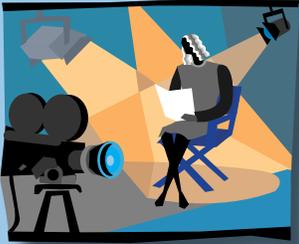


# At Your Service

Orange County Employees Retirement System

Volume 11 Number 1 Magazine for all Members January 2012



Video library now includes an overview of COLA and COLA Bank for retirees

Upcoming Financial Seminars prepare OCERS members for 2012 and beyond



Clip and save: 2012 Retiree Payment Schedule

Personalized 1099-R's to be mailed in January



# 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  
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## Board of Retirement Meetings:

All regular business meetings are held in OCERS Board Room at 9:00 a.m.

January 17, 2012	February 21, 2012
March 19, 2012	April 16, 2012
May 21, 2012	June 18, 2012
July 16, 2012	August 20, 2012
October 15, 2012	November 19, 2012
December 17, 2012	

## REAOB membership drive

In the summer of 2011 the Retired Employees Association of Orange County (REAOB) established an associate membership category. REAOB launched the associate membership category to create an opportunity for those still employed to learn about retirement issues.

Associate members will receive REAOB's newsletter *The Informer*, which is published five times a year. They will also be able to attend REAOB luncheons and stay informed about issues impacting retirees and active members.

The cost of associate membership is \$1 a month. Associate members will also enjoy a more seamless transition when they retire from active employment.



REAOB is also asking all OCERS retirees who are not current members of REAOB but would like to join, or who know of OCERS retirees who would like to join, to contact

REAOB for membership information.

REAOB's purpose is to promote and maintain fellowship and camaraderie among County retirees, but also to track and disseminate information on pension and legislative matters around the County, State and nation, to discuss relevant financial matters, and to bring up issues of interest and concern to the organization's membership.

Retired and active members may join by emailing REAOB at [reaoc@reaoc.org](mailto:reaoc@reaoc.org), or by calling office manager Ilene Barcenas at 714-840-3995. For more information, visit [www.reaoc.org](http://www.reaoc.org).

## OCERS COLA and COLA Bank subject of new video

OCERS retirees – as well as those members nearing retirement – frequently contact OCERS with questions about the annual Cost of Living Adjustment (COLA) and the COLA Bank. Because of the confusion related to how the Consumer Price Index (CPI) impacts the annual COLA, and how the percentage of the granted COLA impacts each member's COLA Bank, OCERS has produced a special four-minute video providing a quick overview about the COLA and COLA Bank.

Titled “OCERS Retiree COLA & COLA Bank,” the video features Member Services Manager Heidi Halbur discussing the related topics in easy-to-understand terms. The Board of Retirement typically sets the annual COLA at its regular meeting held in February, and it appears on the May 1 check.

In addition to the most recently-produced video on the COLA and COLA Bank, OCERS' Video Library also features videos focusing on helpful retirement tips, benefit options, reciprocity and using the online Benefits Calculator.

To get to the Video Library, visit [www.ocers.org](http://www.ocers.org) and click on on **Video Library** inside the Quick Links box.



## 'MIC' offers range of services to OCERS Members

Since the introduction of the Member Information Center (also known as the “MIC”) on OCERS' Web site in 2007, more than 11,600 members have taken advantage of its growing number of resources.

There are special features for both retirees and active members on the site. All members can use the MIC to ensure that OCERS has their correct address and phone number on file, as well as confirm and/or update the names of their beneficiaries.

Retirees can see the percentage in their COLA (cost-of-living adjustment) Bank, as well as use the “Tax Withholding” tab to change their tax withholding amount utilizing both Federal and State of California sections displayed on the screen.

Active Members can complete an “Electronic Request to Purchase Service Credit,” update their email address on file, and use their own personalized salary data to calculate their Final Average Salary. Using the easy-to-follow “Ready to Retire?” tab, active members can even retire online.

If you have lost your PIN number and/or have never used the MIC, you will need your PIN to create your “User Name” and “Password.” To get a PIN, please call OCERS at 714-558-6200. To access the MIC, please visit [www.ocers.org](http://www.ocers.org) and click on the Member Information Center “Member Login” button on the upper left of the Web site.

# Financial Strategies Seminars coming soon

OCERS recently conducted a series of Focus Groups to ensure it was meeting the needs of the retirement system's members. One of the topics discussed was the three-night Financial Strategies for Retirement Planning Seminars that OCERS provides through Strategic Alliance.

