left a message about a Member Services Supervisor, noting how wonderful the customer service was he received. He added how much he appreciated the fact that we are open during these challenging times.

Yet another member said that everyone who works at OCERS are "wonderful people" and he feels "lucky to have such a great pension plan."

In the days and weeks ahead as our community and nation deals with the continuing impact of COVID-19, OCERS is here and will continue to serve our members.

## Benefits Update From County of Orange

The County of Orange has a new Benefits Administrator. Visit their new website My OC Benefits at [mybenefits.ocgov.com](http://mybenefits.ocgov.com). Look for "New User?" to log in for the first time. Access the website through Chrome, Edge or Firefox. Contact the new Benefits Service Center at 1-833-476-2347 between 8 a.m. and 6 p.m. Pacific Time, Monday through Friday. Mark your calendars! October 23 through November 13, 2020 will be Open Enrollment for 2021. If you have moved, notify the Benefits Service Center for the County.



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# Investments Perform Well Under Pressure

*By Molly A. Murphy, Chief Investment Officer*

 CERS ended the first quarter of 2020 down -9.0%. While that loss is significant, OCERS ended the quarter ranked in the top 7% of all U.S. pension plans, proving again that the OCERS portfolio is able to weather the storms that come with investing in global stock and bond markets. Since March 31, the U.S. stock markets have recouped about 50% of their losses and the OCERS portfolio has responded accordingly. In April, the portfolio saw a gain of over 4% and the markets have continued to rally into May.



As markets rally, it is clear that the economy is not nearly as strong with unemployment climbing to levels not seen since the Great Depression. The market will continue to ebb and flow as it digests more information. The OCERS portfolio is resilient and focused on the long-term, and it remains diversified and liquid. It is well positioned to continue to meet the needs of current and future retirees.

**Did you know?**  
 myOCERS provides you access  
 to your personalized account



**You can use myOCERS  
 once you register online**



**Look for a special  
 letter from OCERS to  
 assist you!**