

# At Your Service

April 2015

Orange County Employees Retirement System

Quarterly Newsletter

## OCERS Board unanimously approves 1.5% COLA

OCERS benefit recipients will see a Cost-Of-Living Adjustment (COLA) beginning with their May 1, 2015 monthly retirement allowance.

At its regular meeting held on February 17, 2015, the Board of Retirement approved a 1.5% COLA. The recommendation to adjust all applicable retirement allowances in accordance with the 1.35% increase in inflation as calculated by the Bureau of Labor Statistics Consumer Price Index (CPI) for the urban area encompassing Orange County was approved unanimously by the Board.

The COLA will impact benefit recipients differently depending upon the effective date of their allowance.

- ❖ Payees with an effective date of April 2, 1985 to April 1, 2015, will see a 1.5% adjustment
- ❖ Payees with an effective date of April 2, 1983 to April 1, 1985, will see an adjustment of 2%
  - 1.5% COLA plus .5% from the COLA bank
- ❖ Payees with an effective date on or before April 1, 1983, will see a 3% adjustment
  - 1.5% COLA plus 1.5% from the COLA bank



For more information about how the CPI impacts the COLA, as well as determining how much payees (based on the effective date of the benefit) have in their individual COLA bank, see the “COLA Information” page on OCERS’ Web site in the “Retired Members” section.

In addition, all members can learn more about the COLA bank by viewing the “OCERS Retiree COLA & COLA Bank” video on OCERS’ Web site.

Remember, OCERS pays its monthly benefits in arrears. So although the 2015 COLA is effective April 1, eligible members will see the adjustment on their May 1, 2015 payment.

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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. Comments and suggestions should be directed to:

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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)

<b>January 20, 2015</b>	<b>February 17, 2015</b>
<b>March 16, 2015</b>	<b>April 20, 2015</b>
<b>May 11, 2015</b>	<b>June 15, 2015</b>
<b>July 20, 2015</b>	<b>August 17, 2015</b>
<b>October 19, 2015</b>	<b>November 16, 2015</b>
	<b>December 14, 2015</b>

Future agendas can be found at [www.ocers.org](http://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.

## 2015 STAR COLA approved

At its regular meeting on March 16, 2015, the Board of Retirement unanimously approved payment of Supplemental Targeted Adjustment for Retirees, Cost-Of-Living Adjustment (STAR COLA) for the period April 1, 2015 through March 31, 2016.

STAR COLA applies to those members who have been retired the longest – currently only 397 members who retired on or before April 1, 1980 receive STAR COLA. The STAR COLA provides a much-needed cushion to OCERS' oldest retirees, whose benefits have been most diminished by inflation over time.

## Information technology changes on the horizon

Pension systems throughout the country utilize a variety of software applications to administer and pay retirement benefits. OCERS' pension administration software system is the record keeping foundation of our organization. We use the system to track retirement contributions, service credits, employment history and other elements of data throughout a member's career. Upon retirement the system is used to calculate retirement allowances, survivorships and disability benefits, process monthly pension benefits and generate annual 1099-R forms.

In order to provide the best possible customer service to our members, beneficiaries and plan sponsors we are in the process of transitioning to a web based software application, with an expected "go-live" date of December 2015. As part of our implementation process, OCERS has been thoroughly reviewing and reevaluating our business processes, and making improvements wherever possible.

At the end of the day our primary goal is to implement a wide range of improvements across all business areas and offer our members and plan sponsors easy computer access that is user friendly and even easier to navigate. Customer service and effective communications are our #1 priority!

Future issues of *At Your Service* will have updates on the project's status.

## OCERS investment portfolio update

As a public pension fund of approximately \$12 billion, OCERS follows a disciplined approach to long-term investing. The liabilities (benefits that are paid to retirees and their eligible beneficiaries) of the system are long-term in nature, and our investment objective is to meet those liabilities in the most cost-effective and risk-conscious manner possible.

In designing the core portfolio strategy – also known as the fund’s “asset allocation” – our trustees, staff and consultants evaluate the risk and return properties of a variety of asset classes, categories and strategies. As employee and employer contributions are paid to OCERS that capital is allocated to each asset class or category on the basis of its expected contribution to the overall portfolio in concert with the others.

*“This diversification strategy seeks to include asset classes that tend to behave independently and sometimes even in opposite directions, which smooths out the overall portfolio returns and avoids extremes – either up or down” said CIO Girard Miller.*

OCERS closed the 2014 cal-

endar year with a portfolio return of 4.93 percent, with the system’s fund at \$11.95 billion. Although most of our individual investment managers performed well, the long-term asset allocation of the plan was hurt by negative returns in international stockholdings and our real return (inflation hedge) portfolio allocations, which are larger than many public pension plans.

