

Retiring Right

A Publication of the Oklahoma Public Employees Retirement System



Active Member Edition

Third Quarter, Summer 2007

2007 Legislative Session Yields Few Changes

The 2007 Regular Session of the Oklahoma Legislature produced only one bill that directly impacted OPERS members. Senate Bill 1112, which is effective July 1st, contained the following provisions:

OPERS 60-Day Notice to Retire Waiver Procedure

This amends the statute that deals with the 60-day notice required to retire from OPERS. The former law permitted the Board of Trustees to waive the notice at its discretion. The amendment will permit the Executive Director of OPERS to grant waivers of the 60-day notice "for good cause shown" as defined by the Board. The Board can still review denials of waiver requests.

Medicare Gap Benefit Change

This amends the Medicare Gap benefit statute. Under the former law, most OPERS members can select this benefit which gives them a slightly higher retirement benefit until they reach Medicare age. The member then sees an actuarially reduced benefit for the rest of his or her life to pay for the higher benefit. Under the former law, the reduction in benefits after age 65 takes place "in January of the year following the member's 65th birthday." The amendment starts the reduction in the "month following" the 65th birthday. The change in law will have no application to those who retired prior to the effective date of SB 1112.

Keeping Things In Balance

By Kirk Stebbins, CFA, OPERS Chief Investment Officer

Are you feeling out of sorts – no sense of control? Are things just a bit off kilter but you're not sure what it is? Could it be that your time allocation is out of balance?

Ben Franklin said "Dost thou love life? Then do not squander time, for that's the stuff life is made of." Aside from the advice not to waste time, Franklin is equating time with life, and in life it's important to keep things in balance. For

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The Director's Corner

by Tom Spencer,
OPERS Executive Director

E-Mail: Blessing or Curse?

I still remember how excited I was when I started working at the State Treasurer's office in the Fall of 1995. It was my first exposure to network e-mail. What an invention! What a miracle of modern technology! Why, this new marvel would make us all so much more efficient, right? Not so fast techno-breath. No modern office could do without e-mail, but we all need to step back and analyze how we use it in the work setting and our daily lives.

First, all of you "crackberry" heads out there, if you look at another incoming e-mail on that wretched device while I'm having a conversation with you, I will snatch it out of your hands and stomp on it. Didn't your mother teach you better manners than that? Why not flip on the radio or T.V. while I'm talking to you?

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purposes of illustration let's separate your time into three broad activities of work, recreation, and sleep. Striking the proper balance of time can result in a better sense of well-being and control than spending too much time engaged in any one of the three broad activities. Too much time spent in any one of these activities means too little time spent in at least one of the others.

How you choose to allocate your time among work, recreation and sleep largely depends upon your individual makeup and stage in life. A simple way to allocate time would be to spend 8 hours working, 8 hours in recreation and 8 hours sleeping. We'll call this your "strategic time allocation". A person near the start of their working career might adopt a strategic time allocation that devotes a greater amount of time to work and less to both sleep and recreation. A retiree might have a goal of reduced time to work and more to both sleep and recreation. Regardless of your stage in life, it is unlikely that each day you would exactly meet your strategic goal but averaged over say a few weeks, if you tried, you might come fairly close.

In investing, as in life, it's important to keep things in balance. In investing, however, you are allocating capital to asset classes rather than allocating time to activities. Nonetheless, the need for balance is just as critical. An investment portfolio that is out of balance can result in some undesirable consequences.

A long-established investment rule is that assets with high expected returns will be riskier than assets with lower expected returns. If in search of growth, however, too much capital is allocated to risky assets, then you could be in for an uncomfortable ride as assets rise and, more importantly, fall to unanticipated extremes. Like riding a wild rollercoaster, you'd be tempted to bail out while you're closest to the ground before reaching your destination. On the other hand a portfolio with too little risk will also have too little return and might fail to grow enough to fund the purpose for which it is invested. The solution to the dilemma is a portfolio of investments with the proper variety of risks and returns to meet the desired expected return at the minimum available level of risk - otherwise known as your strategic asset allocation. Like our example with time, you don't want your portfolio to stray too far from your strategic allocation. Otherwise, your portfolio may become too risky or alternatively produce too low of a return. That is why it is important to periodically evaluate an investment portfolio and to rebalance the assets back to the strategic allocation when necessary.

