

At Your Service

Orange County Employees Retirement System

VOLUME 4 NUMBER 4 MAGAZINE FOR ALL MEMBERS October 2005



Smooth sailing

OCERS outreach

Seminars provide retirement confidence

Eye of the Storm

Direct Deposit = Peace of Mind

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.

October 24, 2005
November 21, 2005
December 19, 2005

Avoid retirement shock; begin planning for the future now

You face some difficult questions when you're planning for retirement. How much money will you need? Where will it come from? What effect will taxes and inflation have on your nest egg? Finding the right answers is critical if you're going to achieve your retirement goals.

According to the Employee Benefit Research Institute, 31 percent of working people today are worried about having enough money for retirement. To be completely prepared for life after retirement, it's good to know the primary challenges that all retirees face, including health care costs (out of pocket expenses average more than \$2,600 a year according to the Society of Actuaries) and long-term care costs (40% of adults age 65 and over will spend time in a nursing home).

As an Orange County Employees Retirement System member, you're invited to attend an educational workshop entitled "Retire With Confidence." You'll get vital information to your questions as you learn how to plan for your retirement.

Topics will include the new realities you will face in retirement, the different sources of retirement income, and how to maximize your "Retirement Paycheck."

This information-packed session will be held in the OCERS Training Room, 2223 E. Wellington Ave., Santa Ana, on the following date:

Thursday, Oct. 27, 2005 6:30 – 7:30 p.m.

This workshop will be presented by Orange County's Credit Union. To sign up for this workshop, simply contact Orange County's Investment Services at (714) 885-7591 or email investmentservices@orangecountyocu.org to reserve your place.

Legal Update



Introducing the new Legal Update page. As a service to its members, OCERS has added a Legal Update page to its quarterly newsletter. OCERS will address and provide a brief summary of any new case law affecting retirement benefits and other relevant legal issues. These summaries are intended to provide legal information, not legal advice. We make every effort to ensure the accuracy of the information. However, we do not provide legal advice - the application of the law to your individual circumstances. For legal advice, you should consult an attorney.

- ◆ DIVORCE

- *Regents of the University of California v. Benford*, (2005) 128 Cal.App.4th 867: In this case, the member and his wife were in process of getting a divorce. The wife died before any judgment dissolving the marriage was entered and before obtaining a QDRO dividing the retirement benefits. The wife's estate sued the Regents claiming that the estate was entitled to the wife's community property portion of the retirement benefits. The court held that unless a Judgment and QDRO are entered prior to the death of a member's spouse, the anti-alienation provisions of public retirement pension plans prevent a nonemployee spouse from bequeathing his or her interest in the member's pension benefits.

- ◆ ADMINISTRATIVE HEARINGS/DUE PROCESS

- *Quintanar v. Dept. of Alcoholic Beverage Control*, (2005) 127 Cal.App.4th 615: While not a pension case, this case impacts a member's due process rights during administrative hearings. In this case, both the prosecutor and the decision maker were members of the Department's legal staff. After the administrative hearing, the prosecutor submitted a document called a report of hearing which summarized the evidence and made a recommendation as to the ultimate outcome. The instant court held that the Department's failure to separate the prosecutorial function from the adjudicative function created an unacceptable risk of bias and unfairness which violated the accused's due process rights. The Department's representative at the administrative hearing inappropriately assumed the dual roles of prosecuting attorney and advisor to the decision maker. The Department was directed to institute screening procedures to prevent communications between the prosecutor and the decision maker or an advisor to the decision maker about a pending matter. The California Supreme Court has granted review of this case. OCERS will continue to follow this case and provide updated reports.

OCERS' current procedures on administrative hearings follow the guidelines set forth in *Quintanar*. OCERS has implemented screening procedures to ensure that its administrative hearing attorney is shielded from providing any advice or communication to the Board of Retirement or its legal advisors concerning pending administrative hearings.

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 one of the following Financial Strategies for Retirement Planning Seminars held at:

**OCERS (Training Room)
2223 Wellington Avenue
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; individuals and couples are welcome to attend. The third meeting concentrates on information from an OCERS representative.

The seminar is free and 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.

