

# At Your Service

Orange County Employees Retirement System

Volume 9 Number 1 Magazine for all Members January 2010



Financial  
Fitness for all

# At Your Service



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At Your Service is published for members and  
retirees of the Orange County Employees  
Retirement System

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

Board of Retirement Meetings:  
All regular business meetings are held in OCERS  
Board Room at 8:30 a.m.

January 19, 2010	February 16, 2010
March 22, 2010	April 19, 2010
May 25, 2010	June 21, 2010
July 19, 2010	August 23, 2010
October 18, 2010	November 22, 2010
	December 20, 2010

## View your Statement today

In an effort to help the environment, reduce the threat of mail fraud and lower costs, OCERS is no longer mailing annual Benefit Statements.



Members can now view and print their Benefit Statement online using the Member Information Center, and can also see their account balance, total service credit, date when eligible to retire and beneficiary information.

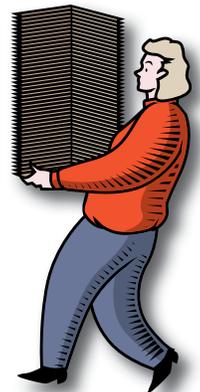
The Member Information Center is secure and easy to use, and is there 7 days a week, 24 hours a day.

More than 7,000 members have created a User Name and Password, and are now able to take advantage of the free and interactive site.

The best way to learn about all the new features is to log on at [www.ocers.org](http://www.ocers.org) and enroll at the Member Information Center today.

## On the move? Please keep your employer and OCERS updated

Is your address within your agency's payroll system correct? Please look at your most recent pay stub to verify that your home address is accurate. To correct your address, contact the Human Resources Specialist or Payroll Representative within your Agency/Department as soon as possible.



If you are a retiree and plan on moving, please make sure to contact OCERS as soon as possible to keep us updated with a current address and phone number so you continue to receive important information from us, including your 1099-R Form in early 2010.

# How the Consumer Price Index impacts your COLA

By Julie Wyne, Assistant Chief Executive Officer, External and Legal Operations

If consumer prices were down over the past year, it is possible that the Cost of Living Adjustment (COLA) granted by OCERS in 2010 could be zero or land in negative territory. Sometime in late January, the U.S. Bureau of Labor is expected to provide the official Consumer Price Index (CPI) for 2009.

OCERS' Board of Retirement sets the COLA annually, to be effective April 1, 2010, based on the CPI provided by the Bureau of Labor. The CPI is a measure of the average change over time in the prices paid by urban consumers for consumer goods and services such as food, housing, apparel, transportation, medical care and education. The COLA is limited to a maximum annual increase or decrease of 3 percent. If the CPI exceeds 3 percent, any overage amount is added to an OCERS member's "COLA bank."

If the COLA is zero, then we would look to each benefit recipient's "COLA bank" to determine the amount of the COLA adjustment up to 3 percent. If the annual cost of living change is negative, OCERS will draw from the "COLA bank" first and then decrease the retirement or survivor allowance by any amount left over (but not below the original benefit amount granted at retirement).

Typically, the more years an OCERS member has been retired, the more they have in their "COLA bank." Here is a simple chart to show how recent year CPI increases have impacted the "COLA bank" for OCERS payees:



<b>Retirement date</b>	<b>Percentage in "COLA bank":</b>
04/02/09 to Present	None
04/02/08 to 04/01/09	0.5% in the "COLA bank"
04/02/07 to 04/01/08	1% in the "COLA bank"
04/02/06 to 04/01/07	2.5% in the "COLA bank"
04/02/05 to 04/01/06	4% in the "COLA bank"

Let's look at a simple example of the COLA at work:

Mary retired on April 15, 2005. As of Dec. 1, 2009, Mary received \$1,000 a month in retirement benefits and had a COLA bank of 4%. Let's see what happens if the CPI for 2009 were -1% (negative one percent). Effective April 1, 2010 OCERS would:

- Subtract the -1% for 2009 from Mary's COLA bank, leaving a balance of 3%.
- Then grant a 3% COLA to Mary (the maximum allowed each year) drawing from her remaining COLA bank balance.
- Then increase Mary's monthly retirement benefit payment to \$1,030 (her \$1,000 benefit + 3% COLA), and her COLA bank balance would be 0%.

For more information on the COLA or to view the percentage in your "COLA bank" based on your retirement date, you can access the OCERS Web site at [www.ocers.org](http://www.ocers.org).