The feedback was very positive, and most of the participants commenting said their biggest regret was that they had not taken the seminar sooner to allow more time to plan. The ideal time to take the seminar is in your mid to late 40s, but it is never too soon – or too late – to learn this important information.

One of the biggest misconceptions about the Financial Strategies Seminar is that members should only take the class if they have money to invest, when in fact the class is about smart actions for making the most of the money that a person has now. Investments are only a small part of the seminar. The seminar teaches members worthwhile tools to:

- Create a path to follow and make appropriate financial decisions
- Know when you can retire and how much you will need
- Factors that can positively or negatively impact your plan to retire
- Appropriate investment selections for your short, mid and long-term goals
- Resources for further education and planning

Members will also learn income tax planning, estate planning, proper beneficiary designations, calculating Social Security benefits, and an explanation of the OCERS' pension, among other things.

The class is small, interactive, presented in a supportive environment, and the instructors do not spend time on self-promotion, or discussing specific products. Lastly, members will have an opportunity to meet with the financial advisor after the class is completed at no cost on a one-on-one basis to have specific questions answered and create a personalized financial plan with recommendations for the best steps to achieving their financial goals. Attendees have found this individualized planning to be extremely valuable.

Financial Strategies Seminars are held in OCERS' Training Room, 2223 E. Wellington Avenue, Santa Ana, CA 92701-3161. The three-session workshop seminars are free, but reservations are required. To make your reservation to attend this seminar, please log on at [www.ocers.org](http://www.ocers.org) and click on "Retirement Seminars." For more information on upcoming Financial Strategies for Retirement Planning Seminars, please call Robert Kinsler at (714) 558-6230.

## SCHEDULED DATES for three-session workshop:

### Workshop

Wednesdays

January 4, 11 and 18, 2012

6 – 9:30 p.m.

### Workshop

Wednesdays

February 1, 8 and 15, 2012

6 – 9:30 p.m.

### Workshop

Wednesdays

March 7, 14 and 21, 2012

6 – 9:30 p.m.



## Personalized 1099-R copies to be mailed Jan. 27

OCERS will send personalized copies of Internal Revenue Service Form 1099-R to all retirees on Jan. 27, 2012. The 1099-R form provides each retiree with detailed information on his or her income for the previous year. Retirees may also view copies of their 2011 1099-R statement online, effective Feb. 1, 2012, by logging into the Member Information Center (please note that OCERS online copies cannot be used to submit with your 2011 Federal/State tax returns).

Detailed instructions are located on the reverse side of the 1099-R form.

The following is an easy-to-use guide on how to read your 1099-R:

**Box 1** - Gross Distribution. This is the total amount of benefits paid to you by OCERS during the previous calendar year.

**Box 2a** - Taxable Amount. This is the taxable amount of your income. If you retired after January 1, 1993, the amount is reported less the Safe Harbor exclusion. If you retired prior to January 1, 1993, OCERS did not calculate nor report the taxable amount because of the multiple recovery methods.

**Box 2b** - Taxable Amount Not Determined. Box 2b is only checked if OCERS is unable to determine the taxability of the amount reported.

**Box 3** - This box is left intentionally blank and is not applicable.

**Box 4** - Federal Income Tax Withheld. This box shows any federal income tax withheld from your check during the year.

**Box 5** - Employee Contributions. If there is an amount in box 5, it is not a deduction or an amount paid for an insurance premium. The amount in box 5 is the portion of your benefit that is non taxable. (If you subtract the amount in box 2a from box 1, you will have the amount shown in box 5) This was after tax money you contributed to OCERS. For retirees, this is the annual amount of your Safe Harbor tax recovery.

**Box 6** - This box is left intentionally blank and is not applicable.

**Box 7** - Distribution Code. IRS code identifying the distribution you received. These codes are explained on the back of the 1099-R Form.

**Boxes 8, 9a, 9b, 10 and 11** - These boxes are left intentionally blank and are not applicable.

**Box 12** - California State Income Tax Withheld. Any California State income tax deducted from your checks is shown in this box.

**Boxes 13 through 17** - These four boxes are left intentionally blank and are not applicable.

# Retiree Payment Schedule for 2012

As part of an ongoing effort to provide better customer service to our members, OCERS will continue to bring relief to retirees when the first of the month falls on a weekend or holiday. When the first of the month falls on a weekend or holiday, your monthly benefit will be deposited the prior business day. The only exception to this is the January 1st benefit payment, which will continue to be paid the first business day of the year in order to avoid paying 13 checks in the year and causing tax issues for our members.

