

Member Handbook



Uniform Retirement System for Justices & Judges



Describing plan provisions
as of July 1, 2007

Justices & Judges

OKLAHOMA

Uniform Retirement System for
**Justices and
Judges**

MEMBER HANDBOOK

Describing Plan Provisions
as of July 1, 2007

This publication, printed by the Central Printing Division of the Department of Central Services, is issued by the Uniform Retirement System for Justices and Judges as authorized by the Executive Director. The publication of this document consisted of 500 copies that were prepared and distributed at a cost of \$1,173.55. Copies have been deposited with the Oklahoma Department of Libraries.

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ABOUT THE HANDBOOK

This handbook is a summary of the provisions of the Uniform Retirement System for Justice and Judges (URSJJ) defined benefit plan, written in lay person's terms. It is not a plan document. As much as possible, this handbook has been written without technical terms, avoiding the formal language of the retirement laws and rules. The Oklahoma Public Employees Retirement System (OPERS), which administers the URSJJ, reserves the right to correct any errors contained herein to comply with federal or state statutes, rules, and regulations that govern the Plan. Any information contained in the handbook that refers to federal or state tax regulations is not intended to be tax advice. You are encouraged to consult a professional tax advisor before receiving any distribution from the plans mentioned in this booklet. If questions of interpretation arise as a result of the attempt to make the retirement provisions easy to understand, federal and state law, rules and regulations remain the final authority.

The information contained in this handbook is made available as a public service. No information provided is intended to constitute legal or investment advice. While we have made every attempt to provide correct information, we do not guarantee the accuracy of information, or the accuracy of other publications referenced herein. No one shall be entitled to claim detrimental reliance on any information herein.

The information provided in this handbook is based on the laws and rules in existence as of July 1, 2007, and is subject to change or modification based on changes in law, rule, or policy.

Representatives or Retirement Coordinators from participating agencies are not agents of OPERS or URSJJ. OPERS is not responsible for erroneous information provided by agency representatives.

BOARD OF TRUSTEES
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM

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Pro Tempore of the Senate

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FRANK STONE
Designee of the
State Insurance Commissioner

JIM MCGOODWIN
Designee of the Director of State
Finance

DAWN CASH
Appointee of the Speaker of the House of Representatives

TO OUR MEMBERS...

All of us who administer the Uniformed Retirement System Justice and Judges (URSJJ) encourage you to take the time to plan and prepare for your retirement no matter your age. This handbook was prepared to help you plan for your retirement and inform you of the benefits offered by URSJJ.

As a member, part of your planning for retirement should include review of this handbook. We hope it will be of assistance to you. We realize that not every matter of interest to you will be included in this handbook. Therefore, if you ever need any assistance, see your Retirement Coordinator or feel free to call our office at the numbers listed below.

Tom Spencer	<i>Executive Director</i>
Joseph A. Fox	<i>General Counsel</i>
Kirk Stebbins	<i>Chief Investment Officer</i>
Linda Webb	<i>Director of Member Services</i>
Virginia Lawrenz	<i>Director of Finance, CFO</i>
Garry McCoy	<i>Director of Information Technology</i>
Ray Pool	<i>Defined Contribution Administrator</i>
Rebecca Catlett	<i>Defined Benefits Administrator</i>
Patrick W. Lane	<i>Communications and Customer Contact Director</i>
Kathy McCraw	<i>Assistant Chief Financial Officer</i>

Outside the OKC Metropolitan Area

1-800-733-9008

In the OKC Metro Area

(405) 858-6737

ABOUT URSJJ...

The Uniform Retirement System for Justices and Judges (URSJJ) is a retirement plan for Justices and judges of the Supreme Court, Court of Criminal Appeals, Worker's Compensation Court, Court of Civil Appeals and District Court.

Defined Benefit Plan

The plan described in this handbook is a defined benefit retirement plan. It is qualified under Section 401(a) of the Internal Revenue Code. URSJJ provides its members with a lifetime retirement benefit when they meet certain eligibility requirements. You participate in URSJJ by contributing a certain portion of your salary each month. Your employer also contributes on your behalf. The amount of contributions does not determine the amount of the benefit that URSJJ promises you. Your benefits are determined by a formula which includes your salary and your years of credited service. The paid contributions are invested by URSJJ, under the direction of the OPERS Board of Trustees, to provide benefits to present and future members.

