

Retirement Matters



Thursday December 5, 2019

OCERS Mission Statement

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

About OCERS Fund



With more than 45,000 members and nearly \$17 Billion in assets (10/31/19), OCERS is ranked 135.

DB Plan vs DC Plan

OCERS

- Monthly pension based on formula
- Guaranteed for life
- Survivor benefits
- Market fluctuations impact contribution rates but not account balance or benefit amount



DC

- Annuity based on account balance
- Ends when funds exhausted
- No survivor benefits
- Subject to stock market fluctuations



OCERS Board of Retirement



Charles Packard - Chair
1/01/2017 - 12/31/2019



Roger Hilton - Vice Chair
07/01/2018 - 06/30/2021



Russell Baldwin
01/01/2017 - 12/31/2019



Frank Eley
01/01/2017 - 12/31/2019



Shawn Dewane
1/1/2017 - 12/31/19



Shari Freidenrich
Ex-Officio Member



Jeremy Vallone
07/1/2018 - 06/30/2021



Wayne Lindholm
01/1/2016 - 12/31/2021



David Ball
01/01/2017 - 12/31/2019



Chris Prevatt
01/01/2019 - 12/31/2021

Saving to Pay that Benefit

The Board of Retirement is undertaking a savings task similar to that performed by many of you in saving for your child's college education.



Funding Sources

- Contributions made during an employees career are invested.
- Sum of contributions and investment interest pays for pension benefits.



Net Investment Income

This includes earnings from stocks, bonds, alternatives, real estate and other investments, minus fees.

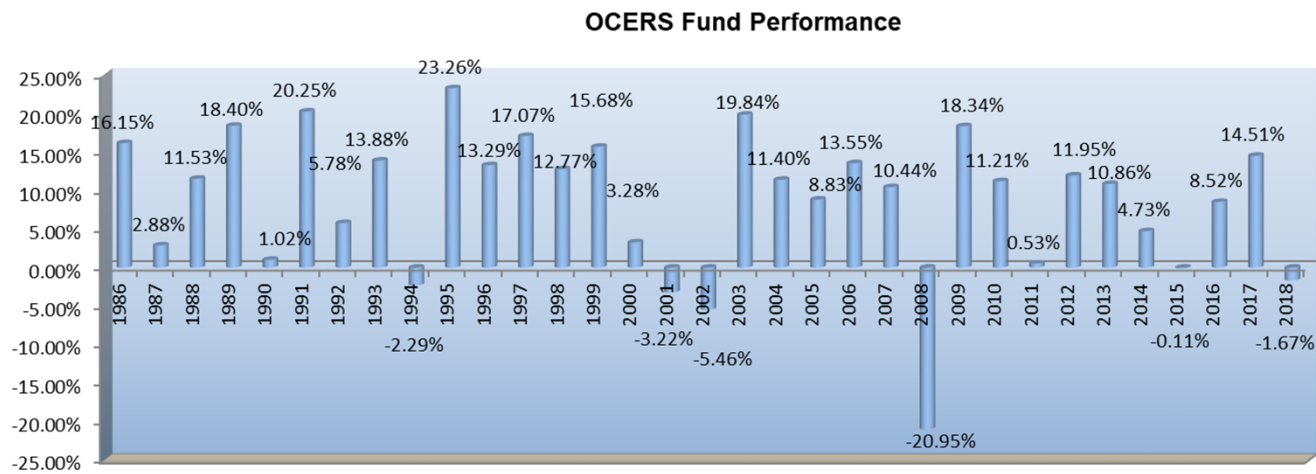
Employer Contributions

This is the money paid to OCERS from employers for pension benefits.

