

At Your Service

Orange County Employees Retirement System

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MAGAZINE FOR ALL MEMBERS

May 2003

3% COLA for Retirees

Listing a Trust as Beneficiary ?

OCERS' Excellence Honored

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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, Jayne Ritchey and Cuong Nguyen.

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

May 19, 2003
June 16, 2003
July 21, 2003
August 18, 2003



The Orange County Employees Retirement System's Board of Retirement honored retiring Safety Member Thomas N. Fox on March 10, 2003. A Sergeant with the Sheriff-Coroner Department, Mr. Fox was first elected to the Board of Retirement in 1994 and served until March 20, 2003. Pictured (from left) are CEO Keith Bozarth, Thomas N. Fox, Chairman Reed L. Royalty, and Vice Chairwoman Sharon L. Neebe.



Newly installed Board of Retirement Chairman Reed L. Royalty (center) and Vice Chairwoman Sharon L. Neebe with Chief Executive Officer Keith Bozarth. Royalty assumed his new post Jan. 1, 2003, while Neebe was elected at the first Board of Retirement meeting of the year held on Jan. 21, 2003.

OCERS awarded Certificate of Achievement for Excellence in Financial Reporting

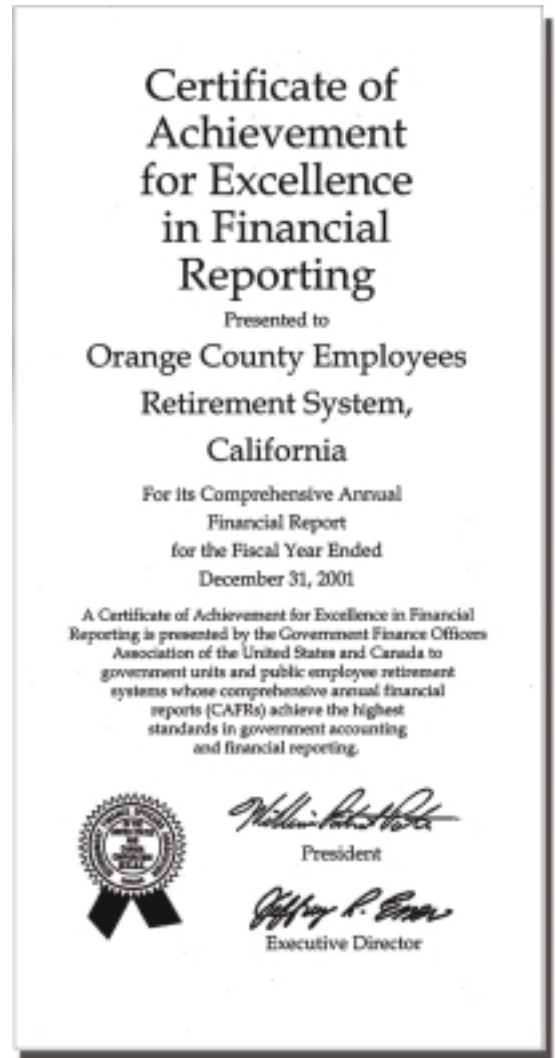
A Certificate of Achievement for Excellence in Financial Reporting has been awarded to the Orange County Employees Retirement System, with 2001 marking the eighth year in a row that the Government Finance Officers Association of the United States and Canada has presented OCERS the honor.

The Certificate of Achievement is the highest form of recognition in the area of public employee retirement system accounting and financial reporting. OCERS was presented the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for its Comprehensive Annual Financial Report (CAFR).

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive “spirit of disclosure” to clearly communicate its financial story and motivate potential users and users groups to read the CAFR.

The Government Finance Officers Association is a nonprofit professional association serving approximately 14,000 government finance professionals with offices in Chicago, Illinois and Washington, D.C.

For more information on the Certificate of Achievement awarded to OCERS, log on at www.ocers.org and click on “Financial Information.”