The payment schedule below affects only those members who receive their monthly benefit via Electronic Fund Transfer (“EFT”). **Please note:** for those who receive an actual check, they will continue to be mailed out on the last business day of the month via the United States Postal Service regardless of what day the first of the month might fall.

Retirees who want to receive their retirement allowance in the most prompt way should sign up for EFT – also known as “Direct Deposit” or “Automatic Deposit.” This provides retirees with the fastest delivery of their monthly retirement payment possible.

<b>Payroll Month</b>	<b>Payment Day</b>	<b>Payment Date</b>
January 2012	Tuesday	January 3, 2012
February 2012	Wednesday	February 1, 2012
March 2012	Thursday	March 1, 2012
April 2012	Friday	March 30, 2012
May 2012	Tuesday	May 1, 2012
June 2012	Friday	June 1, 2012
July 2012	Friday	June 29, 2012
August 2012	Wednesday	August 1, 2012
September 2012	Friday	August 31, 2012
October 2012	Monday	October 1, 2012
November 2012	Thursday	November 1, 2012
December 2012	Friday	November 30, 2012



# 2012 provides OCERS a continuing opportunity to serve members

***By Steve Delaney, Chief Executive Officer***

Another year comes to a close, and once again it gives each of us pause to reflect on those things that are of greatest value to us. Beyond the obvious, of both family and friends, we at OCERS are especially aware of the importance of a strong pension benefit and the part it plays in ensuring a solid financial future for each of you in the years to come. We have enjoyed the opportunity to serve you, whether in person, by phone, or quietly in the background; we are doing all we can here to assist you in making those important plans for your future retirement if you are one of our 27,000 active and deferred members, or ensuring that you are confident in the soundness of the benefits you are receiving if you are one of our more than 13,000 retirees. Just recently I had a member comment to me that he had reason to call OCERS with a question, and he was amazed not only at the prompt and helpful service he received, but even more so that the individual helping him seemed to be genuinely happy to be working at OCERS and assisting our members. I believe that is a true reflection of the spirit you will find reflected here by all of OCERS staff.



As with any year, 2011 has had both its high points, as well as its challenges. One highlight was alluded to earlier; we have more than 13,000 retirees now, crossing that mark in the middle of this year was a milestone as the OCERS plan continues to mature and care for so many of our fellow Orange County neighbors and friends. Investment returns have been as volatile for the OCERS portfolio as for the market as a whole, as many of you have likely seen with your own personal savings and investments. As we go to press, OCERS is still earning a positive return (2.17%) for the year, though not to the goal we set for ourselves of 7.75%. Fortunately OCERS has a very long time horizon, decades literally, to ensure we can make up in good years for years when we may not quite hit that goal. Your Board of Retirement has been very active on that front, having hired a new general investment consultant (NEPC) to give us a fresh new look at our investment opportunities, while continuing to ensure that OCERS is careful of the risks we take with the monies that have been entrusted to the OCERS Fund.

Many different ideas and plans have been floated out in the public arena regarding public pension plan design and what the future may hold for those plans, Governor Brown's 12-Point Pension Reform Plan among them. You can always learn more about what is happening, and what impact, if any, such ideas or suggestions may have on OCERS by going to our Web site, [www.ocers.org](http://www.ocers.org), and checking in on the "Latest News." I encourage you to take the time to surf our site and see what you can find of value to you.

We here at OCERS want to wish each of you and your families the very best for the coming New Year, and look forward to continuing opportunities to serve you.



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## Pre-Retirement Seminars set for 2012

While it's easy to live for today, the transition into retirement requires plenty of advance planning. To help fill this need, OCERS offers Pre-Retirement Seminars. Anyone who is within three years of their retirement date should plan on taking this seminar.

These daytime seminars are held at OCERS, 2223 E. Wellington Ave., Suite 100, Santa Ana, from 8 a.m. to 2:30 p.m. The one-session seminar is free, and there is plenty of free on-site parking for those attending. Various topics are covered. A Social Security representative will discuss Social Security and Medicare benefits; a representative from "Deferred Compensation" will discuss the County of Orange 457 plan; a representative from Retiree Medical will discuss the County's retiree medical benefit options; and an OCERS Retirement Specialist will focus on your OCERS retirement benefits. **Seminar dates: Jan. 4 and 18; Feb. 1, 15 and 29; March 7 and 21, 2012.**

No registration is necessary for the Pre-Retirement Seminars. Members are welcome to take this seminar as often as they like. For more information visit [www.ocers.org](http://www.ocers.org).

