

# At Your Service

October 2015

Orange County Employees Retirement System

Quarterly Newsletter

## The value of a lifetime benefit from OCERS

Most public employees in the United States, including members of OCERS, receive their primary retirement income through a Defined Benefit Plan rather than a Defined Contribution Plan. Because of increasing attention paid to both types of plans, we believe it is critically important that you understand the fundamental differences between the two types of plans, and specifically understand the value of your OCERS benefits.

In a Defined Benefit Plan (also known as a DB Plan), your benefit at retirement is determined by factors such as your plan formula (2.7% at 55, 3% at 50, 2.5% at 55, etc.), years of OCERS-covered service, your Final Average Salary and age at the time of retirement.

Typically, during your active employment, both you and your employer make bi-weekly contributions to OCERS. These contributions become part of the retirement system's public pension fund. Those contributions are invested under the direction of OCERS' Investment Committee and a professional investment staff. Funds in OCERS' \$12 billion investment portfolio are used to pay retirement, disability and survivor benefits.

"While there has been a wealth of media coverage as it relates to both Defined Benefit and Defined Contribution Plans in recent years, it is important for you to understand the value of your Defined Benefit Plan," said Suzanne Jenike, Assistant CEO, External Operations at OCERS.

"OCERS offers many benefits for our members. Once you retire, it provides a lifetime of predictable, guaranteed retirement income, and also offers continuing benefits to eligible survivors."



In a Defined Contribution Plan (also known as a DC Plan), the participant's benefit is determined by the amount of assets in their personal account at the time of their retirement and the participant bears all of the risk of stock market fluctuations. The structure of DC plans is very different than the security of a lifetime monthly benefit offered by a public pension plan such as OCERS.

The Summary Plan Description as well as a number of informational brochures and videos are posted on OCERS' Web site to provide you with more information on OCERS benefits. OCERS' Pre-Retirement Sessions and Financial Planning Classes also provide important information.

For more information, visit [www.ocers.org](http://www.ocers.org).

## At Your Service



### Members of the Board of Retirement

Charles E. Packard, Chair  
Roger Hilton, Vice Chair  
David Ball  
Tom Beckett  
Frank E. Eley  
Thomas Flanigan  
Shari L. Freidenrich, CPA  
Eric W. Gilbert  
Wayne Lindholm  
Chris Prevatt

### Chief Executive Officer

Steve J. Delaney

### Chief Investment Officer

Girard Miller, CFA

### Assistant Chief Executive Officer, External Operations

Suzanne Jenike

### Assistant Chief Executive Officer, Finance and Internal Operations

Brenda Shott, CPA

### Chief Legal Officer

Robert Valer

At Your Service is published for members and retirees of the Orange County Employees Retirement System. Comments and suggestions should be directed to:

Robert Kinsler, Communications Manager

### OCERS

2223 E. Wellington Avenue, Suite 100  
Santa Ana, CA 92701-3161  
Telephone: (714) 558-6200  
Toll-free within California: (888) 570-6277  
Web site: [www.ocers.org](http://www.ocers.org)

At Your Service is edited and designed by  
Robert Kinsler and Jayne Ritchey

### Board of Retirement Meetings:

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

**October 19, 2015**

**November 16, 2015**

**December 14, 2015**

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.

## County of Orange Benefits Open Enrollment coming

Attention: County of Orange Retirees, Open Enrollment is upon us! This is the time of the year when health plan rates are announced and you have an opportunity to make changes to your elections for the upcoming 2016 plan year.

**Open Enrollment: October 30 – November 16, 2015.**

The annual Open Enrollment period is the only time during the year (without a qualifying event), that you have the opportunity to enroll or change your medical elections. Your medical benefits will remain the same if you do not make changes. During the month of November, the Employee Benefits Department of the County of Orange will host Open Enrollment meetings to give retirees an opportunity to ask questions from each of the County's health plans. You will receive your Open Enrollment package prior to October 30 with a schedule of Open Enrollment meetings.

