

At Your Service

Orange County Employees Retirement System

Volume 6 Number 3 Magazine for all Members July 2007



**Departing CEO Keith Bozarth
honored for service**

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

July 16, 2007
August 27, 2007
October 22, 2007
November 19, 2007
December 17, 2007

REAOC Wants You!

If you are getting ready to retire, or have already retired, now is the best time to consider joining the Retired Employees Association of Orange County - better known as REAOC.



There are a number of important reasons you might want to consider joining REAOC:

- REAOC membership entitles retirees to enroll in dental insurance, vision insurance, and personal accident insurance.
- REAOC is an active member of the California Retired County Employees Association (CRCEA) which promotes and protects existing retirees' benefits.
- REAOC issues "The Informer," a newsletter published five times a year to keep members up-to-date on news and events that affect members' retirement benefits.
- REAOC hosts five luncheons per year that feature guest speakers discussing retiree issues. The events are also a great way to stay in touch with former colleagues and make new friends.
- REAOC dues are \$1 a month.
- More than 4,000 OCERS retirees are members of REAOC.

For more information on REAOC, call (714) 840-3995 or visit www.reaoc.org. If you have additional questions, you can also email REAOC at reaoc@reaoc.org, or write REAOC at P.O. Box 1496, Brea, CA 92822-1496.

Online Outreach

OCERS Web site offers wealth of services



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

OCERS' official Web site provides a wealth of information and services for anyone with access to the Information Highway.

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 (FAS), age and years of service credit. No registration is required and it only takes a few seconds to complete the easy-to-use form.

Other expanded features at www.ocers.org of interest to all members include being able to access the latest issue of OCERS Extra, a monthly online electronic newsletter published immediately after every Board of Retirement meeting.

Members can also read the current or past issues of At Your Service magazine, and 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 1099R information (see the story on page 8 of this issue for more details).

For more information on OCERS, visit www.ocers.org.

On the move? Please keep your employer and OCERS updated

Is your address within your agency's payroll system correct? To update 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.



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.

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 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 Catie Flores at Financial Management Specialists, (714) 245-1954.

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

July 11, 18, and 25, 2007

6 – 9:30 p.m.

Workshop

Wednesdays

September 5, 12 and 19, 2007

6 – 9:30 p.m.

Workshop

Wednesdays

October 3, 10 and 17, 2007

6 – 9:30 p.m.

Workshop

November 7, 14 and 28, 2007

6 – 9:30 p.m.

OCERS offers Pre-Retirement Planning Seminars

Now is the perfect time to begin thinking about your long-term financial well-being. Because when it comes to retirement planning, it's never too early – or too late – to get started. So no matter when you plan to retire, it is important to attend a Pre-Retirement Planning Seminar offered by OCERS.

The few hours you spend at the seminar can have a beneficial and long-lasting impact on your quality of life after you retire.

The Pre-Retirement Planning Seminar is generally held twice a month at OCERS, 2223 Wellington Ave., Santa Ana, and includes a presentation by an OCERS Retirement Program Specialist. The one-session, five-hour seminar is free, and there is plenty of free on-site parking for those attending.

Various topics of interest and importance to you will be covered. A representative from “Deferred Compensation” will be addressing options for withdrawing funds from your 457 plan; a Social Security representative will discuss your Social Security and Medicare benefits; a representative from Retiree Medical will discuss medical benefit options; and an OCERS Retirement Specialist will focus on your OCERS retirement plan. Among the topics covered by the OCERS representative:

- When you are eligible for retirement
- How to determine your future monthly benefit from OCERS
- How to determine OCERS-related benefits for your spouse or other eligible beneficiaries
- When should new retirees expect their first retirement check
- Reciprocal benefits for employees who have worked for two or more retirement systems
- How to enroll and use the Member Information Center
- Deferred Retirement
- Returning to work under OCERS after retirement
- Cost-of-living adjustments (COLA) after retirement
- How to schedule an appointment with an OCERS Retirement Program Specialist

Don't miss out on this valuable information. It will help you prepare for your future. The seminars are free, and no registration is necessary.

For more information, please log on at www.ocers.org and click on “Retirement Seminars.”

SCHEDULED DATES:

These one-session seminars will be held from 8 a.m. to 1 p.m. on Wednesdays.

Dates are as follows:

July 11, 2007

July 25, 2007

August 8, 2007

August 22, 2007

September 5, 2007

September 19, 2007

October 3, 2007

October 17, 2007

November 7, 2007

November 28, 2007

Investment Performance Review

By Shanta Chary, Chief Investment Officer

As I write this, it's hard to believe that we are already half-way through 2007. The Board of Retirement and OCERS' investment staff have been very busy researching and studying ways to maximize OCERS' plan assets using sound investment practices.



But when talking about investments and managing OCERS' well-diversified portfolio, it is important to look at the long term even while the Board of Retirement and OCERS' investment staff frequently make critical decisions to carefully manage the pension fund on behalf of all of its stakeholders.

Looking at the first four months of 2007 provides a brief snapshot of our fund, as well as OCERS' continuing ability to pre-fund and pay promised benefits to retirees.

OCERS' total fund saw an increase of 2.37 percent in April, with many of those gains coming from domestic and international equities. From January 1, 2007 through April 30, 2007, OCERS' fund recorded a 4.83 percent rate of return, and looking back at the five year period ending on that date shows the rate of return was 10.29 percent.

