

# At Your Service

October 2017

Orange County Employees Retirement System

Quarterly Newsletter

## Questions Yield Answers

OCERS' Member Services Department tracks the questions that come into our office. Every month the most common questions are reviewed by our staff to see how we can do a better job of getting you the information you need about retirement matters. We are sharing two of the most common questions received by our office in August 2017, and more importantly, the answers in this column.

### **What are my Service Purchase payment options?**

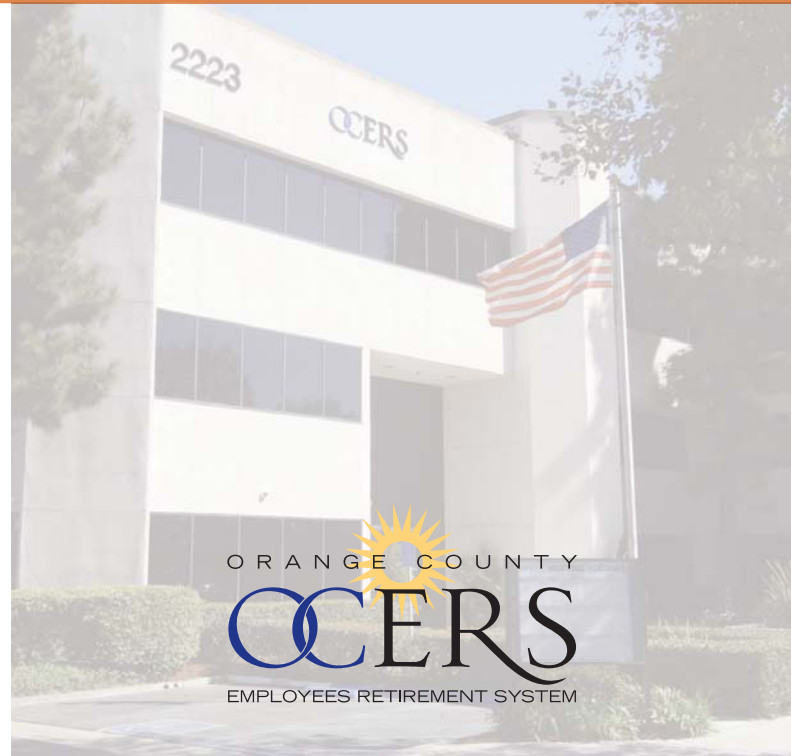
There are four options to choose from:

1. Lump Sum Payment – You may submit a personal check payable to OCERS. This is an after-tax payment.
2. Installment Payments – You can make payments directly to OCERS by submitting personal checks. This, too, is an after-tax payment.
3. Payroll Deductions – If you are an active employee, you can authorize OCERS to request your Payroll Department to set up a pre-tax payroll deduction.
4. Rollover from a tax qualified plan – You may be able to roll over money from certain qualified plans (qualified IRAs, 403(b) and 457 plans).

Depending on the type of purchase of service credit, there is a specified amount of time in which you will have to make these payments.

### **What are the advantages of establishing incoming reciprocity?**

There are several. When age is a factor in determining contribution rates, the second retirement system will base your contribution rate with them on the age you were when you entered the first retirement system. This means you may pay less in contributions



for the benefits you are accruing. The total number of service years in all of the reciprocal systems is counted to help you meet the minimum eligibility requirements for service retirement, disability and survivor benefits. When you do retire, all of the systems will share salary information and base your retirement allowance on the highest salary earned. Additionally, if your entry date into the first system was prior to January 1, 2013, you might be able to be put into a Legacy plan formula.

### **Learn More**

OCERS' website has a number of resources to help you learn more about your benefits, including videos and brochures. For an in-depth review of your benefits, see your Summary Plan Description (SPD) at [www.ocers.org](http://www.ocers.org).

## 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:

Robert Kinsler, Communications Manager  
OCERS  
2223 E. Wellington Avenue, Suite 100  
Santa Ana, CA 92701-3161  
Telephone: (714) 558-6200  
Website: [ocers.org](http://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 16, 2017                      November 13, 2017**  
**December 18, 2017**

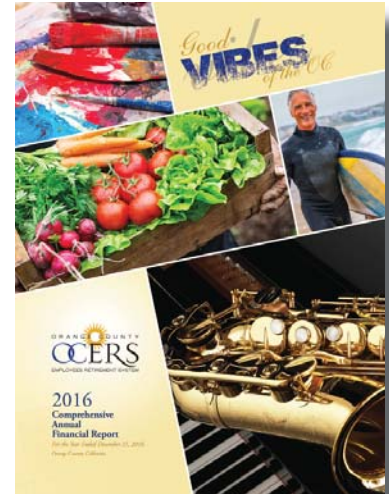
**Agendas can be found at [www.ocers.org](http://www.ocers.org).**

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.