Expression of condolences from Board of Retirement

Resolutions were adopted by the Board of Retirement in memory of former members Gregory Politiski and Mary Abbott at its regular meeting held on Feb. 18, 2003. Both Politiski and Abbott passed away in January 2003.

Politiski served as an appointed member of the Board of Retirement from April 9, 1973 to Sept. 10, 1991, and later as a Hearing Officer for OCERS. Abbott served as an elected member from May 11, 1987 until December 1999. In addition, she also worked in OCERS' Member Services Division from Nov. 10, 1971 to Dec. 4, 1999.

The Board of Retirement sent out Resolutions expressing condolences to the family and friends of both Politiski and Abbott in appreciation of their many years of dedicated and outstanding service to the Orange County Employees Retirement System.

Financial Strategy Seminars set to begin in May

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 E. Wellington Avenue
Santa Ana, CA**

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 Retirement Program Specialist.

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
- Benefit Calculations, and how to apply for your retirement benefits 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 "Member Information" and then 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 the Mony Group, (714) 704-6502.

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

May 7, 14 and 21, 2003

6-9:30 p.m.

Workshop

Wednesdays

June 4, 11, and 18, 2003

6-9:30 p.m.

Workshop

Wednesdays

July 9, 16, and 23, 2003

6-9:30 p.m.

Getting ready to retire? Pre-Retirement Planning Seminars are offered by OCERS in spring and summer

When it comes to retirement planning, it's never too early – or too late – to get started. So even if you're only a few months away from retirement, it's important to attend a Pre-Retirement Planning Seminar offered by OCERS.

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



The Pre-Retirement Planning Seminar is held twice a month at OCERS, 2223 E. 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 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 how much compensation you will receive
- Reciprocal benefits for employees who have worked for two or more retirement systems
- How divorce can impact your retirement
- How to determine compensation for your beneficiaries
- When should new retirees expect their first retirement check
- 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, but reservations are required. For more information and to make your reservation to attend this seminar, please log on at www.ocers.org and click on “Member Information” and then 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:

May 7, 2003

May 21, 2003

June 4, 2003

June 18, 2003

July 9, 2003

July 23, 2003

Social Security Offsets you should know about

There are two provisions of federal law which currently reduce a person's Social Security benefits if he/she is also receiving a public pension. The Government Pension Offset (GPO) reduces an individual's Social Security survivor benefits (available to a person whose deceased spouse had earned Social Security benefits) by an amount equal to two-thirds of his/her public pension. And the Windfall Elimination Provision (WEP) changes the formula used to figure benefit amounts – reducing an individual's own Social Security benefits (earned while working in a job covered by Social Security).

History of the GPO and WEP

Social Security law prevents “dual entitlement” – or receipt of full Social Security and spousal benefits at the same time. In 1977, Congress began treating public pensions, such as those earned by OCERS members, as Social Security benefits. The effect of this change was a dollar for dollar reduction in Social Security survivor benefits for anyone also earning a public pension. In 1983, Congress amended the law to a two-thirds offset. The WEP was enacted in 1983 to prevent people with relatively high-compensated public service and relatively low-paying Social Security-covered employment from having their Social Security benefits determined under the more favorable formula used for retirees with the lowest Social Security earnings.

Those affected by the GPO and the WEP

The GPO provisions particularly impact public employees who are not covered by Social Security. These individuals receive a public pension rather than Social Security, but retain eligibility for survivor benefits if their spouse (who is covered by Social Security) dies. The WEP primarily affects people who earned a pension from a public pension fund such as OCERS, and also worked at other jobs where they paid Social Security taxes long enough to qualify for retirement or disability benefits. The GPO and WEP impact government employees and retirees in virtually every state, but their impact is most acute in 15 states, including California. Estimates indicate that 9 out of 10 public employees affected by the GPO lose their entire spousal benefit, even though their deceased spouses paid Social Security taxes for many years. The WEP causes public employees outside the Social Security system to lose up to sixty percent of their Social Security benefits.

