

At Your Service

July 2017

Orange County Employees Retirement System

Quarterly Newsletter

The **ABC's** of Retirement

As an OCERS member, you are earning retirement benefits every day you are working for an OCERS covered employer and even after you stop working.

> Pre-Retirement Benefits

Reciprocity – To encourage career public service in California pension systems, like OCERS, reciprocity allows the pension systems to share information so that your retirement benefit is not harmed if you change jobs. OCERS will recognize years of service earned with a prior public pension system for eligibility for retirement, disability and death benefits. Upon concurrent retirement, both systems will share salary information.

Service Credit Purchase – You are able to increase your retirement by purchasing and receiving retirement credit for certain types of public service, also known as a “Buyback.”

Disability Retirement – If you become permanently incapacitated during your career you are eligible to apply for disability retirement. Disability retirement allowances are lifetime benefits and come with potential survivor continuances.

Death Benefits – Beneficiaries will receive death benefits based on your status and years of service at the time of death. It is critical that you keep your beneficiary designation(s) up to date as life events happen.

> Post-Retirement Benefits

Retirement Allowance – Service retirement is a monthly retirement allowance that will be paid to you for the rest of your life.



COLA – An annual adjustment to your monthly retirement allowance based on inflation.

\$1,000 Death Benefit – A \$1,000 lump sum death benefit paid to your beneficiary(ies).

Learn More

For more information on the eligibility requirements for these and all of your OCERS benefits visit the OCERS website, videos, Summary Plan Descriptions (SPD), brochures as well as the myOCERS member portal.

HINT: If you can't find what you are looking for, try using the Search button on our website.

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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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)

July 17, 2017 August 21, 2017
October 16, 2017 November 13, 2017
December 18, 2017

Agendas can be found at 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.

Come visit OCERS at Upcoming Health Fairs

OCERS will have a table at two upcoming health fairs and we look forward to meeting members and answering general questions about retirement benefits at these special events.

In addition to speaking with us one-on-one, we will have informational materials, handouts and an iPad to demonstrate how you can access features on the website such as the Benefits Calculator and the myOCERS member portal.

On Tuesday, September 12, OCERS will be at the annual OCEA Health Fair. The OCEA Health Fair will be held from 10 a.m. to 1 p.m. at OCEA Headquarters, 830 N. Ross Street, Santa Ana. For more information on that event, call OCEA at 714-835-3355.



OCERS staff has also been participating at a number of Health Fairs hosted by OCTA, including two earlier this summer. On Thursday, October 5, we will be at OCTA, 550 S. Main Street, Orange, from 10:30 a.m. to 1:30 p.m.

These health fairs provide an excellent opportunity to get general information, while OCERS' Pre-Retirement Sessions provide members with much more information on their OCERS benefits (see article on page 6).

Molly A. Murphy Assumes Role As New CIO

Molly A. Murphy began serving as OCERS' new Chief Investment Officer on June 23, 2017.

Prior to assuming her position in June, Ms. Murphy served as CIO at Mercy Health, a \$5 billion multi-state healthcare system based in Cincinnati, Ohio. Among Ms. Murphy's achievements during her tenure at Mercy Health was developing an internal investment office with in-house due diligence and risk analytics processes, and expanding private equity investments to include co-investments alongside top venture capital and growth equity investors.



vestment experience, in-depth knowledge of the market, as well as years of team leadership impressed the search committee and will

contribute to our success in investing the OCERS portfolio for the good of our members and stakeholders."

Before serving as CIO at Mercy Health, Ms. Murphy was CIO at Seasongood Asset Management in Cincinnati from 2000 to 2004. Among her achievements at that fixed income investment boutique was developing and marketing a start-up investment advisory business and achieving asset growth moving from zero to approximately \$2 billion during her tenure.

Ms. Murphy brings years of private sector experience to her role at OCERS, where she is leading an in-house staff of investment professionals and works directly with the OCERS Investment Committee.

