

NEW EMPLOYEE RETIREMENT BENEFIT ORIENTATION

Plan P (1.62% at 65)

Plan J (2.7% at 55)



OCERS RETIREMENT BENEFIT FORMULAS

- All eligible new employees are required to elect their retirement benefit formula
 - Plan P (1.62% at 65) or
 - Plan J (2.7% at 55)
- The election of a retirement benefit formula will be made when you complete your OCERS Retirement Plan Election - New Member Affidavit
- The election must be made within 45 calendar days of the date you are hired
- If you fail to make an election within 45 calendar days of your hire date you will be deemed to have elected Plan P (1.62% at 65)
 - The election of your retirement benefit formula is **IRREVOCABLE**

OCERS GENERAL INFORMATION

- OCERS administers a Defined Benefit (**DB**) Retirement Plan
- Contributions to the DB plan are **mandatory**: the contribution amount to be deducted from your salary is based on your age at entry and the plan formula that you choose
- OCERS member accounts cannot be borrowed against while you are actively employed
- Monthly retirement benefits are determined based on specific factors and the Benefit Formula elected ~ **not** on the amount of contributions paid
- Members do not control investment options, those decisions are made by qualified investment professionals and OCERS Retirement Board

CHARACTERISTICS OF DB CONTRIBUTIONS

- Employee contributions are made on a pre-tax basis
- Member accounts are credited with interest twice each year ~ June and December
- The balance in your member account does not rise or fall with the market fluctuations
- Your contribution percentage rate may adjust (up or down) each fiscal year, as determined by the OCERS Board as advised by the actuary
- Employee contributions are **retroactive** to your hire date however they will not be withheld until an election is made
- Your employer will also contribute to the OCERS retirement system on your behalf, however those funds are **not** placed in your individual member account. Employer contributions are ultimately used to fund your lifetime monthly benefit

EMPLOYEE RETIREMENT CONTRIBUTIONS

- **Plan P 1.62% at 65**

A 33 year old employee earning a salary of \$2,500 bi-weekly would contribute approximately *6.94% of pay, on a pre-tax basis = \$173.50 bi-weekly

- **Plan J 2.7% at 55**

A 33 year old employee earning a salary of \$2,500 bi-weekly would contribute approximately *10.63% of pay, on a pre-tax basis = \$265.75 bi-weekly

Note: These figures do not include additional employee contribution rates as may be negotiated between the employer and the Labor organizations.

*2010-2011 contribution rates

RETIREMENT BENEFIT FORMULAS

- Plan P (1.62% at 65) ~ 1.62% of your final average monthly salary for each year of service credit
 - For example: 10 years of service at retirement = 16.2% of your average monthly salary (starting at age 65)
- Plan J (2.7% at 55) ~ 2.7% of your final average monthly salary for each year of service credit
 - For example: 10 years of service at retirement = 27% of your average monthly salary (starting at age 55)

Note: Your final average monthly salary is an average of either 12 or 36 consecutive months of compensation.

BENEFIT ESTIMATES

- **Plan P 1.62% at 65**

A 60 year old employee retires with 20 years of service and a final average monthly salary of \$6,000.00 = approximately \$1,533.00 per month

- **Plan J 2.7% at 55**

A 60 year old employee retires with 20 years of service and a final average monthly salary of \$6,000.00 = approximately \$3,240.00 per month

RECIPROCITY (INCOMING/OUTGOING)

- Allows employees who transfer between retirement systems to enhance their total retirement benefits
- Reciprocity is automatically established when you enter OCERS covered employment within 180 days of terminating from a reciprocal system, i.e. LA County, CalPERS, etc...
- OCERS will use the age you were when you first entered into the reciprocal system to determine your contribution rate
- Ability to use highest salary figures from any of the systems to calculate Final Average Salary
- Years of service earned under the reciprocal system count toward meeting OCERS' eligibility requirements for retirement
- Your OCERS benefit will be based solely upon OCERS credited service

BENEFICIARY/SURVIVOR BENEFITS

- Complete beneficiary information on the Retirement Plan Election - New Member Affidavit form
- Notify family members of OCERS benefits
- Advise OCERS of life changing events
 - Marriage
 - Children
 - Divorce
- Update beneficiary information online via myOCERS 24 hours a day, 7 days a week at www.ocers.org

OCERS ONLINE RESOURCES

- Member Information Center (MIC)
 - Access to your OCERS Retirement account 24 hours a day, 7 days a week
 - Beneficiary information and updates
 - Employment history and plan type
 - Interactive Benefit Estimator
 - Balance statement
- OCERS Web site has general information and a calculator of both benefit formulas

OCERS WEB SITE & MIC

Improved Member Information. You'll find answers to your questions about Divorce, Reciprocity, Benefits Options, Retirement, etc. As well as links to your Summary Plan Descriptions, Forms, and other related information.

- www.ocers.org
- Improved Member Information
- Online Forms & Publications
- Easier Navigation
- Enhanced Search
- New FAQ's
- Live Chat!

Quickly access the Member Information Center →

Easier navigation to all our Forms & Publications, Public Meetings, and Financial Information →

Quick Links to our Benefits Calculator, FAQ site, Seminars and Member Services Directory →

Chat online to one of our Member Services Specialist →

Search our Web site →

Additional links, disclaimer, and contact information →

QUESTIONS

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OCERS CONTACT INFORMATION

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