

At Your Service

January 2016

Orange County Employees Retirement System

Quarterly Newsletter

myOCERS

provides fast access to your account

In December 2015, OCERS launched a new member portal that replaced the Member Information Center (MIC) portal. Even if you were previously registered to use the MIC, you must now register and create a new User Name and Password to gain access to myOCERS.

The newly-launched myOCERS web portal is an easy-to-use resource for you to quickly and easily access your OCERS benefit account. You will also be able to make important updates to your account as needed.

If you are a payee you will be able to:

- View your payment history
- View your annual 1099-R form
- Get a copy of your Benefit Award letter
- Change your address so OCERS can stay in touch with you
- Change your direct deposit account and tax withholding elections
- Find answers to frequently asked questions

If you are an active or deferred member you will be able to use the resources to:

- Use the Benefit Estimator to calculate your future retirement benefits



- Submit your retirement application
- Change your beneficiary information
- View and print your Member Statement
- Submit a request to Purchase Service Credit

Of particular interest to active and deferred members is the “Participant Account Details” tab where specifics about a member’s contributions, service and reciprocity (shown as Plan X) can be viewed.

To register, visit www.ocers.org and click on the “myOCERS” link.

If you have any problems registering into your myOCERS account, please call OCERS at 714-558-6200.

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At Your Service



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Board of Retirement Meetings:

All regular business meetings are held in the OCERS Board Room at 9:00 a.m. (unless otherwise specified)

January 19, 2016	February 16, 2016
March 21, 2016	April 18, 2016
May 16, 2016	June 22, 2016
July 18, 2016	August 15, 2016
October 17, 2016	November 14, 2016
December 19, 2016	

Future agendas can be found at www.ocers.org.

This newsletter is intended to provide you with general information. It does not constitute legal advice, and OCERS cannot provide legal advice to members. If there are any discrepancies between the information in this newsletter and the law, the law will prevail. Should you have legal questions, you are advised to consult an attorney.

Don't wait to 'Buyback'

Many active members wait until they are nearing retirement before contacting OCERS about completing a Service Credit Purchase (also known as a "buyback"). However, many of these same members don't realize that any buyback must be completed prior to their retirement.

Because of the complicated nature of Service Credit Purchase requests submitted, it can take between three and six months to research and provide a cost estimate for each inquiry. So it is best to complete a "Request to Purchase Service" form as soon as possible. That not only helps OCERS, but it will provide you time to make informed decisions as it relates to deciding how you make payments to complete the buyback.

A member may be able to purchase and receive credit for time that was previously in an OCERS account and then withdrawn, or prior County/participating employer service which was excluded from OCERS (extra-help) membership. For information on other types of service which may be purchased, see OCERS' Summary Plan Description at: www.ocers.org.

Service purchase payment options include:

- Lump-Sum Payment – You may submit a personal check payable to OCERS or a Rollover from a qualified plan. Tax implications depend on the payment type submitted.
- Installment Payments – You can make payments directly to OCERS by submitting personal checks. These are after-tax payments.
- Payroll Deductions – You may be able to authorize OCERS to request your Payroll Department to set up a pre-tax payroll deduction plan.

Regardless of the payment option selected, the buyback must be paid in full prior to retirement. For more information, visit the "Forms & Publications" page on OCERS' Web site.

OCERS Chief Investment Officer Girard Miller receives 2015 Industry Innovation Award

OCERS Chief Investment Officer Girard Miller has been awarded the 2015 Industry Innovation Award for Public Defined Benefit Plans below \$15 billion by *Chief Investment Officer (CIO) Magazine*.

Mr. Miller was presented the honor at the magazine's sixth annual Investment Industry Awards program held at the New York Public Library on December 3, 2015. Mr. Miller was recognized by *CIO Magazine* for his efforts to reduce manager fees, particularly in the direct lending space and to "better align the interests of the investors with fund managers."

"OCERS members and plan sponsors can be proud of the work performed by OCERS' CIO Girard Miller and his team," said Steve Delaney, OCERS CEO. "This award recognizes their diligence and willingness to always look to improve this program which clearly benefits all of our stakeholders."



Pension Term: 'COLA'

OCERS benefit recipients see a Cost-of-Living Adjustment (COLA) with their annual May 1 monthly benefit payment. In the early part of every calendar year, the OCERS Board of Retirement sets the COLA for that year based upon the Consumer Price Index (CPI) for the Orange County region, which is a measure of the average change over time in the prices paid by urban consumers for goods and services such as food, housing, apparel, transportation, medical care and education.

This CPI information is established by the Bureau of Labor, and is analyzed by OCERS' actuary, Segal Consulting, who then recommends the appropriate COLA for consideration by OCERS' Board of Retirement. OCERS' Board of Retirement typically considers the annual COLA at its regular meeting in February. Following the February 16, 2016 Board meeting, an update on the COLA will be posted on the OCERS Web site under "Latest News..."