## OCERS' Finances and Investments highlighted in Annual CAFR

The Comprehensive Annual Financial Report (CAFR) tells OCERS' annual financial story. The CAFR provides detailed information on OCERS' assets, liabilities, revenues and expenditures for the 2016 calendar year; as well as our operating costs and investment returns.

Understanding the financial operations of OCERS helps our employers, members and various other stakeholders gain a greater understanding of the retirement system.



The theme of this year's CAFR is "Good Vibes of the OC." Each of the sections of the CAFR includes photos and information about a different special event that helps make Orange County such a wonderful place to live, work and visit.

For example, the Financial section of the document leads off with colorful images and details about the annual Festival of the Whales held in Dana Point, while the Actuarial section is anchored by a celebration of the Corn Festival held every summer in La Habra.

You can see the new CAFR for the year ended December 31, 2016 on the OCERS website finance page.

# Strong Public Equity Performance Contributes to OCERS' Positive 2017 Returns

**At its most recent meeting, OCERS' Investment Department reported that our \$14.73 billion retirement system continues to see strong returns in its investment portfolio.**

At its regular meeting held on September 19, 2017, the Investment Committee received an update about OCERS' preliminary fund performance as of August 31, 2017. OCERS' fund recorded a 9.5 percent positive return (net of fees) through the first eight months of 2017, while the trailing one-year return was 12.0 percent.

The growth in equity was a significant driver of OCERS' return over the trailing one-year period. International equity saw an increase of 20.3 percent over the trailing year, while U.S. equity recorded a 15.9 percent increase.

Other areas that saw significant gains over the trailing one-year span were emerging market equity (with a 27.6 percent increase) and private equity (with a 13.7 percent return).

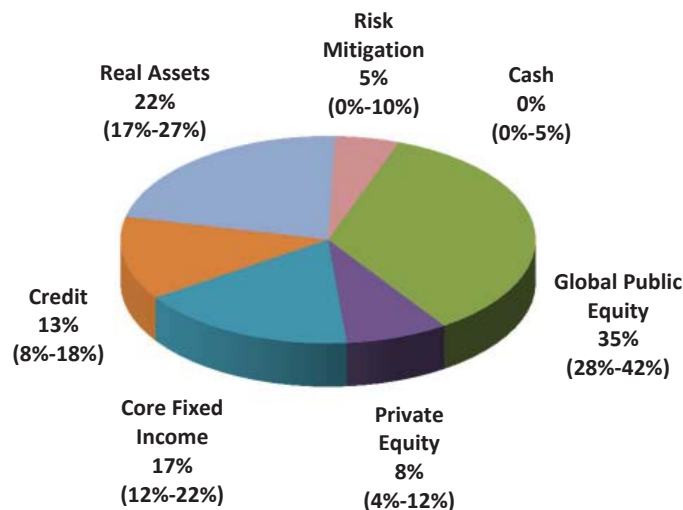
Looking over the longer period, OCERS' return over the trailing three-year period was 5.4 percent; the trailing five-year period was 7.5 percent, and the trailing 10-year period was 5.3 percent.

The Investment Committee adopted a new asset allocation policy in March 2017 and since then has commenced a multi-month process of reviewing individual asset classes in conjunction with the General Consultant, Meketa and OCERS' staff. Pension Consulting Alliance (PCA), hired as the risk advisor, is also actively participating in evaluation of the investment policy within the context of risk to ensure that OCERS' portfolio is structured to provide strong risk-adjusted returns over the long-term.

"The goal of managing the well-diversified OCERS investment portfolio is to ensure that OCERS can pay the pensions of our members," said Molly A. Murphy, OCERS' Chief Investment Officer.

To learn more about our Investments Department and action taken at Investment Committee meetings, go to [www.ocers.org](http://www.ocers.org).

**2017 Asset Allocation Policy**



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# Board of Retirement Approves Vision and Values

The OCERS Board of Retirement recently adopted the retirement system's first-ever Vision Statement and a set of core Values. The new Vision and Values were developed with input from not only the Board of Retirement, but OCERS staff members. Along with a new Mission Statement – adopted in November 2015 – the Vision and Values reflect a dedication to service.

