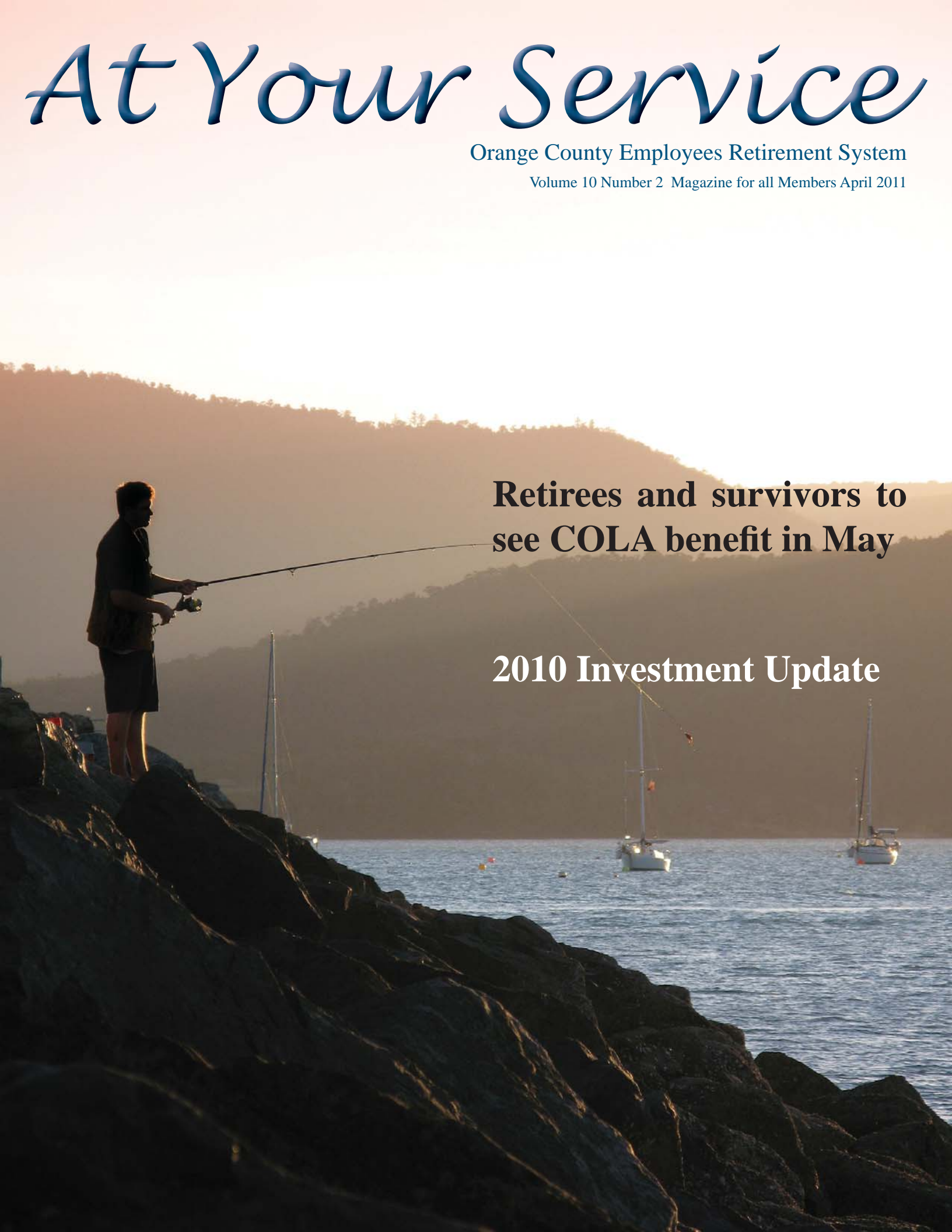


At Your Service

Orange County Employees Retirement System

Volume 10 Number 2 Magazine for all Members April 2011



**Retirees and survivors to
see COLA benefit in May**

2010 Investment Update

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 and Jayne Ritchey

Board of Retirement Meetings:

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

April 18, 2011
May 23, 2011
June 20, 2011
July 18, 2011

August 22, 2011
October 17, 2011
November 21, 2011
December 19, 2011

COLA 2011 Update

OCERS retirees will see a Cost of Living Adjustment (COLA) beginning with their May 1, 2011 monthly retirement allowance.

On Feb. 14, 2011, the Board of Retirement adjusted all applicable retirement allowances in accordance with the 1 percent change in the Consumer Price Index (CPI). OCERS annually adjusts the benefit allowances relative to the increase or decrease in the CPI. The COLA will affect benefit recipients in different ways depending upon when they retired.

For benefit recipients who began receiving benefits on or before April 1, 1988, OCERS will grant a 3 percent COLA and reduce the COLA banks by 2 percent. For those benefit recipients who began receiving benefits between April 2, 1988 and April 1, 2001, OCERS will increase those benefit allowances by 2 percent and reduce the COLA banks by 1 percent.