Defined Contribution Plans

Another type of retirement plan available only to state employees and administered by OPERS is known as a defined contribution retirement plan. In a defined contribution plan, no specific benefit is promised. The participant is primarily responsible for making contributions to the plan and managing the investment of the money in order to produce an additional source of funds available during retirement years. URSJJ members are eligible to participate in two defined contribution plans. They are both administered by OPERS and are called the Oklahoma State Employees Deferred Compensation Plan (DCP) and the Oklahoma State Employees Deferred Savings Incentive Plan (SIP), collectively known as SoonerSave. Participation in SoonerSave is voluntary.

The DCP is an Internal Revenue Code 457(b) plan and allows eligible state employees to supplement retirement benefits by investing pre-tax dollars through voluntary salary deferral. Employee contributions are deposited in the DCP and remain tax-deferred until they are withdrawn.

The SIP is based on Internal Revenue Code 401(a) and supplements employees' retirement benefits by contributing to a plan on their behalf. Currently, the state of Oklahoma contributes the equivalent of \$25 a month to the SIP plan if the state employee is contributing at least \$25 a

month to the DCP plan. The state employee selects where the money in both plans is invested among the available investment options.

SoonerSave is an excellent way to defer federal and state taxes on your income while saving for the future. In both plans, contributions and any earnings grow tax-deferred until the money is withdrawn, usually during retirement.

To properly plan for your retirement, you are encouraged to consider participating in these plans as a way to supplement income from the URSJJ defined benefit plan and from Social Security.

For more information about SoonerSave, call 1-800-733-9008 or (405) 858-6781. Additional information, including enrollment forms, is available through the SoonerSave website at www.soonersave.com.

[Financial Information](#)

A Comprehensive Annual Financial Report for each fiscal year is available to those who wish to know more detailed financial information about the Uniform Retirement System for Justices and Judges defined benefit plan. To obtain a Comprehensive Annual Financial Report, contact URSJJ.

GENERAL INFORMATION

Discussed below are a few topics that are particularly important and answer some commonly-asked questions.

Address Changes

Members who change their mailing address must complete, sign, and submit to URSJJ a *Change of Address or Name* form obtained from your Retirement Coordinator or URSJJ.

Beneficiary Designations

Naming Beneficiaries

When you enroll in URSJJ, you are asked to name a primary and contingent beneficiary. Beneficiaries may receive your accumulated retirement contributions if you die before retirement.

Multiple beneficiaries may be named. If one or more of the primary beneficiaries is deceased, your contributions will be distributed among the remaining living primary beneficiaries. Contingent beneficiaries will receive the contributions only if there are no living primary beneficiaries. If you were eligible to vest or retire, URSJJ will offer your eligible surviving spouse a survivor benefit in lieu of beneficiary payments. (See the *Death Benefits* section on page 35 for more information.)

Minors as Beneficiaries

You are encouraged to avoid designating minors as beneficiaries. However, the Uniform Transfers to Minors Act permits certain payments to adult custodians, or to banks and trust companies, on behalf of minors who are named as beneficiaries.

Revocable Trust as Beneficiary

If you name a revocable trust as beneficiary, you must provide the actual name of the trust and the date of the trust.

Beneficiary Changes

Please keep your beneficiary designation current. Many events can create the need for a change of beneficiary, such as marriage, divorce, birth, and death. You may make a beneficiary change by completing a new beneficiary designation form. Your Retirement Coordinator can provide you with the correct form, or you can obtain one from URSJJ. Separate designations are required for the SoonerSave plans.

Divorce and Beneficiary Designation

Divorce voids the designation of your spouse as your beneficiary. Once your divorce is final, you must complete a new *Change or Designation of Beneficiary* form, designating a new beneficiary. You may designate a divorced spouse as your beneficiary, but you are still required to complete a new form, dated *after* the date of the divorce decree, re-naming your former spouse as a beneficiary.

Confidentiality

URSJJ protects the confidentiality of information contained in your file. Generally, you must give written consent to its release. However, by law certain information will be disclosed without your consent if requested in writing for a specific purpose. The disclosed information may include:

- Name
- Age
- Amount of contributions paid in to URSJJ
- Benefits being paid (and verifying documents)
- Amount of credited service (and verifying documents).

Any information in your retirement file is subject to subpoena or court order.

Correspondence

In all correspondence with URSJJ, you must provide:

- ✓ your full name;
- ✓ your Social Security number;
- ✓ name of your participating employer;
- ✓ your current mailing address;
- ✓ your original signature.