Almost every asset class has experienced positive growth over the past five years, including the aforementioned US and international equities, as well as real estate (posting a 13.33 percent rise over the 60-month period ending April 30) and Alternative Assets (returning a 11.73 percent rise for that same period). As of April 30, 2007, OCERS' total fund was more than \$7.6 billion.

OCERS will continue to manage employee and employer contributions, making sound decisions in an environment where financial markets are admittedly volatile to keep the primary promise to fund benefits for all of its members. Indeed, OCERS' monthly payroll and number of retirees continues to climb. As of June 1, 2007, OCERS had 11,239 members on its monthly payroll and was paying approximately \$30 million a month in benefits.

Many in the financial community believe we may experience a period of lower investment returns in the coming years. If that happens, the approaches described above and highlighted below will help.

- Maintaining a long-term perspective on investing.
- Carefully determining the amount of risk taken.
- Focusing on efficient use of the risk taken.
- Banking gains to help cover potential losses.

Looking at OCERS' performance over the past five years, you can see why it's important to take a long-term perspective to investing and having a well-diversified portfolio.

Keith Bozarth honored; Julie Wyne named interim CEO

Outgoing Chief Executive Officer Keith Bozarth was honored for his more than six years of service by the Board of Retirement at the regular meeting held June 18, 2007.

“It (OCERS) is a better place today than when he got here. He took what we had six years ago and made it better,” Board of Retirement Chairman Richard A. White said at the meeting.

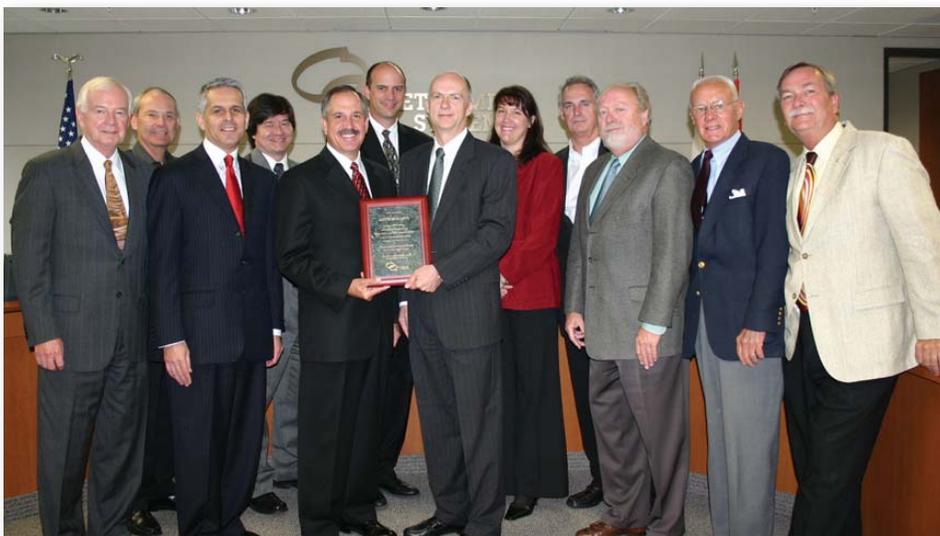
Orange County Supervisor John M.W. Moorlach, who served on the Board of Retirement while Orange County Treasurer, also praised Bozarth’s achievements in reaching out to improve communication with OCERS’ members and employers (“Plan Sponsors”), as well as a fiduciary approach that saw the system’s fund grow from \$4.7 billion to \$7.5 billion between May 1, 2001 and June 18, 2007.

“It was a joy to work with you as a Board member for six years; appreciate all you have done for this system,” Moorlach said at the meeting.

“This Board has been good to me and supportive to me as a manager,” said Bozarth, who left OCERS to serve as Executive Director of the State of Wisconsin Investment Board. “Part of me will always be here in Orange County.”

In related news, Julie Wyne was appointed Interim Chief Executive Officer effective May 22, 2007. Wyne, who has a Bachelor’s of Science in Laws and a Juris Doctorate from Western State University in Fullerton, has been serving as General Counsel at OCERS since August 2002.

In addition to appointing Wyne as the Interim CEO, the Board of Retirement announced that an Ad Hoc Committee comprised of Chairman Richard A. White, Vice Chairman Reed L. Royalty and Board Members Robert A. Griffith and George W. Jeffries is working with OCERS’ senior management to identify and hire an executive search firm as part of a search for a new CEO.



Outgoing CEO Keith Bozarth was honored by the Board of Retirement on June 18, 2007.

OCERS' Member Information Center provides account information online; enroll today

OCERS offers an exciting online tool for all members interested in viewing their retirement account information online. The Member Information Center allows participants to gain access to their OCERS account 24 hours a day, 7 days a week. Once a member has enrolled, OCERS will mail out a Personal Identification Number (PIN) within 5 working days.

The Member Information Center is secure and easy to use, allowing members to find tailored information that is relevant to them in just seconds.

Active and Deferred Members will be able to gain access to details about their employment history and Plan Type, as well as update information on their primary and contingent beneficiaries. In addition, they can use an interactive Benefit Estimator to calculate their retirement. Retired Members who use the Member Information Center are able to view screens detailing tax withholding, direct deposit and 1099R information. The center also allows retirees to confirm details relating to their 12 most recent benefit payments.

More than 7,000 members have enrolled 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 and enroll at the Member Information Center today.



Orange County Employees Retirement System
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