# Financial Strategy Seminars help prepare for future

If you are planning to retire within the next 3 to 30 years, you should plan to attend a free Financial Strategies for Retirement Planning Seminar. Financial Strategies Seminars are held at:

**OCERS (Training Room)**  
**2223 E. Wellington Avenue, Suite 100**  
**Santa Ana, CA 92701**

The Financial Strategies for Retirement Planning Seminar consists of a three-session workshop. Each meeting will cover important topics for successful planning. The third meeting concentrates on information from an OCERS representative. Individuals and couples are welcome to attend. There is plenty of free on-site parking for those attending.

Various topics of interest and importance will be covered over the course of the three-session workshop. Some of them are:

- Deferred Compensation investment choices
- Tax-free and low-cost investing for profit
- How to determine retirement goals
- Investment choices to consider in the current stock market

The third meeting of each workshop focuses on information relating to OCERS, including such topics as:

- Eligibility for retirement
- Reciprocal benefits
- Benefit calculations, and how to apply for your retirement benefits from OCERS online
- How to determine your future OCERS benefit

Don't miss out on this valuable information. It will help you prepare for your future. The seminars are free, but reservations are required. To make your reservation to attend this seminar, please log on at [www.ocers.org](http://www.ocers.org) and click on "Retirement Seminars."

An important note: anyone registering for the Financial Strategy Seminar should plan on attending all three sessions. For more information on upcoming Financial Strategies for Retirement Planning Seminars, please call Robert Kinsler at (714) 558-6230.

## SCHEDULED DATES:

The Financial Strategy Seminar is a three-session workshop, and persons signing up should plan on attending all three sessions of the workshop.

### Dates are as follows:

#### Workshop

Wednesdays

January 6, 13 and 20, 2010

6 – 9:30 p.m.

#### Workshop

Wednesdays

February 3, 10 and 17, 2010

6 – 9:30 p.m.

#### Workshop

Wednesdays

March 3, 10 and 17, 2010

6 – 9:30 p.m.

#### Workshop

Wednesdays

April 7, 14 and 21, 2010

6 – 9:30 p.m.

# OCERS is positioned to face the future

**By Steve Delaney, Chief Executive Officer**

It's been two years now since I first came to Orange County to work with the Employees Retirement System (OCERS), and it has been both an enjoyable and challenging period of time. Enjoyable, because you the members have been so supportive of the efforts our OCERS staff makes in providing a professional level of service to each of you, and of course because life in the sunny Southland is simply a true pleasure.

OCERS' staff kept busy in 2009, processing approximately 650 retirements, serving more than 1,700 members at our office, and providing in-person information at dozens of health fairs and seminars throughout Orange County.

But the times have been challenging as well, as we have seen economic uncertainties few had predicted. While the weather outside has been as pleasant as ever, the financial challenges faced by so many in our County have not been as easy to deal with. With high unemployment and continued market uncertainty, it can understandably make one question the future.

One thing you can be certain of, however, is the solid foundation of your retirement system. It should be reassuring that your OCERS pension is guaranteed regardless of how the financial markets perform. It should also be reassuring to know while not immune to market declines the investment strategy of your OCERS Board of Trustees centers on diversification of the OCERS portfolio so as to avoid being wholly dependent on the ups and downs of the stock market. The Retirement Board pursues steady performance with a careful eye on risk over the long term, placing OCERS in a better position to maintain stability. Indeed, as of Nov. 30, 2009, OCERS' portfolio had recorded 17.84 percent in positive gains for the first 11 months of that year.

Thinking back to my first weekend here in Orange County, settling into my new place in Tustin, I recall turning on the radio and hearing the announcer say "Today's weather in Orange County will be glorious." Glorious?! That wasn't the type of weather report I had ever encountered in the colder climes of Oregon to the north! With Orange County's beautiful setting by the sea, and having the assurance of a retirement system carefully designed to support the public servants of this great County, it's certainly a forecast I have come to understand and appreciate.

I hope you enjoy this issue of At Your Service, with a number of important articles on issues, such as the Cost of Living Adjustment (COLA), upcoming daytime and evening seminars and other issues that pertain to your current or future retirement benefits. Happy and healthy wishes to you and yours in the coming new year.



# Don't wait; now is the best time to plan for retirement

When it comes to retirement planning, OCERS is here to help. There are a number of resources such as Financial and Pre-Retirement seminars, an interactive Web site and a wide range of informative brochures and other publications that can help you prepare for the future.

Partnering with OCERS is a good way to get an early start on meeting tomorrow's challenges. Enrolling in a deferred compensation program, taking a free Financial Strategies Seminar and using the Member Information Center at [www.ocers.org](http://www.ocers.org) are strong steps you can take as part of a retirement readiness plan.



