

At Your Service

Orange County Employees Retirement System

Volume 7 Number 4 Magazine for all Members October 2008



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 20, 2008
November 17, 2008
December 15, 2008

OCERS is helping prepare you for tomorrow

What's the most expensive purchase you'll ever make?

If you answered a new car or boat, entertainment center or home, chances are you are wrong.

Because unless your house costs more than 20 times your annual pay, the most expensive purchase you will ever make is retirement. Indeed, few of us live in \$1 million dollar homes, but the cost of retirement can easily reach or exceed that mark.

If an individual dreams of spending \$40,000 a year and wants to end their full-time career at age 60 and expects to live to age 85, that person will need 25 years of income.

\$40,000 x 25 years = \$1 million.

If a couple hopes to have \$65,000 a year in retirement and wants to retire at age 60, the amount needed to fund retirement grows.

\$65,000 x 25 years = \$1,625,000 (\$1.6 million).

The good news is that if you are a member of OCERS, you are already on your way to paying the price of a comfortable future.

According to the National Institute on Aging, one million Americans who are in their fifties today are expected to reach age 100. As a member of OCERS, there is no fear that you will ever outlive your pension.

Because OCERS is a defined benefit plan, all eligible retirees are guaranteed a monthly lifetime allowance based on factors such as their age at retirement and how much money they are making. In addition, OCERS also provides an annual cost-of-living adjustment of up to 3 percent. This will provide you a predictable and consistent lifetime benefit that also provides death and survivor benefits to your eligible beneficiaries.

OCERS to host table at OCEA Health Fair on October 7

If you plan on attending the upcoming 2008 OCEA Health Fair on Oct. 7, please plan on visiting OCERS' information table. Members of OCERS' Communications and Member Services divisions will be available to answer questions relating to retirement benefits, and talk about upcoming seminars and other questions you might have.

OCERS will be one of many vendors providing giveaways at the annual event, which will be held at the Orange County Employees Association, 830 N. Ross St., Santa Ana. For more information, please call OCEA at (714) 835-3355.

Retiree Annual Health Plan Open Enrollment, Nov. 1-26

The annual Open Enrollment period for retirees enrolled in a County of Orange retiree health plan will run from Saturday, Nov. 1 through Wednesday, Nov. 26, 2008. Those of you who are eligible, will have an Open Enrollment package mailed to your home address on or before Nov. 1, 2008.

In addition, on Aug. 12, 2008, the County Board of Supervisors approved a One-Time Opt Out Option for County of Orange retirees currently enrolled in a County health plan for the upcoming 2009 plan year. This option is being offered in response to requests from the County of Orange retiree community to enable retirees to explore other health plan options following the reform of the County's Retiree Medical Program in recent years.

This voluntary opt out option will provide a one-time opportunity for retirees currently enrolled in a County health plan to terminate coverage in a County health plan and suspend their Retiree Medical Grant, if eligible (except for Medicare Premium Reimbursement) only during the 2009 plan year. If you do not wish to explore other health plan options, the County welcomes you to continue your participation in the County's retiree health plans. Your 2009 health plan options and premium rates will be provided in your Open Enrollment package which you will receive at the end of October 2008.



You should have already received a letter from the County of Orange detailing the provisions of this One-Time Only Opt Out for the 2009 plan year so you can begin researching alternative plans well in advance of Open Enrollment. If you have not received this letter, call the County of Orange Benefits Resource Line at 1-866-325-2345 and follow the instructions to speak to a Benefits Specialist.

If you have experienced a change in address you must contact the Benefits Resource Line to report your new address. Notifying OCERS does not update your health plan records through the County. To avoid missing this important information on your benefits for 2009, be sure to report any recent address changes immediately. Contact the Benefits Resource Line at 1-866-325-2345.

Make sure to review your Open Enrollment package that will be mailed to your home address on or before Nov. 1, 2008. For more information, please visit the Benefits Center Web site at www.benefitsweb.com/countyoforange.html or contact the County's Benefits Resource Line toll free at 1-866-325-2345.

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 Strategy Seminars are 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. 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.

In addition to the Financial Strategies for Retirement Planning Seminar, OCERS is also offering a full schedule of free **Pre-Retirement Seminars** this fall. These daytime seminars will be held at OCERS, 2223 Wellington Ave., Santa Ana, from **8 a.m. to 1 p.m. on Oct. 8 and 12, and Nov. 12 and 26.** For more information, please log on at www.ocers.org and click on "Retirement Seminars."

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

October 1, 8 and 15, 2008

6 – 9:30 p.m.

Workshop

Wednesdays

November 5, 12 and 19, 2008

6 – 9:30 p.m.

Disasters highlight advantages of Direct Deposit

When Hurricane Ike roared into the Texas Gulf Coast in September, it was the latest real-life example of how a natural disaster can impact thousands of lives. In the last few years, various parts of the U.S. have been hit by catastrophic fires, earthquakes, floods, tornados, landslides and hurricanes.