The graphic features a background of a sunset or sunrise over the ocean, with a gradient from light yellow at the top to deep blue and orange at the bottom. The OCERS logo is centered at the top in a dark blue serif font. Below it, the title 'Mission, Vision & Values' is written in a bold, dark blue sans-serif font. The 'Mission' section is in a dark blue serif font, followed by its statement in italics. The 'Vision' section is also in a dark blue serif font, followed by its statement in a dark blue sans-serif font. The 'Values' section is in a dark blue serif font, followed by a list of five values, each starting with a bold letter. At the bottom, the OCERS logo is repeated in a smaller size, with 'ORANGE COUNTY' above it and 'Orange County Employees Retirement System' below it.

## OCERS

### Mission, Vision & Values

#### *Mission*

*We provide secure retirement and disability benefits with the highest standards of excellence.*

#### *Vision*

To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.

#### *Values*

- O**pen and Transparent
- C**ommitment to Superior Service
- E**ngaged and Dedicated Workforce
- R**eliable and Accurate
- S**ecure and Sustainable

ORANGE COUNTY  
OCERS  
Orange County Employees Retirement System

# Pre-Retirement Sessions Key to Readiness

Your OCERS defined benefit pension is an important part of the equation of preparing to meet your retirement goals.

You may have other programs to help you achieve financial security, including an optional 457 plan (such as those offered by Empower Retirement or Nationwide), Social Security and other savings. A successful retirement starts by understanding the benefits you can count on when you retire. If retirement is in your near future you should plan on attending OCERS' Pre-Retirement Sessions which are designed to help members navigate the

choices that impact employees approaching retirement.

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 Sessions will be held on October 18; and November 1, 15 and 29, 2017.**

## Pre-Retirement Sessions Schedule

8 – 9:30 a.m.	Social Security 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 – 2:30 p.m.	County of Orange Retiree Medical session

# myOCERS Rolls Out Security Improvements

In order to provide additional protection for our members, OCERS recently assigned each member a unique "Security PIN" to use the first time you register into your myOCERS account.

In early August 2017, a letter was sent out to all OCERS members who had not yet registered into the online member portal. Please do not discard your letter until you have registered to create your login credentials.

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

OCERS' Member Services staff is available to assist members when they log into the portal for the first time.

"I've been speaking with members and they really appreciate us taking additional security measures to help safeguard their personal information," said a Member Services representative.

If you have more questions about myOCERS, please contact Member Services at (714) 558-6200.

# OCFA Firefighters Assist during Hurricane Harvey

When California Task Force 5 members returned to Orange County Fire Authority (OCFA) headquarters on Thursday, September 7, 2017, they were greeted by hundreds of cheering family members, friends and government officials. The 45 members of Task Force 5 – whose ranks included firefighters from the Orange County Fire Authority, City of Orange and City of Anaheim – had just returned from Texas where they assisted with rescue efforts during Hurricane Harvey. They utilized four boats and two search canines to assist people trapped by rising waters.

“We rescued well over 1,000 people we put on boats,” said Obet Martinez, a HazMat Specialist with Task Force 5. “I’ll never forget it, that’s for sure.”

Doug Van Iwaarden, an apparatus engineer with OCFA, was also with Task Force 5 and brought along his 6-year-old Labrador retriever Sadie. In addition to the dog’s role in search and rescue efforts in the Houston area, there was another important role for Doug’s canine companion: “Sadie helped the guys who were working 12 to 21 hours a day, the primary mission of the dog is to make the guys feel like there is a bit of home (in the rescue area).”

Doug then added: “It is very nice to be home.”

“I wasn’t expecting any of this,” Obet Martinez said of the welcome home reception. “It’s kind of neat.”



**Members of Task Force 5 were sent on a two-week deployment to assist with search and rescue efforts in the wake of Hurricane Harvey in Texas. The Task Force included firefighters from OCFA, as well as cities of Anaheim and Orange.**

# Task Force 5 Deployment and 'Welcome Home'



Members of Task Force 5 assist in search and rescue operations in the wake of Hurricane Harvey.



From left: Evelyynn O'Hara, OCFA Logistics Specialist John Paul O'Hara and Scarlett O'Hara are all smiles at "Welcome Home" event.



OCFA Apparatus Engineer Doug Van Iwaarden with canine partner Sadie.



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## OCERS Benefit Payment Schedule for 2018

<b>Payment Month</b>	<b>Payment Day</b>	<b>Benefit Payment Date</b>
January	Tuesday	January 2, 2018
February	Thursday	February 1, 2018
March	Thursday	March 1, 2018
April	Friday	March 30, 2018
May	Tuesday	May 1, 2018
June	Friday	June 1, 2018
July	Friday	June 29, 2018
August	Wednesday	August 1, 2018
September	Friday	August 31, 2018
October	Monday	October 1, 2018
November	Thursday	November 1, 2018
December	Friday	November 30, 2018

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

2017: Year in Review