Ms. Murphy is a CFA Charter holder and earned an MBA from Xavier University with a concentration in Finance. Additionally, she earned a Bachelor of Science degree from Miami University in Oxford, Ohio, majoring in Finance and earning her Minor in Decision Sciences.

"I am very excited to welcome Molly to the Orange County Employees Retirement System," said CEO Steve Delaney at the time of Ms. Murphy's selection in May. "Her successful in-

Investment Terms: What are "Equity" and "Fixed Income"?

"Equity" is a stock or any other security representing an ownership interest.

"Fixed Income" is a debt investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate.



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Your Contribution Rates Play Important Role

OCERS' consulting actuary conducts an annual study that measures the assets and liabilities of the retirement system as well as the system's funded status.

As part of the most recent study, the actuary determined that OCERS' 12/31/2016 investment return of 8.52% (net of fees) resulted in a funded status of 73.06%. This process also helps the Board of Retirement determine the required employee and employer contribution rates based on the projected amount needed to fund future benefits.

By providing a consistent and predictable stream of revenue to OCERS reserves, contributions from employees play a critical role in the funding of their retirement benefit. Employees usually see the impact of any chang-

es in their contribution rates in mid-July and the good news is that the majority of employee contribution rates for the 2017-2018 fiscal year are about the same as last year's rates.

In addition to the OCERS-adopted employee rates, many members are subject to an employee paid "reverse pickup" that is set by their employer. Those rates are outside the purview of OCERS and vary depending on your employer, plan formula and bargaining unit.

For more information about negotiated benefits, members should contact their human resources department or union representative.

All contribution rates, including the reverse pick up rates, are posted on the OCERS website.



Death and Survivor Benefits Bring Peace of Mind

The bond OCERS builds with our members is personal. It starts when you begin working for one of OCERS' participating employers and continues after you retire. Ultimately, that relationship often carries on in the form of survivor benefits. Unfortunately, unforeseen events can occur and it is critical for your peace of mind that OCERS knows how to reach your survivors.

While you are working your employment information is communicated to OCERS by your employer. Once you retire it is your job to communicate with OCERS. Members should make it a habit of checking their OCERS account annually and make updates every time a life event occurs. You can see your beneficiary designations and make any necessary changes by visiting your member account on the myOCERS portal.

Family members should call (714) 558-6200 to notify OCERS of a member's death.

myOCERS Rolling Out Security Improvements

Protecting the personal information of our members is OCERS' #1 priority. In order to provide an additional level of protection for our members who access information online OCERS will be assigning a unique "Security PIN" number to each of our members' accounts.

If you have not yet registered to use the myOCERS member portal by late August, you will receive a letter with your "Security PIN" number required to register and access your online account.



The "Security PIN" letter will be mailed to the home address we have for you so it is important that our records are up to date.

If you are an active member, please notify your Human Resources office to make your address change. They will then update your information with OCERS.

If you are a retiree/payee or a deferred member, please submit your address change directly to

OCERS. The Address Change Form is available on the OCERS website.

Please note: if you have already registered to use myOCERS, you will not receive a letter and will not need to re-register.

Did You Know?

Defined Benefit (DB) Plans

- OCERS' COLA (cost-of-living adjustment) program provides inflation protection. Whenever the Consumer Price Index for the prior year increases, OCERS retirees and survivors receive an annual COLA benefit.
- OCERS provides a lifetime benefit which is determined by your plan formula and other defined factors; it is not based on your contributions on deposit.

Defined Contribution (DC) Plans

- 401(k) and 457 Plans are savings accounts which are impacted by market fluctuations.
- DC Plans provide no cost-of-living program and are not protected against inflation.

To learn more about your DB plan at OCERS, plan on taking the free daytime Pre-Retirement Sessions offered at our office, or watch the video titled "Defined Benefit Plan - How Does a Defined Benefit Plan Differ From a Defined Contribution Plan?" available via the Video Library on OCERS' website.