During Open Enrollment, if you are 65 or older and planning to enroll in one of the County's Medicare Advantage plans, please make your elections early. Enrollment in a Medicare Advantage plan must be approved by the Centers for Medicare and Medicaid Services (CMS) and depending on the plan you choose, you may be required to send in enrollment and/or disenrollment forms. If your form is not received by the required deadline, or you are not approved by CMS, you will be automatically enrolled in the County's Wellwise PPO health plan at higher rates.

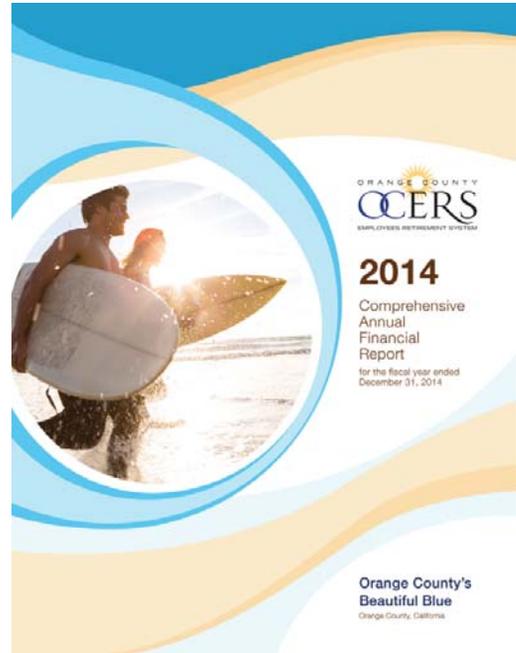
Be sure to watch your mailbox and carefully review the Open Enrollment materials from the County. For questions about your current benefits, Open Enrollment, or to verify your current mailing address, please visit the official Benefits Web site at [www.benefitsweb.com/countyoforange.html](http://www.benefitsweb.com/countyoforange.html) or call the Benefits Resource Line toll-free at (866) 325-2345.

## 2014 CAFR offers full view of OCERS

On July 20, 2015 OCERS Board approved the 2014 *Comprehensive Annual Financial Report* (CAFR). The annual report details all financial, investment and actuarial activities for the 2014 calendar year. It highlights major initiatives and significant events that occurred during the year and gives a preview of any known challenges facing the system in the coming year.

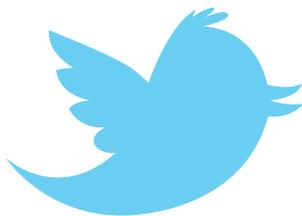
OCERS also received the Government Finance Officers Association (GFOA) award for excellence in financial reporting for its 2013 CAFR.

The CAFR is considered a valuable resource for current and historical financial OCERS data. The 2014 CAFR, as well as prior editions, can be viewed and downloaded at [www.ocers.org](http://www.ocers.org).



## Follow OCERS on Twitter and Instagram

In the event of an emergency or natural disaster, Twitter and Instagram may be the only reliable means of communication until phone services are restored. OCERS is now using social media as



another important means of communication to connect and engage with our members, plan sponsors and the public. As part of this effort, OCERS uses both Twitter and Instagram.

Twitter has proven to be an effective tool to send out real-time communications such as press releases, customer service announcements, and updates on when agendas are posted on the OCERS Web site.

Follow OCERS on Twitter [@myocers](https://twitter.com/myocers).



Instagram is a free photo-sharing, video-sharing and social networking tool that is best used with a mobile device such as a SmartPhone. It allows users to take photos and videos, and share them via social networking services such as Facebook and Twitter. To follow OCERS on Instagram, search for MyOCERS in your Instagram app, or go directly to [instagram.com/myocers](https://www.instagram.com/myocers) using your browser.