Employee Contributions

This is the money active employees pay into the fund for future benefits

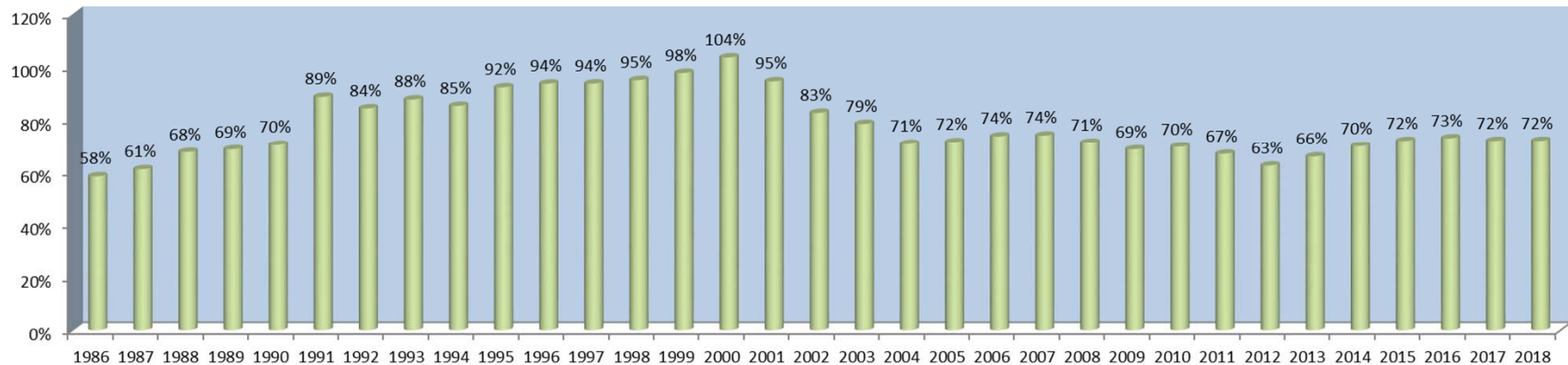
History of Performance



- Return as of October 31, 2019 = 11.68%

Ratio of Assets to Liabilities

Funded Ratio by Calendar Years
(Rounded)



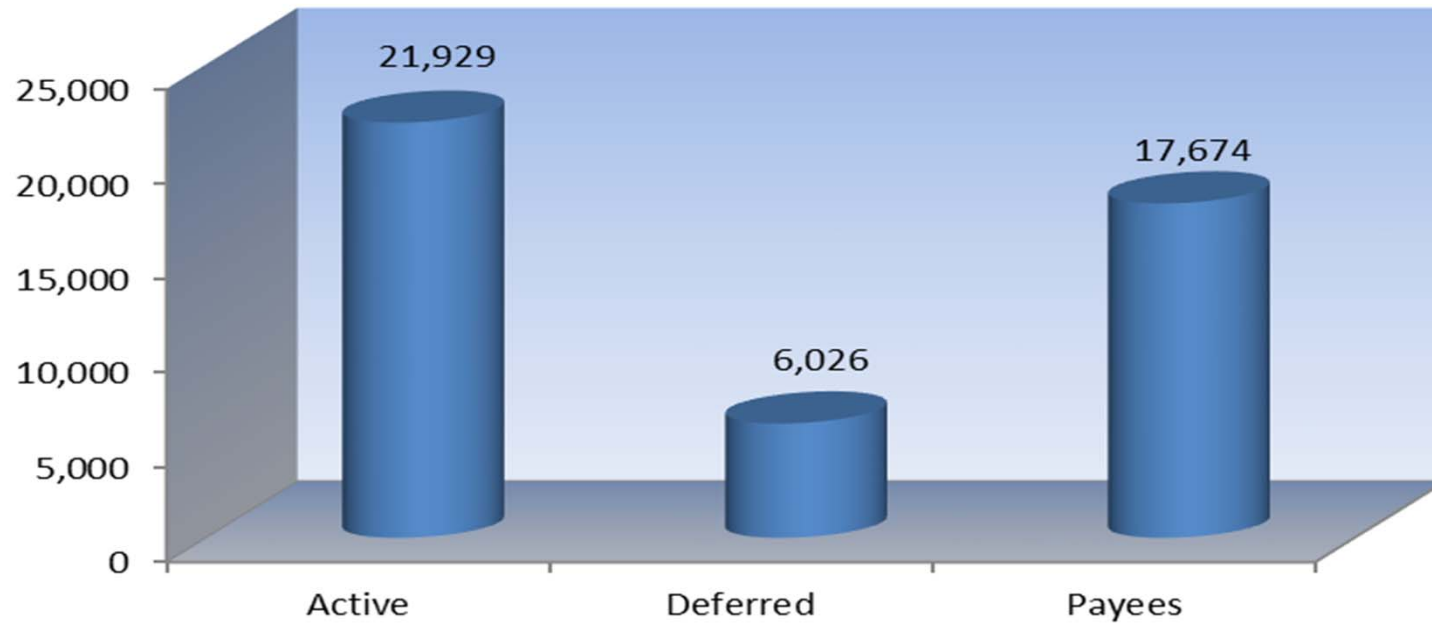
FUNDING STATUS:

