

# At Your Service

Orange County Employees Retirement System

VOLUME 1 NUMBER 2

MAGAZINE FOR ALL MEMBERS

SUMMER 2002

***Shake on It :  
Reciprocal Benefits  
Working for You***



***Getting "Vested" in  
OCERS is Easy***

***You've Got Mail  
or  
Do You ?***



At Your Service



#### Members of the Board of Retirement

Frank Eley, Chairman  
Reed L. Royalty, Vice Chairman  
Keith L. Concannon  
Thomas N. Fox  
George W. Jeffries  
Thomas J. Lightvoet  
John M.W. Moorlach  
Sharon L. Neebe  
David J. Thompson

#### Chief Executive Officer

Keith Bozarth

#### Chief Operations Officer

James Buck

#### Chief Financial Officer

Toi Dang

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

Comments and suggestions should be directed to:

Robert Kinsler, Public Relations Analyst  
OCERS  
2223 E. Wellington Avenue  
Santa Ana, CA 92701  
Telephone: (714) 558-6200  
Toll-free: (888) 570-6277  
Web site: [www.ocers.org](http://www.ocers.org)

At Your Service is written, designed and edited by Robert Kinsler, Jayne Ritchey and Cuong Nguyen.

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

June 10, 2002  
July 15, 2002  
August 19, 2002  
September 16, 2002  
October 28, 2002  
November 18, 2002  
December 16, 2002

## EGTRRA Legislation brings new choices for OCERS members

Active members can now use their Deferred Compensation (457 plan) assets to purchase OCERS service credits as a result of California legislation recently signed into law by the Governor.

If you are eligible to purchase prior years of service in a government defined benefit pension plan (such as that offered by OCERS), you may transfer funds from your 457 or 403(b) account to pay for prior years of service with OCERS.

In addition, the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) provides for changes in federal tax law to other areas relating to 457, 403(b) and 401(k) plan assets that may be of interest to active members.

For more information, visit OCERS' Web site at [www.ocers.org](http://www.ocers.org) and click on the "News & Events" button.

## Three Board members reappointed

The Orange County Board of Supervisors reappointed three members of the OCERS Board of Retirement on April 16, 2002. George W. Jeffries of Tustin, Reed L. Royalty of San Juan Capistrano and Thomas J. Lightvoet of Costa Mesa were all reappointed to terms ending April 15, 2005.

There remains one vacancy on the nine-member Board of Retirement, and the Board of Supervisors will appoint a member to fill that seat sometime in the future. OCERS will make an official announcement when that member's appointment is confirmed.

The Board of Retirement governs OCERS, which is a cost-sharing, multiple-employer, defined benefit pension plan covering substantially all employees of the County of Orange and all of the following agencies: OCTA; Fire Authority; Department of Education; City of San Juan Capistrano; Transportation Corridor Agencies; Sanitation District; Cemetery District; Vector Control District; Law Library; Children and Families Commission; and Local Area Formation Commission.

# OCERS Web site features a Benefits Calculator

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](http://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' site is the Benefits Calculator, which allows any member to get a fast estimate of their projected retirement allowance based on their current salary, age and years of service. 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](http://www.ocers.org) of interest to all members include being able to access current and past issues of At Your Service magazine, as well as OCERS Extra, a monthly on-line electronic newsletter published immediately after every Board of Retirement meeting.

Also available is a printable version of OCERS' official Beneficiary Change Form. In addition, there is a Power of Attorney Form for those who want to designate someone to look after their retirement account if they become unable to look after their own needs.

The OCERS' Web site has been designed so people using any number of browsers (including both Netscape and Microsoft Internet Explorer) can easily navigate throughout the site's pages and enhanced features.

There is information and photographs of all members of the Board of Retirement and staff, and even a map showing people how to get to OCERS' office.

For more information, visit OCERS' official Web site at [www.ocers.org](http://www.ocers.org).



## 2002 COLA Benefit for retirees approved!

Great news! The Board of Retirement has determined that the Cost-of-Living Adjustment (COLA) will be paid at the maximum allowable level this year, effective April 1, 2002. The Consumer Price Index (CPI) rose 3.32% from December 2000 to December 2001. This means that retirees or their beneficiaries began receiving a 3% cost-of-living increase beginning with their May 1, 2002 check.

# Financial Strategy Seminars set to begin

If you are planning to retire within the next 3 to 10 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 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 (see page 6 of this issue for more information on "Reciprocity")
- 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. For more information on upcoming Financial Strategies for Retirement Planning Seminars, log on at [www.ocers.org](http://www.ocers.org) and click on "News & Events."

To make your reservation to attend this seminar, please contact Susan Spietz at (714) 569-4834, or through OCERS' toll-free number at (888) 570-6277, ext. 4834.

## **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:**

### **First Workshop**

Wednesdays  
July 10, 17 and 24, 2002  
6-9:30 p.m.

### **Second Workshop**

Wednesdays  
August 14, 21 and 28, 2002  
6-9:30 p.m.

### **Third Workshop**

Wednesdays  
September 11, 18 and 25, 2002  
6-9:30 p.m.

# Getting Ready to retire? Pre-Retirement Planning Seminars are offered by OCERS



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 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 on upcoming Pre-Retirement Planning seminars, log on at [www.ocers.org](http://www.ocers.org). To make your reservations to attend this seminar, please contact Susan Spietz at OCERS, (714) 569-4834 or through OCERS' toll-free number at (888) 570-6277, ext. 4834.