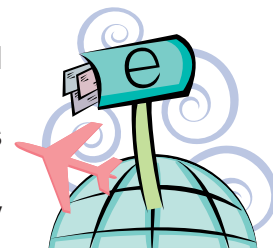
Among the most important steps OCERS retirees can take to help cope with the impact of a possible disaster is to sign up for electronic funds transfer (EFT), better known as “Direct Deposit.” More than 11,450, or 98 percent, of OCERS’ retirees and survivors elect to receive their monthly benefit payment through Direct Deposit, which affords them many advantages over paper check recipients. Members who elect Direct Deposit have access to their money on the first business day of the month or sooner. For example, those already signed up for Direct Deposit will receive their upcoming November payment on Friday, Oct. 31, 2008.

“Green” Advantages

- **Save gas** – no trips to the bank to deposit a check every month.
- **Saves paper** – electronic transfer of funds, plus, your electronic pay stub (Advice Notice) is available online.

Security Advantages

- **Safe** – no check to get lost or stolen in the mail, so less risk of mail fraud or identity theft.
- **Confidential transfer** – fewer people are involved in the EFT process than with paper checks.
- **Worry-free** – relieves you of the anxiety associated with the uncertainty of mail delivery service.
- **Unexpected disaster** – reduces the possibility of payment delay in case of natural disaster, such as a tornado or earthquake, where mail delivery could be affected.



Planning Advantages

- **Deposit record** – an online pay stub (Advice Notice) is available for your records to see exactly what taxes and deductions come out of your check. This can be viewed every month at the Member Information Center on OCERS’ Web site.
- **Reliable** – transmitted to your financial institution on or before the first business day of each month, no waiting on checks to clear so you can pay bills; no waiting in long lines at the bank.



The Best Reason: It’s simple.

The “Retirees Authorization for Electronic Deposit of Retirement Checks” form is available online or by calling OCERS directly at (714) 558-6200. Simply fill out the form and submit to OCERS. There is no need to fill out the form again unless you change accounts at your bank or transfer your benefit payment to a different bank or financial institution. For more information, please call OCERS at (714) 558-6200.

How legalization of same-sex marriage may affect survivor benefits for some OCERS members

On May 15, 2008, the marriage of same-sex couples became legal in the State of California. Prior to that date, some OCERS members had registered for a domestic partnership with the California Secretary of State. Under current law, a qualified domestic partner is eligible for the same survivor benefits as those provided to a spouse.

In light of changes in the law, if members that had previously registered their domestic partnership with the State of California decide to marry their domestic partner, the marriage could potentially affect the domestic partner's eligibility for future survivor benefits. In determining survivor benefits for married members, OCERS uses the date of marriage. In determining survivor benefits for registered domestic partner members, OCERS uses the date of registration of the domestic partnership. When registered domestic partners get married, there will be two potential eligibility dates for survivor benefits.

Under the County Employees Retirement Law, OCERS provides survivor benefits to spouses or domestic partners who meet the following eligibility requirements:

- Spouse must be married at least one year prior to the member's retirement or attain age 55 or older and be married at least two years prior to the date of the member's death.
- Domestic partner must be registered with California Secretary of State, with a Certificate of Registered Domestic Partnership, at least one year prior to the member's retirement or attain age 55 or older and be registered at least two years prior to the date of the member's death.

Effect of Survivor Eligibility on Domestic Partners Who Marry

At this time, the Secretary of State has not fully determined how the status of a registered same-sex domestic partnership will be affected by the marriage of the partners. Based on our interpretation of existing law, our policy is as follows:

- For same-sex couples in a registered domestic partnership (subject to the requirements indicated above) who get married to the same partner without dissolving their domestic partnership, OCERS will use the registration date of the domestic partnership.
- For same-sex couples in a registered domestic partnership (subject to the requirements indicated above) who dissolve their domestic partnership and marry the same partner, OCERS will use the date of the marriage.

As of the publication of this magazine, pending ballot measures and proposed initiatives regarding same-sex marriage currently exist. If implemented, these actions could jeopardize the future legality of same-sex marriage in California. OCERS will provide updates or clarifications to the law, as they become available.

For information regarding the Domestic Partner Registry and domestic partnership termination, visit the California Secretary of State Web site at www.sos.ca.gov/dpregistry. To review recent California legislative information, visit www.leginfo.ca.gov.

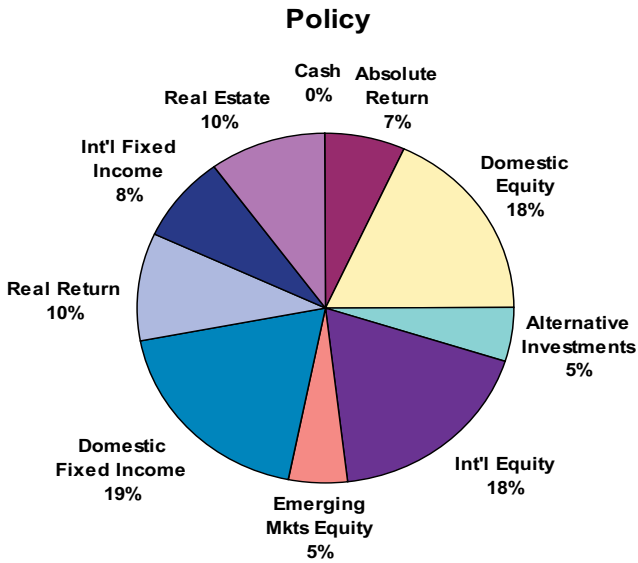
For additional information, call OCERS at 714-558-6200 and ask to speak with an OCERS Benefits Specialist.