As of December 31, 2018 OCERS is approximately 72.43% funded based on the valuation value of assets of \$15.0 billion in trust fund assets. The unfunded liability is estimated at \$5.7 billion. (Segal Consulting)

About OCERS Members



Demographics



Quick Facts

Quick Facts (For more details on retirees see pages 15–30)						
Members & Employers	27,955 active & inactive members		17,674 retirees, beneficiaries & survivors		20 Participating Employers	45,629 total membership
Pension Averages	\$3,372 monthly allowance for all General members and payees	\$6,245 monthly allowance for all Safety members and payees	22 average years of service for General members who retired in 2018	25 average years of service for Safety members who retired in 2018	61 years old average age at retirement for General members who retired in 2018	55 years old average age at retirement for Safety members who retired in 2018

Plan Formulas

Legacy Plan Formulas

- Plan A – 2% at 57
- Plan B – 1.667% at 57.5
- Plan I/J – 2.7% at 55
- Plan O/P – 1.62% at 65

PEPRA Plan Formulas (membership after 1/1/2013)

- Plan T – 1.62% at 65
- Plan U – 2.5% at 67



Retirement Eligibility

Legacy Members (and Plan T)

- Age 50 with 10 years of service
- Age 70 regardless of years of service
- Safety members = 20 years of service

PEPRA Members

- Age 52 with 5 years of service
- Age 70 regardless of years of service
- Safety members = 20 years of service



Vesting

5+ YOS

- Retire when would have reached age 50 with 10 years of service (Legacy), or
- Retire when would have reached age 52 with 5 years of service (PEPRA), or
- Age 70
- Disability retirement = Service or Non-Service Connected Disability
- Active death benefit = Non-Service Disability or refund

Less than 5 YOS

- Age 70
- Disability retirement = Service Connected Disability
- Active death benefit = Refund

Service Credits

- Based on hours paid – regular pay, annual leave, workers compensation pay etc.
- 2080 hours paid = 1 year of service credit
- Not based on calendar years
- Anniversary date is irrelevant
- Purchases of service credit
 - Medical leave of absence
 - Excluded service
 - Prior withdrawn OCERS membership
 - Prior Public service (PERS, LACERA etc.)



Final Average Salary (FAS)

Legacy Members = **Compensation Earnable**

- Highest 12 or 36 consecutive months of pay
- Base salary/wages
- Premium pay – special skills (bilingual) and shifts (night shift)
- Holiday pay – worked or regular day off
- Accrued leave – annual leave, vacation and/or sick
 - To the extent earned and cashable in a 12 month period

Final Average Salary (FAS)


PEPRA Members = **Pensionable Compensation**

- Highest 36 consecutive months of pay
- Base salary/wages
- Premium pay – special skills (bilingual) and shifts (night shift)

Lifetime Guarantee = Civil War Veterans Pension recipient 150 years later



Help us Help YOU

- Attend a pre-retirement seminar
 - Contact your Retiree Medical Benefits office
 - Contact Social Security
 - Provide OCERS with documents
 - Birth Certificate or Valid Passport of member
 - Birth Certificate or Valid Passport of spouse or beneficiary
 - Marriage License
 - Enroll in myOCERS and run a benefit estimate!
 - Update beneficiary designations!
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Frequently Asked Questions

- How long before I receive my first check? The first payment is typically issued 45-60 after retirement.
- When will my annual leave hours be paid? Contact your employer for a schedule of when they will issue your cash out of balances.
- How do I enroll in myOCERS? The portal is available on OCERS web site: www.ocers.org. You will need a PIN number to register for the 1st time.
- How soon can I file my retirement application? Up to 60 days in advance of your retirement date.
- Can I retire in the middle of a pay period? Yes, but it is easier for OCERS and your payroll dept. if you retire at the end of a pay period.
- How do I schedule an appointment for one-on-one counseling? One-on-one counseling is done over the phone so that calculations can be done and estimates prepared. An appointment will only be needed if you intend on filing your application in person.
- When is the COLA paid? COLA is effective April 1st and paid on May 1st.
- How much is medical insurance? OCERS doesn't administer medical so you should contact your employee benefits department for information.

OCERS Celebrates 75 years of service