Among the important topics covered in the comprehensive three-session workshop:

- 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
- Enhanced benefit formulas such as 2.7% at 55 and 2.5% at 55
- Benefit Calculations, and how to apply for your retirement benefits from OCERS
- How to determine your future monthly benefit from OCERS

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 Moore 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

November 2, 9 and 16, 2005

6 – 9:30 p.m.

Workshop

Wednesdays

January 11, 18 and 25, 2006

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:

October 19, 2005

November 2, 2005

January 11, 2006

OCERS meets members at annual OCEA Health Fair

OCERS sent several representatives of its Communications Division to the Orange County Employees Association (OCEA) Health Fair earlier this month to meet hundreds of members at the annual event.

In addition to distributing copies of the latest issue of the At Your Service magazine, the recently-completed Comprehensive Annual Financial Report and informative brochures, OCERS staff members were available to answer questions about Member Annual Statements, how to use the online Benefits Calculator and what are some important things to know before scheduling your retirement appointment.



“It’s important for members to know customer service is an essential part of what we do,” explained Jim Buck, Assistant CEO of External Operations at OCERS.

“While we mail out magazines and personalized member statements and offer free workshops throughout the year at our office, it’s great when

we can go out and meet so many of our active members and retirees in a casual setting such as the OCEA Health Fair.”

Some of the most common questions asked by members was how to update beneficiary information (see page 8 of this issue), if the Summary Plan Description is available on the Web site (“yes, it is”) and how long before a member retires should they schedule a one-on-one session to meet with an OCERS Retirement Specialist (“About two months”).

In addition to attending the OCEA Health Fair every fall, OCERS’ Communications and Member Services divisions frequently staff booths at employee fairs sponsored by other Plan Sponsors such as the Orange County Transportation Agency.

Annual Health Plan Open Enrollment – November 1 – 28, 2005

The annual Open Enrollment period for retirees enrolled in a County of Orange retiree health plan will be Tuesday, November 1, 2005 through Monday, November 28, 2005. Please make sure to review your Open Enrollment package that will be mailed to your home address on or before November 1st. For more information please visit the Benefits Center Web Site at www.benefitsweb.com/countyoforange.html or contact the Benefits Resource Line toll free at 1-866-325-2345.

Recent hurricanes, fires provide a powerful reminder about the benefits of signing up for Direct Deposit

OCERS is committed to ensuring that all retirees receive their monthly retirement benefits the beginning of each month. However, the only way to guarantee the arrival of those benefits on the first business day of each month is by signing up for Direct Deposit.

When a natural disaster strikes, the Postal Service may be unable to deliver your OCERS check on time. Recent hurricanes that struck the Gulf Coast region and wildfires here in Southern California illustrate that disasters can and do touch our members' lives.

The compelling photograph on this page was taken by Jim Cass, a Firefighter Paramedic with the Orange County Fire Authority. The photo was taken following Hurricane Katrina in the city of Slidell, located on the north side of Lake Ponchartrain in Louisiana.

OCERS has 131 retirees who live in the Gulf Coast region impacted by hurricanes this year; five of those individuals were not signed up for Direct Deposit and risked a delay in receiving a check because the U.S. Postal Service had to postpone mail delivery in much of the hurricane-devastated area impacted by the fury-filled storms.



OCERS members who use Direct Deposit do not risk their checks being lost, stolen or delayed. OCERS electronically deposits their pension into their bank account every month. And the best part is that it's free – there is absolutely no cost to you.

For more information, call OCERS' Member Services division at (714) 558-6200.

On the move? Keep OCERS and your employer updated

When OCERS mailed out Member Annual Statements earlier this year, hundreds of the statements never reached members. That's because the agency or department where those members work do not have a current mailing address for those employees.

Is your address within your agency's payroll system correct? Please look at your most recent paystub 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.

OCERS' Member Information Center provides account information online; enroll now!

OCERS is offering an exciting new tool for active members and retirees interested in viewing their retirement account information online. The Member Information Center has been launched allowing 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 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.



Approximately 2,800 members have enrolled to take advantage of the free and interactive site.

“OCERS participants can now log into the Member Information Center to monitor their account balances, review accrued benefit information and get other important plan information when it works into their schedule,” said OCERS Chief Executive Officer Keith Bozarth. 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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