OCERS’ diversified investment program is overseen by the Investment Committee comprised of all 10 members who serve on the Board of Retirement. Both the Investment Committee and OCERS staff are very conscious of the need for the system to earn significantly more than the inflation rate over longer periods of time.

For the 10-year trailing period as of December 31, 2014, OCERS’ portfolio recorded a return of 6.60 percent; the trailing 20-year period saw OCERS’ portfolio achieve a more impressive 8.48 percent.

More information on the OCERS investment program is provided on our Web site.



### Safety Member Election

Eligible Safety Members are invited to participate in the upcoming election to fill two open seats on the Board of Retirement. An election will be conducted among Safety Members for the positions of “Safety Member” and “Alternate Member” on the Board; the term of office is from July 1, 2015 through June 30, 2018.

Ballots will be mailed April 10 and must be returned to the Registrar of Voters’ office by 9 a.m. on May 19.



### Pension term: What is a “DRO”?

“DRO” is an acronym for “Domestic Relations Order.” In a divorce, a member’s OCERS retirement benefit may be subject to community property division by a Marital Settlement Agreement or order of the court. A DRO is the order that instructs OCERS on how to divide the member’s retirement benefits between the parties.

# Financial literacy a key to future security

A new study reveals that financial literacy may be the key to the financial well being of retirees. That's the key finding of a study using data from 1,956 older adults in the National Health and Retirement Study, conducted in November 2014 by a graduate student at the University of Massachusetts. The study found that advanced financial literacy skills, which include familiarity with investments and investment risk, are linked with higher levels of wealth accumulation. Respondents with solid financial wisdom had, on average, \$71,187 more than those with weak financial literacy.

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 the 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



## **SCHEDULED DATES for upcoming classes:**

### **Financial Planning Class**

Wednesdays  
May 6, 13 and 20, 2015  
6 – 9:30 p.m.

### **Financial Planning Class**

Wednesdays  
June 3, 10 and 17, 2015  
6 – 9:30 p.m.

### **Financial Planning Class**

Wednesdays  
July 1, 8 and 15, 2015  
6 – 9:30 p.m.

OCERS

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.

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 Planning Classes are held in OCERS' Training Room, 2223 E. Wellington Avenue, Santa Ana, CA 92701. The three-night class is free; however, seating is limited so reservations are required. To make your reservation to attend this class, visit [www.ocers.org](http://www.ocers.org) and see the "Retirement Seminars" page. For more information on upcoming Financial Planning Classes please call Robert Kinsler at (714) 558-6230.

# OCERS videos - tools to keep members informed

Two of the commonly asked questions from OCERS members are “How do I enroll in the online member self-service portal “Member Information Center?” (MIC) and “What is my PIN number?”

The answers to these questions and more can be found by watching the OCERS video titled “Member Information Center (MIC) Enrollment” that provides an easy step-by-step guide on how to gain access to your online account. This four-minute video is available via the “Video Library” page at [www.ocers.org](http://www.ocers.org).



Some other recent videos and topics include:

**Cost of Living Adjustment (COLA) and “COLA Bank”**

**Disability Process - How Long Does the Disability Process Take?**

**Helpful Retirement Tips**

**On The Move**

**Reciprocity**

**Retirement Payment Options**

**Using The Benefits Calculator**

**Withdrawing Contributions - Can I withdraw or Borrow My Contributions?**

**Working After Retirement**

## What did we learn? Survey Says...

### survey

OCERS always appreciates getting feedback from our membership on how we are doing. In the summer of 2014, our staff began asking visiting members to speak with us about the *At Your Service* newsletter. Our hope was to gain insight into how we can better communicate with members about their OCERS-provided benefits and the services we offer.

One key finding we received from these interviews was that many actively employed members believe that they are too young or it is too early in their career to start thinking about retirement. Nothing is further from the truth! It is never too early to start planning for retirement. There are a number of things

within your control that you should consider well in advance to help you plan for financial retirement needs.

All members should plan on supplementing their OCERS benefit with other savings like a 457(b) account or a traditional or Roth IRA available through most banks and financial institutions. Did you have public employment in California prior to becoming an OCERS member? Do you have service credits that are missing due to a medical leave of absence? Did you work as extra help prior to becoming an OCERS member? If so, you may be eligible to purchase service credits with OCERS and increase your retirement allowance. Request to Purchase Service Credit forms are available on the OCERS Web site at: [www.ocers.org](http://www.ocers.org) on the “Forms and Publications” page.