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When it comes to retirement, best to plan ahead

According to Bureau of Labor Statistics, 17.7 percent of people 65 or older are still working, compared with 11.7 percent in 1995.

As many workers approach their planned retirement date, they realize they have not adequately planned for the additional expenses they might be faced with depending on their circumstances. Indeed, a recent survey conducted by Morning Consult and released by the Financial Services Roundtable (FSR) revealed that two-thirds of the 2,000 registered voters surveyed either underestimated or simply aren't sure how much they will need during their retirement.

Understanding the steps you as a member of OCERS can take to help enhance your overall financial health is a key reason to enroll in our free Financial Planning Class. The three night class 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
- Identify factors that can positively or negatively impact your plan to retire
- Make appropriate investment selections for your short, mid and long-term goals
- Locate resources for further education and planning

The financial advisor will also review topics such as income tax planning, estate planning, proper beneficiary designations, and calculating Social Security benefits among other things. Additionally, an OCERS representative will give an overview of the OCERS pension plan; including the factors that go into payee's monthly retirement allowance, benefit estimates and disability retirement options.

Members will have an opportunity to meet

Scheduled dates for upcoming Financial Planning classes:

Wednesdays

February 3, 10 and 17, 2016
6 – 9:30 p.m.

March 2, 9 and 16, 2016
6 – 9:30 p.m.

April 6, 13 and 20, 2016
6 – 9:30 p.m.

with the financial advisor once the class is completed at no cost on a one-on-one basis to have specific questions answered. A personalized financial plan will be created with recommendations for the best steps to achieving your financial goals. Attendees have found this individualized planning to be extremely valuable.

Financial Planning Classes are held in OCERS' Training Room, 2223 E. Wellington Avenue, Santa Ana, CA 92701. The 3-night class is free; however, seating is limited so reservations are required. To make your reservation to attend this class, visit www.ocers.org and see the "Retirement Seminars" page.



New Service Providers to be selected in 2016

With the successful launch of its new pension administration system completed, OCERS is now in the process of selecting new service providers to help navigate a number of areas ranging from an uncertain investment market to the continued review of many critical operations performed by the system.

The selection of service providers began with the Board's approval in December 2015 to hire Macias Gini & O'Connell (MGO) to provide professional auditing services, and now the Board of Retirement is beginning its 2016 work plan for the selection of a number of other service providers.

The OCERS Service Provider policy requires a public procurement of named providers every five years. In 2016, OCERS is scheduled to undertake the selection of a new consulting actuary. An actuary is critical to assist OCERS, its plan sponsors ("employers") and our members by calculating investment market risk and other economic factors to help ensure that OCERS has enough funds to meet future payment obligations.

The complexity of OCERS' investment portfolio requires a number of essential service providers to assist in specific areas. OCERS'

2016 Business Plan provides for the competitive selection of the following providers:

- A general investment consultant
- A real estate consultant
- A Custodian Bank (an institution that maintains custody of the majority of OCERS' investments)

Additionally, the Board of Retirement (meeting as the Investment Committee) may also initiate a search for a private equity consultant.

Those interested in learning more about the work of the Board of Retirement and Investment Committee can read the monthly issues of the *OCERS Extra* digital newsletter available on the home page of OCERS' Web site.



Get a quick estimate of your future retirement

OCERS' Web site offers two easy ways for our active and deferred members to easily estimate their future retirement benefit.

The most comprehensive and accurate estimate is available once you have created your personalized myOCERS account (see article on page 1 of this issue). Once you have registered, you can use the myOCERS Benefit Estimator to calculate your future retirement benefits; the system uses your personalized information to calculate the estimate.

Or simply visit our home page and click on the "Benefits Calculator" button in the Quick Links box and you can follow the instructions to get an estimate based on the information you provide.

For more information please visit us at: www.ocers.org.

Pre-Retirement Sessions Prepare You For Retirement

Are you thinking about retirement? Do you have questions about your OCERS pension benefits or Medicare and Social Security? If retirement is in your future, you should plan on attending OCERS' Pre-Retirement Sessions which are designed to help members navigate the choices that impact employees approaching retirement.

The retirement-related sessions are de-

signed to provide a wide-range of information and resources to help any active or deferred member take the necessary steps to make their move into retirement. All sessions will be held at OCERS, 2223 E. Wellington Avenue, Santa Ana.

The upcoming Pre-Retirement Sessions will be held on January 20; February 3 and 17; March 2 and 16; and April 6, 2016.