### Pension Term: "Survivor Benefits"

"Survivor Benefits" are those benefits payable from the Retirement System to your Eligible Spouse/Domestic Partner or Eligible Children after your death. For more information on the subject of Survivor Benefits, see the "Keep your Nominated Beneficiaries up-to-date" article on page 5 of this issue of *At Your Service*.

# Don't wait: Start Retirement Planning today

Fifty-five percent of American workers do not have a plan for their retirement, according to a survey conducted by LifeCare and the Financial Planning Association (FPA). Sixty-seven percent of those not saving for retirement say they do not have the resources to do so after taking care of their everyday expenses such as housing, transportation, household items, food, eldercare, credit repayment, and 24 percent do not have any idea about how to begin.

When asked what they would speak to a certified financial planner about 56 percent said to figure out how much they need to save for a comfortable retirement, and 50 percent pointed to retirement preparedness.

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 repre-



## Scheduled dates for upcoming Financial Planning classes:

Wednesdays

November 4, 18 and 25, 2015  
6 – 9:30 p.m.

(No classes in December)

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

sentative 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 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](http://www.ocers.org) and see the "Retirement Seminars" page.

## Keep your nominated beneficiaries up-to-date

It is important to keep your beneficiary designation information up-to-date. In the event of your death, having this information on file will simplify the payment process for your beneficiaries. We recommend that you check to make sure that your designated beneficiary information is correct at least once a year. Keep in mind that OCERS is separate from other employee benefit offices and that beneficiary forms on file with your employer or other offices do not apply to your OCERS account.

When you fill out your Beneficiary Change Form, you have the ability to designate or change both primary and alternate beneficiaries. The one-page form is easy to complete and will offer you and your loved ones greater peace of mind if something should happen to you.

Trusts named as beneficiaries may not receive a monthly continuance; however, a lump-sum death benefit payable to retirees may be named to a trust.

All beneficiary changes must be made in writing with your signature. Members can print the Beneficiary Change Form from our Web site, complete the online form on the Member Information Center (MIC) or contact us for a copy.

There is a wealth of resources on OCERS' Web site to help you learn more about survivor benefits, including a brochure titled "Survivor Benefits After Retirement" and the Summary Plan Description.



## Payees: notify us when you move!

If you are retired 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. We would also like to get an up-to-date email address if you have one.

Keeping your address current ensures that you continue to receive important communications from OCERS, such as Board of Retirement election materials, 1099-R forms and future issues of *At Your Service* newsletter.

If you are an active member notify your Human Resources Specialist or Payroll Representa-

tive within your Agency/Department as soon as possible.

For more information on these topics and many more please visit us at: [www.ocers.org](http://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 all members understand the wide range of topics that impact employees moving into 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 October 7 and 21; November 4 and 18; and December 2, 2015.

### 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 “Enrollment” to OCERS, 2223 E. Wellington Avenue, Santa Ana, on Wednesday, October 28, 2015. This seminar is designed to assist those interested in enrolling in the County of Orange’s Defined Contribution Program. The one-hour seminar will provide useful information about Empower Retirement and the various plans they offer, including the features and benefits of each of the plans.



Attendees will also learn about the various investment options, the available contribution types, plan fees and services, and how to enroll. This same seminar is also held at other sites throughout the County; make sure to view your weekly updates from HR/Employee Benefits for additional details.

“Enrollment” - Wednesday, October 28, 2015  
(noon - 1 p.m.)

