

At Your Service

Orange County Employees Retirement System

VOLUME 2 NUMBER 1

MAGAZINE FOR ALL MEMBERS

January 2003

***www.ocers.org has a
wealth of information***



***Got ERI?
Important news for members***

***Prepare for the future:
Register now for a
Retirement Seminar***



At Your Service



Members of the Board of Retirement

Reed L. Royalty, Chairman
Keith L. Concannon
Frank E. Eley
Thomas N. Fox
George W. Jeffries
Thomas J. Lightvoet
John M.W. Moorlach
Sharon L. Neebe
Lisa Welch Silbar
David J. Thompson

Chief Executive Officer

Keith Bozarth

Chief Operations Officer

James Buck

Chief Financial Officer

Toi Dang

Chief Investment Officer

Thomas E. Flanigan

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, Public Relations Analyst

OCERS
2223 E. Wellington Avenue
Santa Ana, CA 92701
Telephone: (714) 558-6200
Toll-free: (888) 570-6277
Web site: www.ocers.org

At Your Service is written, designed and edited by Robert Kinsler, Jayne Ritchey and Cuong Nguyen.

Board of Retirement Meetings:
All meetings are held in OCERS Board Room at 8:30 a.m.

January 21, 2003
February 18, 2003
March 10, 2003
April 21, 2003

OCERS Web site has a wealth of information

Log on to www.ocers.org to learn more about your retirement benefits.

OCERS' official Web site provides a wealth of information and services for anyone with access to the Information Highway.

One of the most popular features at OCERS' Web site is the Benefits Calculator, which allows any member to get a fast estimate of their projected retirement allowance based on their current salary, age and years of service. No registration is required and it only takes a few seconds to complete the easy-to-use resource.

Other expanded features at www.ocers.org include readers being able to access current and past issues of At Your Service magazine, as well as OCERS Extra, a monthly online newsletter published immediately after every Board of Retirement meeting.

Also available is a printable version of OCERS' official Power of Attorney form for those who want to designate someone to look after their retirement account if they become unable to look after their own needs, as well as a newly-posted Beneficiary Change form. Both of these forms can be filled out online, printed, signed and mailed back to OCERS.

In addition, OCERS recently posted a Social Security link for those interested in learning how OCERS or other government pensions may impact their Social Security benefits.

The OCERS Web site has been designed so people using any number of browsers (including both Netscape and Microsoft Internet Explorer) can easily navigate throughout the site's pages and enhanced features.



There is information and photographs of all members of the Board of Retirement and staff, and even a map showing people how to get to OCERS' office.

For more information, visit OCERS' official Web site at www.ocers.org.

Early Retirement Incentive Program assists OCERS members

On December 16, 2002, the Board of Retirement approved the extension of the County of Orange Early Retirement Incentive funding agreement. This action is of special importance for a number of OCERS members who are thinking about retirement and who meet the eligibility requirements for participation in the Early Retirement Incentive (ERI) program as approved by the Board of Supervisors on December 17, 2002.



The recently approved incentive plan adds two years of service credit to certain retirement eligible employees. For example, if an eligible OCERS member has worked for the County of Orange for 28 years, the early retirement incentive would add two years of service for a total of 30 years of service credit. The incentive does not impact areas such as your average monthly compensation, tier, and age factor nor can you use the incentive to become eligible for retirement.

The Resolution adopted by the Board of Supervisors grants two years additional service credit to the following retirement eligible employees who retired during the period from December 18, 2002 to January 10, 2003:

- All classifications in the Social Services Agency
- All classifications in the Planning and Development Services Department
- The classification of Registrar of Voters in the Registration and Elections Department
- The classification of Senior Social Worker in the Cal-Learn Program
- The Director of Medical Services and the Patient Rights Coordinator in the Health Care Agency
- The classification of Senior Deputy Attorney in the Public Defender Department/Alternate Defender's Office

To see how two additional years would impact your retirement benefit, log on at www.ocers.org and use our benefits calculator.