Richard Kopps, a supervisor with the Social Services Agency who attended OCERS' Financial Strategies for Retirement Planning Seminar in 2009, plans on taking a direct approach to encourage others to attend the three-session seminar when the subject of retirement comes up around the office: "It's time to get your head out of the sand and take a critical look at retirement."

Several other recent attendees noted how much they wish they had attended the seminar earlier in their careers.

"I wish I would have attended this seminar when I first started working at the Court," said Sandra Smith, who took the Financial Seminar in 2008 and again in early 2009 before retiring from OC Courts in July 2009. Because of her 30 years of OCERS service, DC Plan participation and the knowledge she gained taking seminars at OCERS, Smith's net pay is higher than when she retired.

Indeed, because of economic uncertainty and market volatility of the times, it is more important than ever for OCERS members to take advantage of many of the tools and services available to them.

"For the last 16 years, I have had the pleasure of assisting OCERS members with their retirement and financial planning," said Joe P. Moore Jr., President of Strategic Alliance Financial Advisors.

"In that period of time, the biggest challenge for participants has been making the commitment of time to create a complete plan and implement that plan. Picking the right investments for your deferred compensation plan is just part of the planning process."

Moore added that many of the attendees have told him they said that while it is never too late to implement a retirement plan, they wished they had attended the seminar when they were 30.

"We have been a partner with our clients on their path to prosperity by making a positive, qualitative financial impact on their family. We have been with them through good times and bad; good markets and bad," Moore said. "We hope more members will join us."

For more information on the Financial Strategies Seminar and to learn how you can register to attend one in 2010, see the article on page 4 of this issue of *At Your Service*.

# OCERS' Web site offers wealth of resources online

With the majority of Americans now having easy access to the Internet at home, in the workplace or at their local public library, it's no wonder that OCERS members are increasingly logging on at [www.ocers.org](http://www.ocers.org) to learn more about their retirement benefits.

OCERS' official Web site provides a wealth of information and services for anyone connected to the World Wide Web.

For active and deferred members, one of the most popular features at OCERS' Web site is the Benefits Calculator, which allows any member to get a fast estimate of their projected retirement allowance based on their current Final Average Salary, Plan Type, age and years of service credit. No registration is required and it only takes a few seconds to complete the easy-to-use online form. Indeed, the Benefits Calculator is a financial planning tool that provides an immediate and personalized estimate of their OCERS retirement benefit at any eligible age.

On the "Forms & Publications" page at [www.ocers.org](http://www.ocers.org) members can read past issues of *At Your Service*, as well as informational brochures and publications such as OCERS by the Numbers and the Popular Annual Financial Report (PAFR). Members can also read a number of brochures on topics such as reciprocity, retirement payment options and compensation earnable (those pay elements that are used to compute a member's Final Average Salary).

Active and deferred members can use the Member Information Center to complete a Retirement Application online, while retired members are able to view screens detailing tax withholding, direct deposit and 1099-R information (for more information on the Member Information Center, see page 2 of this issue).

While you're at OCERS' Web site, learn more about retirement, disability, death and survivor benefits utilizing easy-to-use links directing you to any area of the site in seconds.

All members are free to use OCERS' "Live Chat." This is a unique feature where computer users can chat online with OCERS Retirement Specialists in real time during regular business hours.

For more information, visit [www.ocers.org](http://www.ocers.org).



Orange County Employees Retirement System  
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## Pre-Retirement Planning Seminars are coming

While it's easy to live for today, moving into retirement requires plenty of advance planning. OCERS is offering Pre-Retirement Seminars throughout early 2009 to help you gather information you'll need to meet your retirement goals. The few hours you spend at the seminar can have a beneficial and long-lasting impact on your quality of life after you retire. Anyone who is within three years of their retirement date should plan on taking this seminar.



These daytime seminars will be held at OCERS, 2223 E. Wellington Ave., Ste. 100, Santa Ana, from **8 a.m. to 1 p.m. on Jan. 13 and 27; Feb. 10 and 17; and March 10 and 24, 2010.** The one-session, five-hour seminar is free, and there is plenty of free on-site parking for those attending.

Various topics will be covered. A Social Security representative will discuss Social Security and Medicare benefits; a representative from "Deferred Compensation" will discuss the County's 457 plan; a representative from Retiree Medical will discuss the County's retiree medical benefit options; and an OCERS Retirement Specialist will focus on your OCERS retirement benefits.

No advance registration is necessary and this information will help prepare you for the move into retirement.

For more information, please log on at [www.ocers.org](http://www.ocers.org) and click on "Retirement Seminars."