

Retirement Process

This portion of the Pre-Retirement Seminar is designed to explain the process of actually applying to receive your retirement benefit. There are several important milestones throughout the application process, and it is important to understand the timeline involved to avoid any unnecessary delays in receiving your OPERS benefit.

Entering retirement can be a confusing and stressful time for anyone. You are going to be asked to make some very important decisions as you leave the workforce and enter retirement.

To begin, you should know that every OPERS participating employer has designated a person to service as a “retirement coordinator”. This person is an employee of your agency who assists retiring members like you. Your retirement coordinator can provide you with important information, assist you with completing forms, and guide you through the application process.

In addition, OPERS has developed a number of written and electronic communications, including this Pre-Retirement Seminar, to help you along the way. We have developed a booklet to accompany the seminar that provides you with timely and up to date information, taking you step by step through the process.

The Pre-Retirement Seminar booklet can be found on the ‘Seminars’ page of the OPERS website. On page 18 of the booklet, you will see a retirement timeline example that you may find handy as you follow along with this portion of the seminar.

We encourage you to attend one of our Pre-Retirement Seminars in person, as well as viewing this online version. A full schedule of seminars conducted around the state is available on the ‘Seminars’ page of our website.

Your personal timeline on the retirement process should start about 90 days before your retirement date. That is when we suggest you contact your retirement coordinator to get a form called the “Retirement Notice & Application”. This is where the application process begins.

As an OPERS retiree, the effective date of your retirement will be the first day of the month you choose, and your Retirement Notice & Application must be submitted at least 60 days before that retirement date.

Your retirement coordinator must complete a portion of the Retirement Notice & Application. Your form is not complete without the retirement coordinator’s section being finished. He or she may have other forms for you to complete, as well, such as

insurance forms. Once you have completed your Retirement Notice & Application, and your coordinator has signed it, you should then send it to OPERS.

We will mail other forms necessary to complete your retirement after we have received the Retirement Notice & Application.

Once you have submitted your Retirement Notice & Application, what happens next? About 45 days before your retirement date, or about 2 weeks after your 60-day deadline, you will receive a packet in the mail. Inside the packet there is an acknowledgement letter, which simply confirms that we have received your application and that it was completed correctly. It will also contain a request for vital documents, a direct deposit form and a designation of beneficiary form.

We recommend that you submit important documents to OPERS as early as possible. It's a great way to get ahead of the game and help the process go smoothly. We will be asking you for a number of documents to ensure that we pay the right amount to you at the right time. We also have to make sure we have the documents to ensure we pay the right person or persons upon your death.

We will only request documents that are not already in your retirement file. Vital documents that we will need are your birth certificate, and, if you are naming a joint annuitant under Options A or B, we will need that person's birth certificate, as well. We will also need a marriage license, divorce decree, or a death certificate that verifies your current marital status. Submitting these documents early is a great way to get ahead. It is one less thing to worry about as you navigate the process.

Each OPERS retiree is also entitled to a \$5,000 death benefit upon their passing. The designation of beneficiary form included in the acknowledgement packet is to name the person or persons you choose to receive that benefit.

This is separate from a joint annuitant you may have named to receive your retirement benefit upon your death. Regardless of whether you chose a survivor benefit payment option, you will need to name someone to receive the \$5,000 death benefit.

The death benefit is not life insurance and it is a taxable event for your beneficiary. You may change the beneficiary for your \$5,000 death benefit at any time.

A direct deposit form is also included in your acknowledgement packet. All OPERS retirees now must receive their monthly benefits via direct deposit.

About 15 days before your retirement date, you will receive another packet of information containing your preliminary benefits statement, tax tables, a tax withholding preference form, as well as a communication on some important points for you to consider if you choose to return to work after retirement.

Your preliminary benefits statement provides the gross monthly benefit that we estimate you will receive. This is calculated using your final average salary and years of service as described in the 'Retirement Eligibility' portion of this presentation. Remember, at this point in the process, your salary and service credit information are estimated because you are still working.

OPERS retirement benefits are taxed as ordinary income. The tax withholding preference form included in this packet allows you to choose how you want state and federal income taxes withheld from your monthly benefits. The tax rates applied to your benefit are based on withholding tables provided by the U.S. Treasury Department and the Oklahoma Tax Commission.

A quick note on state taxes: if you choose to live outside of Oklahoma during retirement and have state taxes withheld from your OPERS benefits, those amounts are remitted to the Oklahoma Tax Commission and not the taxing authority of your state of residence.

Again, we suggest you send in these documents as soon as possible.

So what happens next? When do your retirement benefits start?

Hopefully, by this point in the process, you have turned in your designation of beneficiary form, your tax withholding form, your direct deposit form, and you have submitted any vital documents that we have requested.

It's important to know, you will not receive your retirement benefit at the end of the first month of retirement. You will receive two payments at the end of the second month. You will obviously want to keep this in mind as you plan ahead.

About 55 days after your retirement date, you will receive your final letter and your monthly retirement benefits statement.

Your final letter will put all of the pieces into place. It will list your gross monthly benefit, how much you chose to withhold for taxes, and also any insurance premiums you may be having deducted. It will then show your net benefit.

If you have been paying attention throughout the process, your final letter should really just confirm the decisions you have made throughout the application process.

You may cancel the retirement application process at any time up to your retirement date. Circumstances may change, or you may simply change your mind. Regardless of the reason, all you need to do is submit the cancellation in writing.

Thank you for watching this portion of our Pre-Retirement seminar. We encourage you to see the other seminar videos as well as you prepare for retirement with OPERS.