So keep things in balance - not only for your sense of personal well-being but also for your financial well-being.

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Text messaging? What could be so important for a teenage girl to read in the middle of a darned good movie? "Trevor is so awesome. He's like the hottest guy I know." Those little alerts signaling incoming e-mails are making us act like Pavlov's dog. We can't seem to help ourselves. We must look at every e-mail immediately. I think it's a continuation of the "instant gratification" trend of today.

If you are a manager, and are using e-mails to dress down or reprimand a subordinate, then shame on you. This is a colossally bad idea and you owe it to your subordinates to meet with them face-to-face to deliver bad news. I fear that we are losing the simple ability to have actual conversations with one another. Let's stop and think before we send that witty e-mail to everyone in the office or have a 30-minute IM discussion with 5 people that should have taken 10 minutes in person.

Oops! I hear Beethoven's 5th coming from my computer. I got another e-mail. Gotta go. LOL.

Annual Member Statements

Soon it will be time for the 2007 annual member statements to be prepared and sent to members, so it's important to notify OPERS if your address has changed. Statements are mailed in late summer at the close of each fiscal year, and scores of them are returned to OPERS because members have not kept their address up to date.

Your "Personal Annual Statement" contains general benefit information, as well as your total of accumulated retirement contributions, beneficiary designation, contact information for your Retirement Coordinator and other valuable information. Individual Social Security numbers are NOT printed on the forms, and they are pressure sealed for security.

If you need to update your address, download our Change of Address form from our website at www.opers.state.ok.us and send it to:

OPERS
P.O. Box 53007
Oklahoma City, OK 73152-3007
Fax: (405) 848-5946

In lieu of the form, you may send a letter with the new address information, your SSN and signature.

NUMBER OF OPERS RETIREES BY STATE AND COUNTRY



OPERS Retiree Statistics

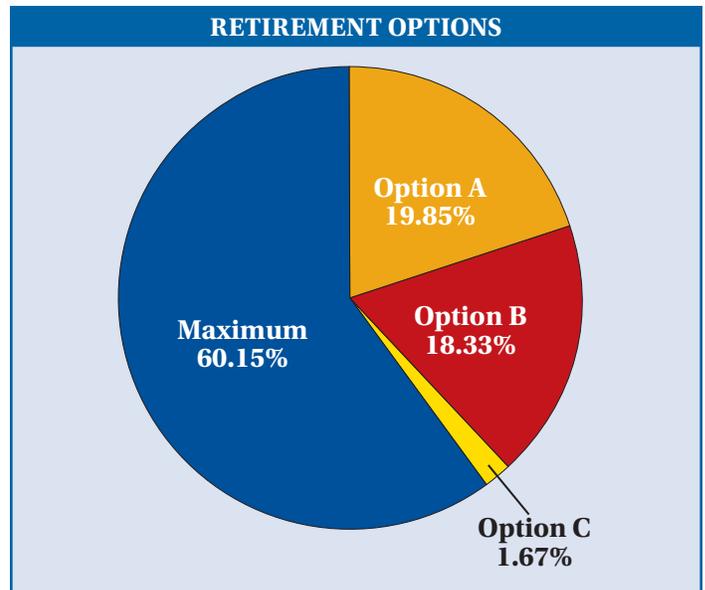
More than 25,000 retirees and joint annuitants draw monthly benefits from OPERS. Here are some interesting retiree statistics:



AGE

Youngest Retiree	48*
Oldest Retiree	103

* Youngest retiree: 48, under normal retirement for State and Local Government employees



INSURANCE

Retirees with OSEEGIB Insurance	15,138	60.30%
Retirees without Insurance	9,968	39.70%

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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.



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