For those benefit recipients who began receiving benefits between April 2, 2001 and April 1, 2005, OCERS will increase benefit allowances by 1.5 percent and reduce the COLA banks by .5 percent. Finally, for benefit recipients who began receiving benefits between April 2, 2005 and April 1, 2011, OCERS will increase benefit allowances by 1 percent.

For more information about how the CPI impacts the COLA, as well as determining how much retirees' (based on year of retirement) have in their individual COLA bank, see the "COLA Information" page on OCERS' Web site.

OCERS returns 11.70% for 2010 Calendar Year

OCERS earned an investment return of 11.70 percent for the year ended Dec. 31, 2010. Assets increased through investment earnings by more than \$900 million over the previous year as a number of major asset categories generated positive returns.

Indeed, OCERS' 11.70 percent return exceeded the 10.40 percent target for 2010, and the one-year return in the areas of real estate (15.68 percent), U.S. equity (15.90 percent), international equity (13.14 percent) and alternatives (11.25 percent) were the largest contributors. Also adding to OCERS' positive return for the year was the 7.28 percent earned in the real return category (Treasury Inflation Protected Securities, commodities and timber).



“Our Board of Retirement and investment staff, working with the investment consultants, have continued to achieve success in an increasingly-challenging market environment,” said Steve Delaney, OCERS CEO, noting that OCERS' strong returns in 2010 followed the 18.52 percent in investment gains recorded in 2009.

“We exceeded our investment targets in 2010, generating strong returns for the payment of current and future benefits while taking less investment risk than many other public pension funds,” Mr. Delaney said.

A well-diversified portfolio has been a key part of OCERS' success, with the Board of Retirement having overseen an investment portfolio that has long since expanded into multiple asset classes outside of stocks and bonds. In 2010, the Board of Retirement continued its diversification-minded approach and hired direct energy and agriculture managers.

Although concerns about the high unemployment rate, political upheaval in the Middle East and the federal budget deficit will continue to provide challenges for institutional investors in the immediate future, the total assets in OCERS' portfolio were at an all-time high of about \$8.7 billion as of Jan. 31, 2011.

“OCERS staff is focused on managing the retirement system's assets and providing a high level of service to all of our members,” Mr. Delaney said.

For more information on OCERS' investments, visit www.ocers.org and click on “Finance & Investments.”

Evening Financial Strategies Seminar dates set

If you are planning to retire within the next 5 to 30 years, you should plan to attend a free Financial Strategies for Retirement Planning Seminar. Financial Strategies Seminars are held at:

OCERS (Training Room)
2223 E. Wellington Avenue, Suite 100
Santa Ana, CA 92701-3161

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.



Various topics of interest and importance will be covered over the course of the three-session workshop. Some of them are:

- Tax-free and low-cost investing for profit
- How to determine retirement goals
- Investment choices in today's market

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 and click on "Retirement Seminars." For more information on upcoming Financial Strategies for Retirement Planning Seminars, please call Robert Kinsler at (714) 558-6230.

On the move? Please keep OCERS updated

Is your address within your agency's payroll system correct? Please look at your most recent pay stub to verify that your home address is accurate. To correct your address, contact the Human Resources Specialist or Payroll Representative within your agency/department as soon as possible.

If you are a retiree and plan on moving, please make sure to contact OCERS as soon as possible to keep us updated with a current address and phone number so you continue to receive important information from us, including your 1099-R Form every January.

SCHEDULED DATES for three-session workshop:

Workshop

Wednesdays

April 6, 13 and 20, 2011

6 – 9:30 p.m.

Workshop

Wednesdays

May 4, 11 and 18, 2011

6 – 9:30 p.m.

Workshop

Wednesdays

June 1, 8 and 15, 2011

6 – 9:30 p.m.



Thinking of retirement? Attend a daytime seminar

OCERS members who attend a daytime Pre-Retirement Seminar have a better understanding of how the retirement system works and are more confident in the decision making process. 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's 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: Apr. 6 and Apr. 20; May 4 and 18; June 1 and 15, 2011.**



Here is the itinerary for the Pre-Retirement Seminar:

8 a.m. to 9:30 a.m.	"Social Security/Medicare"
9:30 a.m. to 9:40 a.m.	Morning Break
9:40 a.m. to 9:45 a.m.	"Retired Employees Association of Orange County (REAOC)"
9:45 a.m. to 11 a.m.	"OCERS Benefits"
11 a.m. to 12:15 p.m.	Lunch Break
12:15 p.m. to 1:45 p.m.	"County of Orange Retiree Medical"
1:45 p.m. to 2:15 p.m.	"County of Orange Defined Contribution Program"

Please note that all presentation times are subject to change without notice.

No registration is necessary to attend the Pre-Retirement Seminars. OCERS members are welcome to take this seminar as often as they like. We also recommend that attendees bring something to eat, or plan on driving/walking to a nearby eatery during the 75-minute lunch break since food is not provided and there is no cafeteria on-site.