Financial Strategy Seminars set to begin

If you are planning to retire within the next 3 to 30 years, you should plan to attend one of the following Financial Strategies for Retirement Planning Seminars held at:

**OCERS (Training Room)
2223 Wellington Avenue
Santa Ana, CA**

The Financial Strategies for Retirement Planning Seminar consists of a three-session workshop. Each meeting will cover important topics for successful planning; individuals and couples are welcome to attend. The third meeting concentrates on information from an OCERS Retirement Program Specialist.

The seminar is free and there is plenty of free on-site parking for those attending. Various topics of interest and importance will be covered over the course of the three-session workshop.

Among the important topics covered in the comprehensive three-session workshop:

- Deferred Compensation investment choices
- Tax-free and low-cost investing for profit
- How to determine retirement goals
- Investment choices to consider in the current stock market

The third meeting of each workshop focuses on information relating to OCERS, including such topics as:

- Eligibility for Retirement
- Reciprocal Benefits
- Benefit Calculations, and how to apply for your retirement benefits from OCERS

Don't miss out on this valuable information. It will help you prepare for your future. The seminars are free, but reservations are required. To make your reservation to attend this seminar, please log on at www.ocers.org and click on "Member Information" and then on "Retirement Seminars."

For more information on upcoming Financial Strategies for Retirement Planning Seminars, please call Catie Moore at the Mony Group, (714) 704-6502.

SCHEDULED DATES:

The Financial Strategy Seminar is a three-session workshop, and persons signing up should plan on attending all three sessions of the Workshop.

Dates are as follows:

Workshop

Wednesdays

February 5, 19 and 26, 2003

6-9:30 p.m.

Workshop

Wednesdays

March 5, 12, and 19, 2003

6-9:30 p.m.

Workshop

Wednesdays

April 2, 9, and 16, 2003

6-9:30 p.m.

Getting ready to retire? Pre-Retirement Planning Seminars are offered by OCERS



When it comes to retirement planning, it's never too early – or too late – to get started. So even if you're only a few months away from retirement, it's important to attend a Pre-Retirement Planning Seminar offered by OCERS.

The few hours you spend at the seminar can have beneficial and long-lasting impacts on your quality of life after you retire.

The Pre-Retirement Planning Seminar is held twice a month at OCERS, 2223 Wellington Ave., Santa Ana, and includes a presentation by an OCERS Retirement Program Specialist.

The one-session, five-hour seminar is free and there is plenty of free on-site parking for those attending.

Various topics of interest and importance to you will be covered. A representative from “Deferred Compensation” will be addressing options for withdrawing funds from your 457 plan; a Social Security representative will discuss your Social Security benefits; a representative from Retiree Medical will discuss medical benefit options; and an OCERS Retirement Specialist will focus on your OCERS retirement plan.

Among the topics covered by the OCERS representative:

- When you are eligible for retirement
- How to determine how much compensation you will receive
- Reciprocal benefits for employees who have worked for two or more retirement systems
- How divorce can impact your retirement
- How to determine compensation for your beneficiaries
- When should new retirees expect their first retirement check
- How to schedule an appointment with an OCERS Retirement Program Specialist

Don't miss out on this valuable information. It will help you prepare for your future. The seminars are free, but reservations are required. For more information and to make your reservation to attend this seminar, please log on at www.ocers.org and click on “Member Information” and then on “Retirement Seminars.”

SCHEDULED DATES:

These one-session seminars will be held from 8 a.m. to 1 p.m. on Wednesdays.

Dates are as follows:

February 5, 2003

February 19, 2003

March 5, 2003

March 19, 2003

April 2, 2003

April 16, 2003

1099-R Statements for Retirees

OCERS is sending personalized copies of Internal Revenue Service Form 1099-R to all retirees this month. The 1099-R forms provide each retiree with detailed information on his or her pension income for the previous year.

Following is an easy-to-use guide on how to read your 1099-R:

Box 1- Gross Distribution. This is the total amount of pension benefits paid to you by OCERS during the 2002 calendar year.

Box 2a – Taxable Amount. This is the taxable amount of your pension. If you retired after January 1, 1993, the amount is reported, less the Safe Harbor exclusion. If you retired prior to January 1, 1993, OCERS did not calculate nor report the taxable amount because of the multiple recovery methods.