OCERS' asset allocation weathers market storms

by Shanta Chary, Chief Investment Officer

2008 has been a very challenging investment environment as the credit meltdown that commenced in the summer of 2007 continues to be a major drag on the global financial markets.

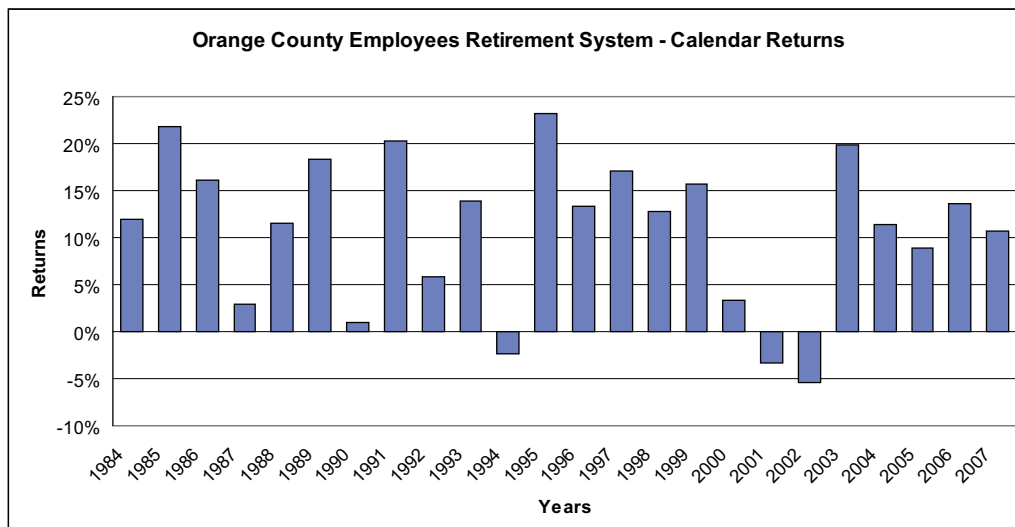
The investment strategy of the Orange County Employees Retirement System (OCERS) is built around a well-diversified investment portfolio. The Board of Retirement has adopted a broadly-diversified asset allocation policy (see chart below). The policy is designed to weather various market environments and the Board monitors the asset allocation and investment structure routinely.



OCERS has solid long-term performance which is a testament to the prudent investment policies and discipline followed by the OCERS Board. Because of a number of complex factors that impact the economy from Main Street to Wall Street, even extended periods of growth are followed by market “corrections.” As a result of our long-term focus, we are able to stick to our investment discipline and are not required to change course in the face of market volatility.

Following the last four years of strong positive returns, the year-to-date return for OCERS through June 30, 2008 (-3.13%) is disappointing. However, in the context of overall market returns – with the equity markets down more than 10% and bonds returning slightly more than 1% in the first half of 2008 – the Board-adopted policy has fared well in both absolute terms and also relative to OCERS’ peer group.

In summary, the Board’s diversified asset allocation has weathered the recent declines considerably well, with OCERS’ returns still above the 7.75% target over the three and five year periods. The Board is committed to maintaining a long-term strategic focus and discipline to ride out the difficult environment we currently face.



Applicants sought to serve on the Grand Jury

Orange County Superior Court is seeking applicants for the next Orange County Grand Jury, which will serve from July 1, 2009 to June 30, 2010.

The Grand Jury is composed of 19 individuals whose names are selected by random drawing from those applicants nominated by the judges of the Superior Court. The Grand Jury serves for a one-year period, and is empowered to investigate the operations of county government. The 19 grand jurors selected will review and evaluate the work of government agencies, schools and special districts in Orange County and will also consider evidence for criminal indictments.



A grand juror must be at least 18 years of age or older, a U.S. citizen, and an Orange County resident for at least a year. Before being nominated, each applicant is interviewed by a panel of Superior Court judges. Background investigations, including record checks of state and local law enforcement agencies, are conducted by the Orange County Sheriff's Department.

The deadline for applications is January 9, 2009. Applications may be obtained by calling the Grand Jury Hotline at (714) 834-6747 or at the Jury Commissioner's Office located in the Central Justice Center, 700 Civic Center Dr., West, Santa Ana, CA, between 8 a.m. and 5 p.m., Monday through Friday, or through the Internet at www.ocgrandjury.org.

Orange County Employees Retirement System
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