

# Retiring Right

A Publication of the Oklahoma Public Employees Retirement System



Active Member Edition

## Fourth Quarter, Autumn 2006

### What's on the Website

The OPERS website has about 350 visitors a day. Both active and retired members can quickly discover a wealth of information and tools at their disposal. In fact, almost any information you would find in an OPERS handbook, brochure, manual or newsletter is available on our website. If you have not been to the OPERS website lately, here is a short list of some of the things you're missing there:

#### News & Special Topics:

A prominent section on our homepage where we post the latest news, such as alerts, rule changes, special notices, etc.

#### Benefit Estimator:

An online educational tool that provides informal calculations of normal retirement dates and approximate benefits for regular state and local government members.

#### Forms:

Page with links for our most frequently-used forms for downloading and printing.

#### Publications:

Clearinghouse of past and present publications where you can read (and search) the Member Handbook, the Retiring Right Newsletter, Comprehensive Annual Financial Reports, brochures, and other publications.

#### Legislation:

Page that summarizes the OPERS-related legislation from the previous session.

*(Continued on page 2)*

### The Director's Corner

by Tom Spencer,  
OPERS Executive Director

### What's Wrong With Populism?

Most native Oklahomans know that the men who crafted Oklahoma's original Constitution were ardent populists. They distrusted big corporations. They distrusted any sort of powerful central government. Our poor old Constitution has been beaten up and battered over the last 20 years. It has been maligned as being too long, too detailed, and too strict. As a result our current Constitution

*(Continued on page 2)*

#### Also in This Issue:

**Page 2** Submitting Your Personal Documents

**Page 3** Change in Option C Provisions

*(Continued from page 1)*

bears little resemblance to the 1907 version in many ways. Some changes have been by amendment and other changes have come through court decisions. Our State's founding fathers would be shocked that their grandsons and granddaughters in our state government can grant tax exemptions for a myriad of special interests, and can now borrow hundreds of millions of dollars without a vote of the people. Many legislatures over the past several decades have also added indirect debt to future taxpayers by increasing public pension benefits without adequately funding them. The result is that the State of Oklahoma has over \$10 billion in unfunded pension debt. It now appears that as far as Oklahoma's two largest pension systems (OPERS & Teachers) the madness may be over.

The Oklahoma Legislature passed the "Oklahoma Pension Legislation Actuarial Analysis Act" in 2006. The model legislation was based largely on statutes from Georgia adopted 20 years ago. Georgia has both a Teachers and a Public Employees retirement system. However Georgia's pension systems are virtually fully funded with no "debt" owed by the State of Georgia. The legislation is pretty straight forward. All retirement legislation with fiscal impact must have an actuarial study done to

measure the cost. The bill cannot be passed unless it is paid for. Any such legislation can only be introduced in odd-numbered years and voted on in even-numbered years. No more last minute insertions of expensive legislative language! Is this legislation a silver bullet? No. The Oklahoma Teachers Retirement System will require major surgery to get healthy again. OPERS might need a little "out-patient" surgery and a better diet of contributions. However the new legislation should stop the endless spiral of pension debt so we can all work to make our systems healthy again.

Webster's Dictionary defines a populist as "a believer in the rights . . . of the common people." Requiring our elected representatives to pay for the obligations they create is a populist notion. Many believe that Thomas Jefferson was a bit of a populist. He knew the potential harm of unrestrained government debt. Jefferson said that he viewed "public debt as the greatest of the dangers to be feared." Frankly we need a dose of this type of populism so that our government works for the common good of the common people. Passing along billions of dollars of debt to future generations is simply wrong. Oklahoma's new pension legislation is a step in the right direction. Alfalfa Bill would be proud.

*(Continued from previous page)*

### **Seminars:**

Section specifically for those members preparing for retirement who want to attend a pre-retirement seminar. It provides information about the topics covered, the schedule & location of future seminars, as well as when each one opens for registration.

### **Search:**

Homepage tool where you can enter key words or phrases to find specific information within the OPERS site.

The OPERS website address is [www.opers.state.ok.us](http://www.opers.state.ok.us).

## **Submitting Your Personal Documents**

When a member begins the retirement process, OPERS requests relevant personal documents, such as birth certificates, marriage licenses, divorce decrees, etc. These are no longer required to be originals (except death certificates in some cases – see below). Copies are accepted now, as long as they are clear and readable. In addition, OPERS is no longer returning original documents, so be sure the personal document you send is not your original or only copy.

*(Continued on next page)*

(Continued from previous page)

A certified copy of a death certificate is still required when an active member, retired member or named beneficiary dies.

## Change in Option C Provisions

When most OPERS members retire, they choose one of four types of benefits, or “options”. These options are Maximum, Option A, Option B and Option C. The type of benefit chosen determines if any benefits continue after the retiree’s death, and if so, how they are distributed.

Option C is a single life annuity with a ten-year certain. This means a slightly reduced retirement benefit is paid to the retiree for life, and if the retiree dies within the first ten years, the payments will be made to one or more designated beneficiaries for the balance of the ten years. If the retiree lives longer than 10 years after his or her retirement date, the retiree’s benefit

continues, but no monthly benefits will be paid upon the retiree’s death.

House Bill 1179 XX makes minor changes to the Option C benefit. The changes deal with situations where an Option C retiree or a designated beneficiary dies within the 10-year period. If the retiree dies within the 10-year period and his or her designated beneficiary is already deceased, the person responsible for the estate of the deceased retired member shall now be given the option for the estate of the retiree to either 1) receive monthly benefits for the remainder of the ten-year period; or 2) receive the present value of the remaining benefit payments in a one-time, lump-sum distribution. If the retiree dies, and the beneficiary begins to receive the benefit, but dies before the expiration of the 10-year period, the person responsible for the estate of the beneficiary can either 1) receive monthly benefits for the remainder of the 10-year period; or 2) receive the present value of the remaining benefit payments in a one-time, lump-sum distribution.

### Contact OPERS

**Mailing Address:**

Oklahoma Public Employees Retirement System  
Post Office Box 53007  
Oklahoma City, Oklahoma 73152-3007

**Local Phone:**

(405) 858-6737

**Outside Local Calling Area:**

(800) 733-9008

**Website:**

[www.opers.state.ok.us](http://www.opers.state.ok.us)

*This publication, printed by the University of Oklahoma Printing Services, is issued by the Oklahoma Public Employees Retirement System (OPERS) as authorized by its Executive Director. Fifty-one thousand nine hundred copies have been prepared and distributed at a cost of \$6,642.00. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.*

*This summary is for informational purposes only. Individual requirements and benefits may differ, depending on circumstances. Consult the plan provisions or OPERS for detailed information.*



P.O. Box 53007  
Oklahoma City, OK 73152-3007

PRSRSTD  
U.S. POSTAGE  
PAID  
OKLAHOMA  
CITY OK  
PERMIT NO.  
2712