Include Pre-Retirement Sessions in Your Plan

Learning about your OCERS benefits is an important step in planning your transition into retirement. Whether you are still several years away from retirement but just want to better understand your benefits, or plan to retire in the next few months, OCERS' Pre-Retirement Sessions can help answer your questions.

You may also have other programs to help you achieve long term financial security beyond your OCERS retirement allowance, including an optional 457 plan (such as those offered by Empower Retirement or Nationwide), Social Security and other savings vehicles.



These pre-retirement sessions are designed to provide a wide-range of retirement planning information and resources but it can be overwhelming when they are taken all at once. We encourage you to attend as many sessions as you are comfortable with, or to take the sessions multiple times, so that you get all of the information you need.

Pre-Retirement Sessions will be held on: July 19; August 2 and 16; September 6 and 20; and October 4 and 18, 2017. All sessions will be held at OCERS Headquarters in Santa Ana.

Pre-Retirement Sessions Schedule

8 – 9:30 a.m.	Social Security session
9:30 – 9:45 a.m.	Morning Break
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
11:30 – 12:30 p.m.	Lunch
12:30 – 1:05 p.m.	County Deferred Compensation Plan (Empower Retirement) session
1:05 – 2:30 p.m.	County Retiree Medical session

Empower Seminars to Explore Key Topics

Empower Retirement, the administrator of the County of Orange Defined Contribution Program, is hosting two free lunchtime seminars at OCERS this summer. The seminars will be held from noon to 1 p.m. in OCERS' Modjeska training room.

Financial Planning: Mid-Career to Pre-Retirement – Wednesday, July 26, 2017

Continuing along your path to retirement, learn about the benefits of saving more as you earn more, the importance of asset allocation, and how the County of Orange Defined Contribution Program can help you achieve your goals. Greg Gower, CFP, will be providing general information and setting up appointments to help individuals establish a customized plan.

Important Things to Consider for People Age 50 and Older – Wednesday, August 23, 2017

If your retirement is just around the corner, you probably realize that you have some new things to learn and some decisions to make. If the information and choices you're facing seem overwhelming, this seminar can help you determine your retirement savings and retirement spending, and figure out your retirement income sources.

For more information visit countyoforangedcplan.com.

Five Resources to Prepare You for Retirement

1. Register to use your myOCERS account. Whether you are an active member just beginning your career, a deferred member or already retired, your myOCERS account is one of the most powerful online tools available to you.
2. OCERS' Video Library has a number of informative videos that provide specific areas of interest for those nearing retirement, including videos on the annual Cost-of-Living Adjustment (COLA), benefit options and even a "Helpful Retirement Tips" video. Visit OCERS video library to access these and all of our videos.
3. Attend OCERS' Pre-Retirement Sessions. These are generally offered twice a month and are free. *See the article on page 6 for more information.*
4. Visit the "Related Links" area of OCERS' website to get information on other County, State and Federal governmental agencies such as Social Security, as well as key organizations including the Retired Employees of Orange County (REAOC) and Empower Retirement that may play a role in your life as a retiree.
5. Finally, our online retirement application is an easy, convenient and secure way to trail-blaze your way to retirement. You can complete it in as little as 15 minutes, and just like that, you can start the retirement of your dreams.



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‘How Much Will I Get When I Retire?’

When OCERS’ staff members attend special events such as employer health fairs, one of the most common questions they receive from eligible members is “How much will I get when I retire?”

The good news is there are several quick and easy ways to get an idea about your future retirement allowance. The best way is to register to use your myOCERS online portal account. Set up an account and after logging in, click on Benefit Estimator. You will see a number of fields such as your “Retirement Effective Date” and “Monthly Final Average Salary at Retirement Effective Date” filled in for you. You can modify the information in those fields depending on your own retirement-related plans to do custom projections. You can even complete several estimates.



Additionally, you can click on the Benefits Calculator link on the home page of OCERS’ website to get a quick estimate or to access the Split Service Calculator feature. If you use the Benefits Calculator, you will need to input your projected age at retirement, years of service and Final Average Monthly Compensation to complete the estimate.

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

Inside Guide to OCERS’ Reports