## SCHEDULED DATES:

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

## Dates are as follows:

July 10, 2002

July 24, 2002

August 14, 2002

August 28, 2002

September 11, 2002

September 25, 2002

# **‘Reciprocal Benefits’ offered by OCERS**

It has become increasingly common for people to work for a number of different employers during the course of their career.

And while many members have worked for agencies that are not part of OCERS, they can take advantage of the system’s “Reciprocal Benefits” program that is designed to allow employees who transfer between retirement systems to preserve and enhance their total system benefits.

“Reciprocity” exists between OCERS and the other 19 county retirement systems in California that are governed by the County Employees Retirement Law of 1937. In addition, OCERS also has reciprocity with CalPERS (California Public Employees’ Retirement System), which covers employees of the State of California, other counties, cities and special districts in California.

“Providing reciprocal benefits is intended to encourage career public service by granting a continuity of retirement benefits to members who are entitled to retirement rights or benefits in two or more qualified systems,” said Stephen Cadena, Member Services Manager.

“It’s important for employees to know they must become a member of another covered system within six months of terminating their employment with their current system to be eligible.”

Among the advantages of the OCERS Reciprocal Benefits program:

- Designed to allow employees who transfer between retirement systems to preserve and enhance their total system benefits.
- Contribution rate based on entry age with the reciprocal system.
- Retirement benefits for an employee with reciprocity are based on highest average monthly compensation from last system or previous system, whichever is higher.
- Reciprocal service counts toward meeting the minimum 5-year service requirement for vesting and the minimum 10-year service credit requirement for retirement.
- Your service under all retirement systems will count toward your eligibility for Service Retirement, Disability Retirement, and Survivor Benefits under each system.

To determine if you are eligible to establish reciprocity between OCERS and another retirement system, please call OCERS toll-free at (888) 570-6277.

You can also learn much more about Reciprocity by attending a free Financial Strategy Seminar or Pre-Retirement Planning Seminar, offered without cost at OCERS (See pages 4 and 5 of this issue for more details on upcoming workshops).

For more information on OCERS, log on at [www.ocers.org](http://www.ocers.org).

**“Reciprocal benefits are another easy way for members to plan for their future retirement,” said Stephen Cadena, Member Services Manager.**

# Getting 'Vested' in OCERS is easy

Baby Boomers have managed to save just 12 percent of what they will need to meet basic living expenses during retirement – at odds with the 78 percent who believe they are financially ready to retire, according to survey results issued by Allstate Financial in November 2001.

That's why "Vesting" is so important for every OCERS member – whether they are just beginning their public agency career or are Baby Boomers nearing retirement.

## **What is 'Vesting' and who is eligible for benefits?**

A member is vested once he or she has earned a minimum of five years of service credit. OCERS offers a lifetime benefit to all members who are vested and meet the eligibility requirements. As a vested member, you are eligible to:

- Leave your retirement contributions on deposit after termination, thus making you eligible for a lifetime benefit once you reach the age of 50 and your contributions have been on deposit with OCERS for a minimum of 10 years.

- Apply for Non-Service Connected Disability, regardless of age, if you are seriously ill.

## **How old must I be before I am vested?**

Regardless of age, you are vested once you have earned five years of service credit.

## **I am terminating my employment; how do I know if I am vested?**

Before you terminate, transfer or withdraw your retirement contributions, please contact an OCERS representative and get informed. Decisions you make today will impact your retirement in the future.

## **What happens to my contributions when I terminate my employment with five or more years of service credit?**

Because you are vested, you may request to leave your retirement contributions here at OCERS, which is also known as deferring your retirement. As a deferred member, you will become eligible to collect a lifetime benefit once you have reached the age of 50 and your contributions have been on deposit for a minimum of 10 years or once you have reached your 70th birthday (whichever comes first).



## **Attention all Retirees~ Direct Deposit Alert!**

If you are a retiree who has direct deposit you need to notify OCERS immediately if you change banks or accounts. Every month, electronic fund transfers are returned because bank accounts have been changed or closed and OCERS has not been notified about these changes.

For more information, call OCERS toll-free at (888) 570-6277.

# Does your employer have your correct address?

A correct address is so important. As a result of the mailing of our last issue of the OCERS magazine, At Your Service, we have been informed by the U.S. Postal Service that some of you no longer reside at the address currently on file with your employer.

In order to receive important information regarding your retirement contributions, such as your Annual Statement, you must inform your employer of the address change. Please contact the Personnel or Human Resources Office at your Agency and ask them to update your address immediately.

“It is not effective to update your address solely with OCERS because when contribution tapes are received from payroll they override what we have on file. This override causes the data to revert back to the information sent over by your employer,” said Stephen Cadena, Member Services Manager.

Therefore, the change must also be made with the personnel/payroll clerk within your Agency.

If you are a deferred member or retiree, please mail us a change of address form available through OCERS.

For more information, call OCERS toll-free at (888) 570-6277.

---

Orange County Employees Retirement System  
2223 E. Wellington Avenue  
Santa Ana, California 92701

Pre-Sort First Class U.S. Postage PAID Anaheim, CA Permit #422
---