All documents, forms, inquiries and or requests must be signed by you. No person may act on your behalf, including your spouse or parent, except an authorized attorney-in-fact, pursuant to a durable or statutory power of attorney. The power of attorney must be in substantial compliance with Oklahoma law and/or the Uniform Durable Power of Attorney Act and must be filed with and approved by URSJJ. The power of attorney terminates upon your death. If a guardian has been appointed for you, only the named guardian can act on your behalf. A certified copy of the filed court order of appointment must be filed with URSJJ.

Divorce

Valuation of a Retirement Benefit

Members who are in the process of obtaining a divorce often request that URSJJ calculate the value of their retirement benefit. If you do not have enough service credit to be eligible to elect a vested benefit, URSJJ can only provide the amount of your accumulated contributions.

If you have enough service credit to be eligible to elect a vested benefit, URSJJ can calculate the amount of monthly benefits you would receive, based on your service to a specified date, and project the date you would become eligible to receive that benefit. However, URSJJ cannot determine the present value of your retirement benefit. The information will be mailed to you approximately 14 days after we receive your written request.

Qualified Domestic Relations Orders (QDRO)

Benefits cannot be assigned or alienated. However, URSJJ may comply with a state court order requiring benefit payments to a spouse, former spouse or for the support of a minor child or children if the order meets the statutory criteria for a Qualified Domestic Relations Order (QDRO) (See 20 O.S. §1111). In order to be enforceable, the QDRO must be approved, accepted and on file with URSJJ. You are encouraged to have your attorney submit a draft of the QDRO to URSJJ for approval **prior to** obtaining the final order.

Remember, divorce voids the designation of a spouse as your beneficiary.

Forfeiture of Benefits

Honorable service is a condition of both public employment and the receipt of public employee retirement benefits. Title 51, Section 24.1 of the Oklahoma Statutes, provides for forfeiture of your retirement benefits if you are convicted of a felony or other crime which violates your oath of office. Forfeiture can also occur if you plead guilty or *nolo contendere*. Forfeiture does not occur for those successfully completing a deferred sentence; however, benefit payments are not payable until you complete the deferred sentence.

Forfeiture applies to all benefits accrued after September 1981, but does not include your contributions to URSJJ. The statute prevents vesting of the right to receive retirement benefits if you commit certain offenses prior to retirement. However, benefit forfeiture can also occur after you retire if the offense occurred while you were a public official or employee, even if you are not convicted until after you retire.

Hearings

Title 74, Section 904 of the Oklahoma Statutes governing URSJJ makes provision for aggrieved persons to have an administrative hearing to address their grievance. This procedure is available to appeal any administrative action of URSJJ. A request for a hearing must be submitted in writing to the Executive Director at the URSJJ office in Oklahoma City within 30 days of notice of the action which the person is appealing. The request for a hearing should clearly set forth the facts and the basis for the grievance, along with the relief requested.

The hearing procedures can be found in the Permanent Rules at 590:1-1-6. A hearing examiner will conduct the evidentiary hearing with the Board of Trustees issuing the Final Order. The hearing shall be conducted in accordance with the Administrative Procedures Act as provided for in 75 O.S. §250 et seq.

This is the exclusive remedy for aggrieved persons. As a general rule, no court action can be pursued until this remedy is exhausted.

Insurance

All members planning to retire or terminating employment and electing a vested benefit must make elections regarding their group insurance coverage. For members covered under the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), these

elections must be made within 30 days of termination and can affect eligibility for any premium contribution made by URSJJ. **All questions regarding insurance coverage through OSEEGIB must be addressed to them at the address or telephone numbers listed below.**

OSEEGIB
3545 N.W. 58th St.
Suite 110
Oklahoma City, OK 73112
(Local) 717-8780
1-800-752-9475
www.healthchoiceok.com

If you are not covered through OSEEGIB, you should contact your insurance provider for instructions.

Retirement Coordinators

All members are served by a Retirement Coordinator who is responsible for enrollment, assistance with forms, and instructions to members and employers on behalf of URSJJ. Retirement Coordinators are the liaison between you, your employer and URSJJ. Your Coordinator should also provide you with a copy of the most current Member Handbook and all other official notices from URSJJ. Your Coordinator is not an employee of URSJJ, and neither URSJJ nor the Board will be liable for or bound by any mistakes, errors or misrepresentations of your Coordinator.

MEMBERSHIP AND PARTICIPATION

Membership

As a Justice or judge of the Supreme Court, