

At Your Service

Orange County Employees Retirement System

Volume 11 Number 3 Magazine for all Members July 2012



OCERS Updates Asset Allocation Mix

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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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	

Plan for retirement today

It is never too early to start planning for retirement, but many members mistakenly wait until the “last minute” to undertake actions that would successfully transition from employment into retirement.

Here are some recommended actions for members who want to have a smooth move into retirement:

- If you are within three years of retirement, plan on attending a free Pre-Retirement Seminar at OCERS (see *page 8 for upcoming dates/times*).
- Make sure you have all your verification documents (birth certificate or valid passport, marriage license, etc.) in one place so you can file your retirement paperwork electronically when the time comes.
- Make sure you have enrolled in OCERS’ Member Information Center (MIC) on-line so you can view monthly advice notices and make critical changes after you retire. The MIC is accessed via OCERS’ Web site (www.ocers.org).

All members should consider the following:

- Take the free three-week Financial Strategies Seminar at OCERS (see *page 4 for details*).
- Make consistent contributions of even modest amounts to a savings and investment program (such as a 457 plan).
- Bring all of your verification documents to OCERS so they can be copied and included in your member file.

Annual County of Orange Benefits Open Enrollment for Retirees coming November 1, 2012

The Annual County of Orange Benefits Open Enrollment for retirees will start on November 1, 2012. You will be sent detailed information before Open Enrollment from the County and from the Benefits Center to your mailing address. Please make sure if you do experience a change in address you report that change directly to the Benefits Center, OCERS and any other organization you are affiliated with. We strongly encourage you to thoroughly review all materials sent from the County and the Benefits Center to you to ensure you are informed in order to make the best decision regarding health plan choices for you and your family for 2013.

During Open Enrollment, the County of Orange and the Benefits Center will be available to support and assist you with your questions and concerns. There will be a series of Open Enrollment meetings in November. These meetings will provide an overview of upcoming changes with the opportunity to ask questions of each of the health plan representatives. Be sure to watch your mailbox and read all Open Enrollment materials carefully. For information about your current benefits, or to verify the Benefits Center has your current mailing address, please call the Benefits Resource Line toll-free at 1-866-325-2345.

Safety Members elected to Board of Retirement

Safety Members voted in May to elect Roger Hilton as "Safety Member" and Raymond Geagan as "Alternate Safety Member" to serve 3-year terms on OCERS' Board of Retirement.

An election was held among Safety Members and the votes were tallied at the Registrar of Voters office in Santa Ana. Their terms began on July 1, 2012.



Mr. Hilton (*pictured on the right*), who began his law enforcement career in 1988, is a Deputy Sheriff with the Orange County Sheriff's Department. Mr. Geagan (*seen on the left*) is a Fire Captain with the Orange County Fire Authority.



Follow us on Twitter

OCERS is now on Twitter. Go to the OCERS Web site and click on the Twitter link to follow us @myocers. You can get news and important updates on OCERS.



Financial Strategies Seminars set for summer

A recent article in USA TODAY noted that “more Americans are finding themselves in their 50s and 60s with practically no money saved for retirement.” One of the key points made in the article was that while Depression- and World War II-era workers were “good savers,” many Baby Boomers have not prepared for retirement as attentively as their parents.

The good news for OCERS members is most will collect a lifetime pension. In addition, all members can take a free Financial Strategies Seminar.

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
- 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

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 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
July 11, 18 and 25, 2012
6 – 9:30 p.m.

Workshop
No workshop in August

Workshop
Wednesdays
September 5, 12 and 19, 2012
6 – 9:30 p.m.



OCERS adopts new Asset Allocation mix

Hardly a day goes by without economic news and world events having a significant impact on investment markets. Because OCERS is an established long-term institutional investor - the retirement system's portfolio was valued at \$9.6 billion as of April 30, 2012 - the Board of Retirement works closely with staff and investment consultants to invest and grow for the long term. At the OCERS Investment Committee meeting held on May 23, 2012, a new asset allocation target was adopted as well as asset class ranges and asset class benchmarks.

Beginning in February 2012, OCERS' investment team worked with investment consultant NEPC, LLC in undertaking an Asset/Liability Study. Those efforts ultimately led to the careful selection of a new policy designed to maximize returns while minimizing risk.

The asset class ranges are designed to provide sufficient flexibility to manage market movements before being required to rebalance to target weights. Here is the new Asset Allocation Mix, related ranges and benchmarks:

Asset Allocation Policy with Ranges and Benchmarks

Asset Types	Target	Range	Benchmark
U.S. EQUITY	15%	12-18%	Russell 3000
INT'L. EQUITY	17%	14-20%	MSCI ACWI Ex US
GLOBAL EQUITY	4%	2-6%	MSCI World
U.S. FIXED INCOME	13%	10-16%	BC US Universal
INT'L. FIXED INCOME	3%	1-5%	Citigroup Non-US World Gov't. Bond; 50% Hedged
EMERGING MARKET DEBT	3%	1-5%	JPMorgan EMBI Diversified
DIVERSIFIED CREDIT	7%	2-10%	50% ML HY Constrained/50% CS Levered Loan
REAL ESTATE	10%	8-12%	90% NCREIF ODCE/ 10% NAREIT Developed REITS
PRIVATE EQUITY (ALTS.)	5%	3-7%	Cambridge Private Equity Lagged
ABSOLUTE RETURN	13%	11-15%	LIBOR + 5%
REAL RETURN	10%	7-13%	CPI + 5%

Over the past decade, OCERS' Board of Retirement (meeting as the Investment Committee) has continued to invest in the areas of equities, fixed income and real estate, but also broadened its approach with more significant investments in timber while moving into new areas including agriculture, commodities, absolute return and direct energy. Additionally, OCERS will be transitioning from a fund-of-fund mandate to a direct hedge fund program and also invest in emerging markets debt.

OCERS' Web site offers wealth of resources online

With the majority of Americans now having easy access to the Internet at home, in the workplace or at their local public library, it's no wonder that 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 World Wide Web.

For active and deferred members, one of the most popular features at OCERS' Web site 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 benefit at any eligible age.

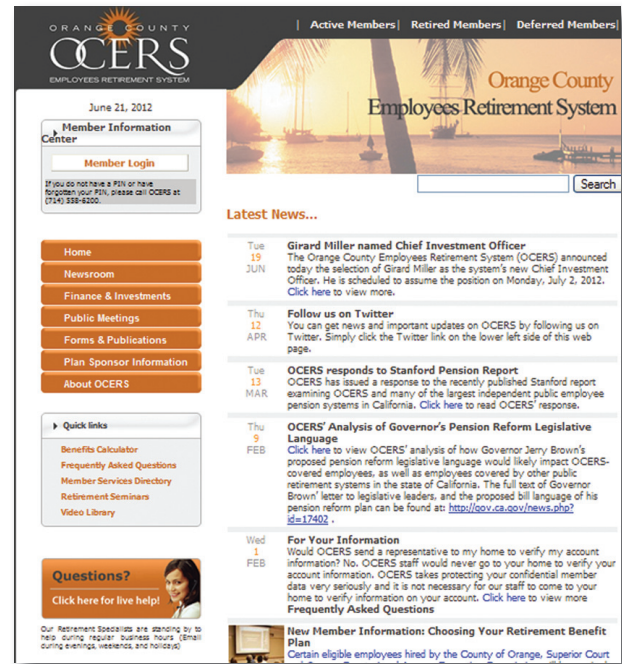
On the "Forms & Publications" page at www.ocers.org members can read past issues of *At Your Service*, as well as informational brochures and publications such as OCERS by the Numbers and the Popular Annual Financial Report (PAFR). Members can also read a number of brochures on topics such as reciprocity, retirement payment options and compensation earnable (those pay elements that are used to compute a member's Final Average Salary).

Active and deferred members can use the Member Information Center 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 the Member Information Center, see page 2 of this issue).

While you're at OCERS' Web site, learn more about retirement, disability, death and survivor benefits utilizing easy-to-use links directing you to any area of the site in seconds.

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.



Girard Miller named Chief Investment Officer

The Orange County Employees Retirement System (OCERS) announced the selection of Girard Miller as the system's new Chief Investment Officer on June 14. Mr. Miller will assume the position on July 2, 2012.

Prior to accepting his new position at OCERS, Mr. Miller has served as a senior strategist for retirement finance and public-sector investments at the PFM Group. He is known nationally as an authority on the investment of public funds and retirement plan design and investment strategies. Houston, Texas-based Heidrick & Struggles assisted OCERS with the nationwide search.

"We look forward to having Girard Miller lead our investment team. His investment experience and thorough understanding of public pension plans and retirement related issues will be of tremendous value to assist the Board of Retirement in managing OCERS' increasingly-diversified portfolio," Steve Delaney, CEO of OCERS said.

Previously, Mr. Miller was the President of the Janus Mutual Funds and served as Chief Operating Officer of Janus Capital Group, Inc., a global investment company with \$170 billion of assets under management. Prior to that, he was the President and Chief Executive Officer of the ICMA Retirement Corporation for 10 years after heading Fidelity Investments' public funds group.

Mr. Miller's career began in the public sector. After working for nine years in local governments in New Jersey and Michigan, he joined the professional staff of the Government Finance Officers Association (GFOA) in 1981. He authored 12 publications for GFOA and founded its Public Investor newsletter for investment professionals.

Mr. Miller earned a B.A. degree from the University of Washington (Seattle). He earned a master's degree in Public Administration at the Maxwell School of Public Affairs of Syracuse University, and holds a master's degree in Economics from Wayne State University in Detroit. He is a Chartered Financial Analyst (CFA) and a former fellow of the National Academy of Public Administration.



Looking for answers? View a video

OCERS has posted short informational videos on a number of topics for active members and retirees. OCERS' Video Library features videos focusing on helpful retirement tips, benefit options, reciprocity and using the online Benefits Calculator. More videos will be posted soon, so check back often to learn more about your retirement system. To get to the Video Library, visit www.ocers.org and click on **Video Library** inside the Quick Links box.



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Pre-Retirement Seminars set for summertime

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 the County of Orange retiree medical program will discuss the County's retiree medical benefit options; and an OCERS Retirement Specialist will focus on your OCERS retirement benefits. **Seminar dates: July 11 and 25; August 8 and 22; September 5 and 19, 2012.**

No registration is necessary for the Pre-Retirement Seminars. Members are welcome to take this seminar as often as they like. It is important to note that members are free to attend the seminar all day, or sit in on only those topics of interest to them. For more information visit www.ocers.org.