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

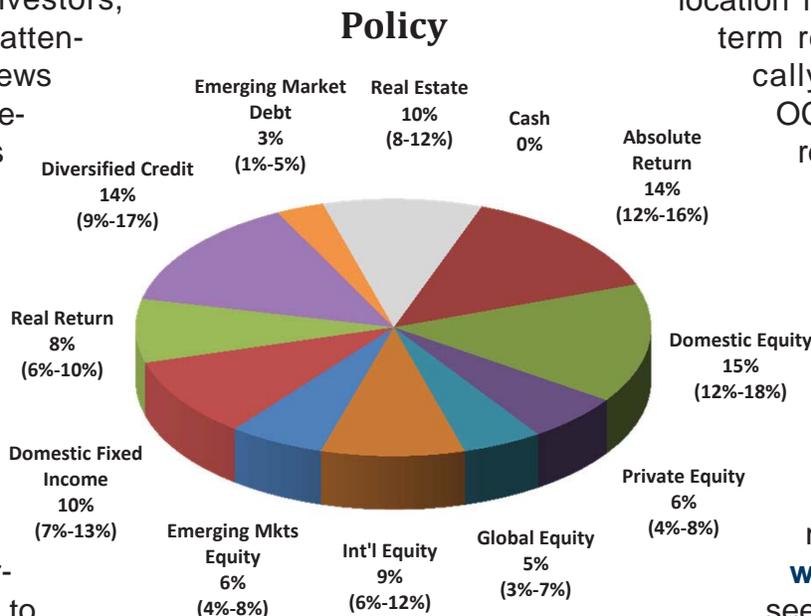
# OCERS uses a well-diversified asset allocation to achieve positive long-term results

The summer of 2015 saw extreme volatility in the investment markets both here in the U.S. and around the world, with the stock market sometimes moving up or down several percentage points in a single day.

No matter the reasons for the volatility – and there have been many including a significant slowdown of the Chinese economy – it is important for our members to understand that the OCERS investment portfolio and the retirement system itself is designed to weather good times and bad.

As institutional investors, we certainly pay attention to economic news that may impact specific decisions as they relate to the OCERS portfolio. More importantly, however, OCERS adheres to a strategic asset allocation structured to moderate most short-term shocks in the markets while seeking to provide positive long-term returns to benefit our members.

As the chart in this column illustrates, OCERS' portfolio is invested in a wide range of strategies and assets. There is a healthy mix of domestic and global equity, domestic fixed income, diversified credit, real estate, private equity, real return (energy, timber, agriculture) and other types of investments being overseen by OCERS' Investment Committee (comprised of all members of the Board of Retirement), Chief Investment Officer Girard Miller and his Investment Department staff, and professional consultants.



OCERS' diversified asset allocation has provided long-term results that historically have exceeded OCERS' 7.25 percent return objective with balanced risks, to withstand significant short-term events in the investment markets.

To see the latest investment news, visit [www.ocers.org](http://www.ocers.org) and see the "Investments" page.

## News Flash: OCERS Earns GFOA Award for Excellence!

OCERS recently received the Government Finance Officers Association (GFOA) award for excellence in financial reporting in the area of Pensions & Benefits. OCERS' Investment Department was honored, in part, for adopting a comprehensive fee policy that displays how fees are paid for investment managers.



Follow us on Instagram and Twitter @myocers





PRSR STD  
 U.S. Postage  
**PAID**  
 Permit #336  
 Anaheim, CA

Orange County Employees Retirement System  
 2223 E. Wellington Avenue, Suite 100  
 Santa Ana, CA 92701-3161

## OCERS Benefit Payment Schedule for 2016

<b>Payment Month</b>	<b>Payment Day</b>	<b>Benefit Payment Date*</b>
<b>January</b>	Monday	January 4, 2016
<b>February</b>	Monday	February 1, 2016
<b>March</b>	Tuesday	March 1, 2016
<b>April</b>	Friday	April 1, 2016
<b>May</b>	Friday	April 29, 2016
<b>June</b>	Wednesday	June 1, 2016
<b>July</b>	Friday	July 1, 2016
<b>August</b>	Monday	August 1, 2016
<b>September</b>	Thursday	September 1, 2016
<b>October</b>	Friday	September 30, 2016
<b>November</b>	Tuesday	November 1, 2016
<b>December</b>	Thursday	December 1, 2016

*Please note that tax tables change at the beginning of January. Payees may change their current tax withholding options by logging into the Member Self Service portal and submitting their changes online.*

\*Electronic Funds Transfer (EFT) deposit schedule

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

New Member Self Service portal launch