

# *At Your* SERVICE

NEWSLETTER FOR MEMBERS OF THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM July 2021

## OCERS' CIO Contributions Earn Praise

In recent months OCERS' Chief Investment Officer (CIO) Molly Murphy has earned a number of well-deserved accolades for her leadership working with the Investment Committee and her own team in directing OCERS' portfolio.

A number of publications have recognized her role in helping shape OCERS' diverse portfolio.

As the WSJ Pro noted in its "10 Women on Both Sides of the Fundraising Negotiating Table" published in November 2020: "Her relationships within the private equity industry helped bring some coveted general partners to the Orange County pension system portfolio. Moreover, Ms. Murphy enjoys the board's approval and is 'smart and experienced, has a vision and is an excellent communicator,' one of her peers said."

Since her arrival at OCERS in June 2017, the System's fund has grown from \$14.4 billion to an all-time high of more than \$20 billion (as of March 31, 2021); indeed in volatile 2020, OCERS' portfolio saw a net return of 11.8 percent. During her tenure at OCERS, Ms. Murphy has at the direction of the OCERS Board's Investment Committee moved the portfolio towards a larger position in both public and private equity, while lowering inflation-sensitive assets.

In October 2020, Ms. Murphy was the subject of an extensive article penned by reporter Preeti Singh in WSJ Pro; that article celebrated OCERS' building of a private-equity portfolio.



Chief Investment Officer Molly Murphy interviewing General David Petraeus in October 2019.

Ms. Murphy began serving as CIO on June 23, 2017. Prior to assuming her position at OCERS, she had served as CIO at Mercy Health, a multi-state healthcare system based in Cincinnati, Ohio. Among her 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.

Ms. Murphy is a CFA Charterholder 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.

OCERS continues to provide full service to our members via telephone and online while our offices are closed due to COVID-19 pandemic. Learn more at: [www.ocers.org/coronavirus-updates](http://www.ocers.org/coronavirus-updates)



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

Comments and suggestions should be directed to: [Communication@ocers.org](mailto:Communication@ocers.org)

Board of Retirement and Committee Meetings and Agendas can be found online at [ocers.org](http://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.

# Safety Member Election

The Orange County Registrar of Voters held an election on May 18, 2021 to fill the terms of the Safety Member and Alternate Safety Member trustee positions on the OCERS Board of Retirement. The two candidates were Orange County Deputy Sheriff Richard Oates and Fire Apparatus Engineer Jeremy Vallone, with the Orange County Fire Authority.



After the Registrar of Voters' Office tallied the votes, the Board of Supervisors certified the election later that month. Mr. Oates was elected to replace outgoing Safety Member Roger Hilton. Mr. Vallone was reelected and continues to serve as the Alternate Safety Member.



The two trustees assumed their new terms on July 1, 2021 and will hold their seats for a three-year term that ends on June 30, 2024.

## Phishing Scam Alert

You may have been contacted recently by someone claiming to be from an organization called "Your Retirement Review" or alternatively someone identifying themselves as a financial advisor from "AdvicePeriod." We want to assure you that these contacts or any similar correspondence are not from OCERS, and those sending these emails are not affiliated with OCERS in any way.

These emails may refer to OCERS or another public pension system while offering advice and assistance in planning for retirement and will try to schedule a call with you to speak to a so-called "expert" from the OCERS fund.

We are committed to protecting your personal information, while keeping your data safe and secure. We will never share your information with outside vendors. If you have concerns about someone who is calling you claiming to speak for OCERS, please call us directly at 714-558-6200 and ask to speak to someone in the Member Services Department.

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# OCERS Exceeds 80% Funded Status

At its regular meeting held on May 17, 2021, OCERS' Board of Retirement received important information during a presentation about OCERS' preliminary actuarial valuation as of December 31, 2020; the retirement system's funded status is 80.7 percent on a market value. This is an increase from 75.3 percent from the previous year. Additionally, it was reported that OCERS' \$20 billion investment portfolio recorded a positive return of nearly 12 percent for the 2020 calendar year. This is very positive news for OCERS' members and employers.

## Pensionomics Report Finds Pension Spending Produces \$1.3 Trillion In Economic Stimulus

January 2021 report released by the National Institute on Retirement Security (NIRS) reveals that defined benefit (DB) pension benefits are not only a secure source of income for many retired Americans but they also contribute substantially to local, state and national economies. DB pensions play a vital role in sustaining consumer demand that ultimately supports millions of jobs.

Virtually every state and local economy across the country benefits from the spending of pension checks. For example, when a retired member of OCERS receives a pension benefit payment, he or she spends the pension check on goods and services in the local community. That purchase of goods likely includes food, clothing, medicine or dinner at a local restaurant; those along with larger purchases such as a computer, smartphone or car collectively create a steady economic ripple effect.

In 2018, more than 1.3 million residents of California received a total of \$49.9 billion in pension benefits from state and local pension plans. Here are some of the key findings related to residents of California (including OCERS payees) who received pension benefits:

- The average pension benefit received was \$3,123 per month or \$37,478 per year
- Between 1993 and 2018, 23.98% of California's pension fund receipts came from employer contributions, 11.57% from employee contributions, and 64.44% from investment earnings
- Earnings on investments and employee contributions – not taxpayer based contributions – have historically made up the bulk of pension fund payments
- Retiree expenditures stemming from state and local pension plan benefits such as those received by OCERS payees supported 395,520 jobs in the state
- The total income to state residents supported by pension expenditures was \$25.4 billion
- Retirees' expenditures from the total \$49.9 billion paid in 2018 supported \$76.7 billion in economic output in the state, and \$47.3 billion in value added in the state
- In short, each dollar "invested" by California taxpayers in these pension plans supported \$6.40 in total economic activity in the state of California

Learn more about this important study at: [www.nirsonline.org](http://www.nirsonline.org).

NIRS is a nonpartisan non-profit research institute based in Washington, D.C. founded in 2007.



Orange County Employees Retirement System  
2223 E. Wellington Avenue, Suite 100  
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## SPD Provides Details About Your Benefits

As a member of OCERS, your relationship with your retirement system will include the years you spend as an active member while you work and subsequently after you retire. That relationship may well continue after your death with some benefits extended to a spouse, qualified domestic partner or other eligible beneficiaries.

It is important to understand your benefits and how those may be extended to your loved ones. Your official Summary Plan Description (also known as an "SPD") is posted on OCERS' website. Members can get the specific SPD for their employer at <https://www.ocers.org/summary-plan-description>.



The information in the SPD is intended to provide a summary of the retirement, disability, death and survivor benefits available to you and your eligible beneficiaries. The SPD covers a number of essential areas such as membership, how your retirement is calculated, reciprocity, how to purchase service credit, taxes on benefits and the types of benefit options available to you.

The SPD is designed to provide you all the most important and relevant information regarding your pension benefits as simply and accurately as possible as of the date indicated of the version posted online.

### Alameda Case Updates Available On OCERS Website

The OCERS Board of Retirement has been reviewing issues related to the implementation of the "Alameda" case (Alameda County Deputy Sheriffs Association et al v. Alameda County Employees Retirement Association and Board of Retirement of ACERA (S247095)) since August 2020. See the "Latest News" section on OCERS' website for recent updates including any approved staff recommendations.