For more information about all of OCERS' seminars, please log on at www.ocers.org and click on "Retirement Seminars."

Your OCERS statement is available on the 'MIC'

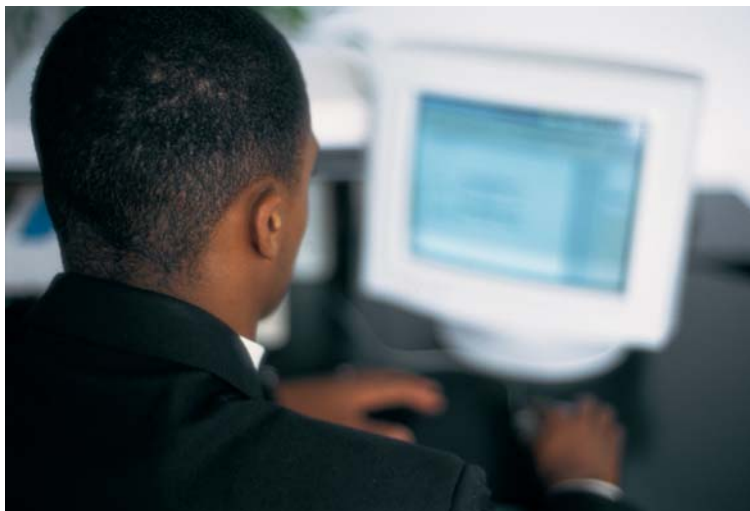
OCERS personalized information is available to members 24 hours a day, seven days a week and is as close as the nearest Internet connection.

By going online at www.ocers.org, active and deferred members can use the self-service Member Information Center (MIC) portal to view and print an updated Member Statement at their convenience. Highlights of the personalized Member Statement include:

- A member's entry date into the retirement system ("Membership date")
- Completed service purchases or redeposits (if applicable)
- Reciprocal service (if any)
- A member's current benefit plan (2.7% at 55, 1.62% at 65, 3% at 50, etc.)
- Split service (if any)
- Contributions and interest
- A listing of primary and alternate beneficiaries

Other features on the MIC allow members to calculate their future retirement allowance, update their beneficiary information, change the email address OCERS has on file and to change the "User name" and "Password" that are used to access their MIC account.

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 and click on the Member Information Center "Member Login" button on the upper left of the Web site.



CEO Update focuses on retiree issues

Although OCERS' *At Your Service* newsletter, annual financial reports, a Web site and self-service Member Information Center (MIC) portal are all key resources where members can learn more about their retirement system, nothing replaces hearing from someone firsthand.

On March 23, 2011, OCERS Chief Executive Officer Steve Delaney addressed approximately 200 retirees at the spring luncheon hosted by the Retired Employees Association of Orange County (REAOC) in Fountain Valley.

While a timely update on the 2011 Cost Of Living Adjustment (COLA) kicked off Mr. Delaney's presentation (See page 2 of this issue for an update on the 2011 COLA), a number of other subjects were discussed including the Supplemental Targeted Adjustment for Retirees Cost Of Living Adjustment (STAR COLA), and an investment update on the health of OCERS' \$8.8 billion investment portfolio.

"I want to thank REAOC for inviting me to their event," Mr. Delaney said. "There are a number of issues of concern to retirees, but I want them all to know that our fund is strong and their retirement funds are secure. Additionally, the Board of Retirement and OCERS' staff are committed to providing top customer service to all members."

In addition, attendees got to ask a range of questions about OCERS and their benefits. Mr. Delaney's presentation before members of REAOC, as well as a recent series of Focus Groups and seminar evaluations, help provide an important dialogue between OCERS and its members.





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OCERS' Web site offers wealth of resources online

OCERS members are increasingly logging on at www.ocers.org to learn more about their retirement benefits. OCERS' official Web site provides a wealth of information and services for anyone connected to the Internet.

For active and deferred members, one of the most popular features is the Benefits Calculator, which allows any member to get a fast estimate of their projected retirement allowance based on their current Final Average Salary, Plan Type, age and years of service credit. No registration is required and it only takes a few seconds to complete the easy-to-use online form. Indeed, the Benefits Calculator is a financial planning tool that provides an immediate and personalized estimate of their OCERS retirement benefits at any eligible age.

Active and deferred members can use the Member Information Center ("MIC") to complete a Retirement Application online, while retired members are able to view screens detailing tax withholding, direct deposit and 1099-R information (for more information on how to access the MIC, see page 6 of this issue).

While members are at OCERS' Web site, they can learn more about retirement, disability, death and survivor benefits utilizing easy-to-use links directing them to various areas of the site.

All members are free to use OCERS' "Live Chat." This is a unique feature where computer users can chat online with OCERS Retirement Specialists in real time during regular business hours.

For more information, visit www.ocers.org.