Box 2b – Taxable Amount Not Determined. If Box 2b is checked, the amount is left blank. If you retired prior to January 1, 1993, OCERS did not calculate or report the taxable amount because of the multiple recovery methods. At the time of your retirement, you were provided the amount of your tax contributions, the basis for determining the tax recovery. You or the person preparing your tax information should determine the amount of tax recovery.

Box 3 – This box is left intentionally blank and is not applicable.

Box 4 – Federal Income Tax Withheld. This box shows any federal income tax deducted from your monthly retirement checks.

Box 5 – Employee Contributions. If there is an amount in box 5, it is *not* a deduction or an amount paid for an insurance premium. The amount in box 5 is the portion of your monthly benefit that is *not taxable*. (If you subtract the amount in box 2a from box 1, you will have the amount shown in box 5)

Box 6 – This box is left intentionally blank and is not applicable.

Box 7 – Distribution Code. IRS code identifying the distribution you received. These codes are explained on the back of the 1099-R Form.

Boxes 8 and 9a – These two boxes are left intentionally blank and are not applicable.

Box 9b – Total Employee Contributions. Only members who retired in 2002 and made prior taxed contributions will see a value in this box. For members who retired prior to 2002, a zero will be printed in the box or it will be left blank.

Box 10 – California State Income Tax Withheld. Any California State income tax deducted from your monthly checks is shown in this box.

Boxes 12 through 15 – These four boxes are left intentionally blank and are not applicable.

‘Divorce and Your Retirement’ Seminar



The Legal Division at OCERS is offering a special one-session “**Divorce and Your Retirement**” seminar on how divorce may impact your retirement benefits. It will be held on the following dates and times:

- **Thursday, February 20, 2003; 8 a.m. - 9:30 a.m.**
- **Thursday, April 10, 2003; 8 a.m. - 9:30 a.m.**

The seminar is free and open to all active members, retirees and deferred members. The 90-minute seminar will be held at OCERS, 2223 Wellington Ave., Santa Ana.

Space is limited and reservations are required. To reserve a space, please contact Fred Messerer at (714) 569-4894. For more information, visit the official OCERS Web site at www.ocers.org.

Lifelong benefits offer retirement security for members

Most news reports that focus on financial markets and pensions deal only with the short term. Thankfully for all of its members and Plan Sponsors, OCERS takes a “long term” approach when it comes to both investments and retirement benefits offered to system retirees.

Because OCERS is a “Defined Benefit Retirement Plan,” members who retire from the system are guaranteed monthly lifetime retirement benefits. That monthly allowance is calculated based on a specific formula made up of factors including when a member is hired, their age at the time they retire, their “Final Average Compensation” (based on their highest year or three years of income depending on hire date), and the number of years of Service Credit they have with OCERS.

For more information, visit OCERS’ official Web site at www.ocers.org, and click on “Economic Updates.”



Personal Retirement Account Statements coming

Active and deferred members can look forward to receiving their annual Personal Retirement Account Statement during the first quarter of 2003. OCERS prepares the personalized statement of each member's retirement benefits to use as an important resource when planning for retirement.

Here are some Frequently Asked Questions relating to the annual Account Statement.

When do the statements get mailed out?

No later than the end of March 2003.

Why isn't recently-updated address or beneficiary information on the Statement?

Because any information updated after December 31, 2002 is not reflected on the statement.

Why is the Service Credit time shown on the statement less than the actual calendar days the member has been a County employee?

Because the statement captures any data as of December 31, 2002; therefore, Service Credit earned during the first part of 2003 is not displayed on the statement.

Visit www.ocers.org for more information.

OCERS Mission Statement

The role of the Orange County Employees Retirement System is to provide secure retirement and disability benefits, quality information concerning those benefits, and prompt, professional and courteous service that meets the highest standards of excellence. In carrying out that role, the Board of Retirement and staff are committed to act for the exclusive benefit of the plan and its participants, manage assets of the plan prudently, and administer benefits with impartiality.

Orange County Employees Retirement System
2223 Wellington Avenue
Santa Ana, California 92701

Pre-Sort
First Class
U.S. Postage
PAID
Anaheim, CA
Permit #422