Many OCERS active and retired members are already affected, or will be affected by, the GPO and WEP. Recently there is an effort in Congress to modify the GPO legislation. For more information about the specific legislation log on to www.retirementsecurity.org or the Social Security web site at www.ssa.gov for answers to many of the questions you may have about either the GPO or WEP.

2003 COLA benefit for retirees approved

Retirees will see a 3 percent cost of living adjustment (COLA) beginning with their May 1, 2003 monthly retirement allowance. The increase, designed to help ease the impact of inflation, was approved by the Board of Retirement at its regular meeting held Feb. 18, 2003. This COLA is based on the Consumer Price Index (CPI) from the United States Department of Labor as it relates to the Orange County area. The CPI for the Orange County region in 2002 was 2.764 percent; the 1937 Act calls for cost-of-living increases to be rounded to the nearest one-half percent. All members who retired on or before April 1, 2003 will receive the 3 percent COLA.

Listing a Trust as Beneficiary? What you need to know

OCERS is not allowed to pay a continuance or death benefit to a trust. (Cal.Gov.C. §§31760.1-31764, 31780.) Your beneficiary must be a living person. If there is no such person, then your estate will be paid a lump sum death benefit. With your retirement benefits, a trust is not synonymous with estate.



If you attempt to list a trust, OCERS will advise you that you are actually naming your estate as your beneficiary. If you are an active member who dies prior to retirement, your surviving spouse cannot elect a continuance based on your service retirement allowance unless your surviving spouse is the named beneficiary. (Cal.Gov.C. §31765.1.) For retirees, with the Unmodified Benefit, your eligible spouse or child receives a continuance as a matter of law, regardless of who is the named beneficiary. And a living person must be the named beneficiary to retire under Options 1 through 4.

To protect your loved ones, make sure to name a living person as both your primary and contingent beneficiary. The OCERS Change of Beneficiary form can be accessed from the Internet at www.ocers.org, under “Publications/Forms,” or you can contact our Member Services Department at (714) 558-6200.

‘Divorce and Your Retirement’ Seminar dates now open

The Legal Division at OCERS is offering a special one-session “**Divorce and Your Retirement**” seminar on how divorce may impact your retirement benefits. It will be held on the following dates and times:

- **Thursday, June 12, 2003; 8 a.m. - 9:30 a.m.**
- **Thursday, August 14, 2003; 8 a.m. - 9:30 a.m.**

The seminar focuses on how OCERS handles divorce materials and what types of court orders comply with the retirement plan. The OCERS legal staff cannot offer legal advice on your specific rights under California community property laws.

The seminar is free and open to all active members, retirees and deferred members. The seminar will be held at OCERS, 2223 Wellington Ave., Santa Ana. The presentation is approximately one hour, followed by a 30-minute question and answer period.



Space is limited and reservations are required. To reserve a space, please contact Fred Messerer at (714) 569-4894.

Board of Retirement elections approaching

An election is being conducted by the Orange County Registrar of Voters to select two members for the Orange County Employees Retirement System's Board of Retirement. The elections are necessary because the terms for the Safety Member Board Member and Alternate Member will expire June 30, 2003.

Election particulars were detailed in notices distributed to all Safety Members on March 14, 2003. As stated in the announcement, the nomination period was held from March 24, 2003 through April 11, 2003. Ballots will be issued to Safety Members and mailed on May 16, 2003. The deadline to return voted ballots to the Registrar of Voters Office is June 9, 2003 at 5 p.m.



Ballots will be counted on June 10, 2003.

Following certification of the election results, the newly elected Board of Retirement members will take office on July 1, 2003.

Safety personnel from the Probation Department may serve as the 7th member of the Board of Retirement; however, they are not eligible to sit as the Alternate Member pursuant to law. If the Probation candidate receives the second highest number of votes, and the 7th member is an active law enforcement member, the Alternate Member shall be chosen from active fire suppression. If the 7th member is an active fire suppression member, the alternate shall be chosen from active law enforcement, which does not include Probation.

Orange County Employees Retirement System
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