## Retiree spotlight: member recalls lifetime of service

As a Deputy Probation Officer for the County of Orange (1972-1987), and then a Parole Agent for the State of California's Department of Corrections (1987-2006), Jan Moorehead found challenges and rewards everyday she went to work. "I never had a boring five minutes in 34 years," said Jan of her career in government service.

But Jan's story of service actually extends back to 1965, when as a 21-year-old graduate of Arizona State University (where she earned her bachelor's degree in political science with a minor in economics in a mere 2½ years) she contacted Senator Barry Goldwater in hopes of serving her country during wartime the way her grandfather had in World War I and her father had in World War II.

"I have always been patriotic, but the only women going (over to Vietnam) at that time

were nurses," Jan recalled.

She received a reply that indicated the American Red Cross had women going to Vietnam, so after being accepted by the service organization and receiving training in Washington, D.C. Jan was flown to Vietnam in February 1966 where she was stationed in DaNang.

"I was in Vietnam three years and 10 months,"

***'Jan Moorehead' story continued on page 7***



## Pre-Retirement Sessions set for Spring 2015

It's not unusual for some OCERS members to work 20 or 30 years before they begin to seriously think about retirement. Other members begin planning for their retirement from the very beginning. The good news is that OCERS offers a special series of Pre-Retirement Sessions designed for all members thinking about making the transition from employee to retiree. The retirement-related sessions are designed 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 Session dates will be held on April 15, May 6 and 20, June 3 and 17, and July 1, 2015. Members can get additional dates on OCERS' Web site.

### 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

## 'Jan Moorehead' continued from page 6

### Retiree recalls lifetime of service

Jan recalled, noting Red Cross recreation workers were commonly known as “donut dol-lies” by the troops. Her service included spending time at the DaNang Naval Hospital, near China Beach, and also at area Vietnamese hospitals. While Jan was initially sent to the Far East to serve the Red Cross, she went to work for the USO in Saigon beginning in 1967.

“During the Tet Offensive in '68, part of a Russian rocket hit my apartment,” Jan recalled. “Shrapnel went into my tape deck. I had a piece made into a bracelet.”

She has strong memories of the times she spent in Vietnam during the war despite the challenges faced by many of the injured soldiers and sailors she helped. One of her most memorable memories is spending time with a young Marine named Sgt. Perry Shinneman. While he suffered severe wounds (including losing a leg) and was not expected to live, Jan spent several days with him and even wrote to Perry's wife Shirley and three-year-old daughter Shaylene in those first days when he was unable.

Several days later, although still in critical condition, Perry was flown out of Vietnam to the Philippines where he was cared for and befriended by a medic named Ben Trigg.

“I never found out if he had lived or died until 2000 when I got a call that someone in South Dakota was looking for me.”

It turns out that Perry was alive. After receiving a letter where she learned he was



doing well, Jan and Perry got to speak over the phone, and she also got to speak with Perry's daughter. In May 2002, Perry, Ben and Jan all got to meet in Washington, D.C.

“When people who were in Vietnam meet each other for the first time, they usually have an instant camaraderie, and that's exactly what happened when we all got together. In a funny way, we felt like 'old friends' who cared for and wanted the best for one another.”

In addition to touring the Capital Building, the Library of Congress, the Korean War Memorial and other famed sites, they made a special visit to the Vietnam Veterans Memorial – better known as The Wall – on the last day they were all together.

“My experience in Vietnam gave me a special gift – the ability to look at people, regardless of their disability, injury or disfigurement, and still see them the way they were before.”

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## Empower Retirement bringing workshops to OCERS

Empower Retirement (formerly Great-West) and the County of Orange Defined Contribution Program are bringing a trio of free educational seminars on financial topics to active participants over the next few months. These seminars are meant to provide participants with a broad-based understanding of the 457 Program and help increase participants' knowledge of investment terms and concepts. They also provide attendees with the necessary tools to manage their account in a manner that may promote long-term financial security. These seminars are held at OCERS from noon to 1 p.m. *These same seminars are also held at other sites; make sure to view your weekly updates from HR/Employee Benefits for additional details.*

### “Reinventing Retirement” - Wednesday, April 22, 2015

During this workshop, you'll discover the common challenges and misconceptions related to saving for retirement.

### “Risk Management” - Wednesday, May 27, 2015

This seminar examines the several types of risk you face as a worker, investor and retiree, and how you can manage these risks to and through retirement.

### “Kids and Money” - Wednesday, June 24, 2015

Teaching kids about money starts at home. Learn about tools and techniques to teach your kids the skills they will need to prepare themselves for their financial future.



Coming up in our next issue of  
*At Your Service...*

Contribution rate changes in July