Pre-Retirement Sessions Schedule

8 – 9:30 a.m.	Social Security and Medicare session
9:45 – 10 a.m.	Retired Employees Association of Orange County (REAOC) session
10 – 11:30 a.m.	Orange County Employees Retirement System (OCERS) session
12:30 – 1:05 p.m.	County Deferred Compensation Plan (Empower Retirement) session
1:05 – 3 p.m.	County of Orange Retiree Medical session

Empower Retirement bringing seminar to OCERS

Empower Retirement, the administrators of the County of Orange Defined Contribution Program, is bringing a free educational seminar on “Financial Wellness Education – Managing Retirement Income” to OCERS, 2223 E. Wellington Avenue, Santa Ana, on January 22 and 28, 2016. This 90-minute seminar is designed to help you learn how to make informed decisions about when to retire, how to manage your investments in retirement, and when and how to take distributions from an employer-sponsored retirement plan.

Attendees must RSVP by calling (800) 382-8924 by January 15, 2016, or via e-mail at RSVP@empower-retirement.com.

“Financial Wellness Education – Managing Retirement Income” - Friday, January 22, 2016 (11:30 a.m. - 1 p.m.)

“Financial Wellness Education – Managing Retirement Income” - Thursday, January 28, 2016 (11:30 a.m. - 1 p.m.)

The seminar will be held in the Board Room at OCERS, 2223 E. Wellington Avenue, Santa Ana.



Teamwork made its mark at OCERS in 2015

By Steve Delaney, OCERS Chief Executive Officer

While OCERS is always focused on the future and looking ahead on how to better serve our members and plan sponsors, the end of any year is a good time to reflect on the challenges and successes of the months that went before. Although there has been little reason for the local media to focus on OCERS in this past year, I want to take this opportunity to share some 2015 highlights.

Anyone who has created their new myOCERS account or is in the midst of reading this edition of *At Your Service* already knows we have been busy with the implementation of an exciting new pension administration system known as V3. When OCERS “went live” with the V3 system on December 14, 2015, it marked the culmination of an intense five-year effort to convert all of our member data to a new enhanced platform, create member and employer self-service portals, and work with all of our plan sponsors so they have the ability for the first time to transmit complex but accurate payroll data for their OCERS-covered employees directly into the V3 system. There have been years of testing that have included many members of OCERS’ staff representing a number of departments, all of it to make this system as effective as possible to meet the needs of active and deferred members, as well as our payees.

For most of our members, OCERS’ defined benefit plan will provide them the majority of their income in retirement. I believe it is essential to keep members updated on both our operations and investments programs, so in 2015 I went out with my team, as we do every year, to meet with as many of our plan sponsor and labor groups as possible. Additionally, we met on a number of occasions with REAOC (which represents more than 5,400 of our retired members) as well as outside stakeholders to provide complete updates and answer any questions they have about OCERS.



The success of the V3 project and other endeavors at OCERS would not have been possible without a strong team approach that marked 2015. In addition to the myriad of contributions from OCERS’ staff and plan sponsors, the ten members of the OCERS Board of Retirement masterfully steered the retirement system through both the administrative and investment side of our operations. The majority of our Board of Trustees have served for at least three years and these individual trustees – armed with their wide range of skills, talents and dedication – continue to bring strong ideas and solutions to the dais whenever they meet as the full Board of Retirement.

A very important capstone for the year’s activities occurred when the OCERS Board of Retirement met on November 16, 2015 and approved a new Mission Statement, highlighted below, that reflects OCERS’ values and commitment to its many stakeholders:

“We provide secure retirement and disability benefits with the highest standards of excellence.”

I wish all of you a healthy and happy 2016, and together I know we can continue to work together to strengthen OCERS for today’s retirees as well as all of you who will depend on the system in the years ahead.



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1099-R forms to be mailed end of January 2016

OCERS will send personalized copies of Internal Revenue Service Form 1099-R to all payees on January 29, 2016. The Form 1099-R provides each payee with detailed information on his or her income for the previous year. Payees may also view and print copies of their 2015 1099-R online, effective Monday, February 1, 2016, by logging into their personalized account on the myOCERS portal. While OCERS does mail copies of the 1099-R to each payee, the online copy available on myOCERS can be printed and filed with the Internal Revenue Service if the mailed copy is lost or misplaced.

It is important that you keep OCERS updated with a current address and phone number so you continue to receive important information from us, including your annual 1099-R form and future issues of *At Your Service* newsletter. If you are an OCERS payee and have recently moved, please make sure to submit an address change using your myOCERS account by Wednesday, January 20, 2016 to ensure the timely delivery of your 1099-R form. That will also ensure that your current address is printed on your official 1099-R form.



For more information, visit www.ocers.org.

Coming up in our next issue of
At Your Service...
2016 COLA Update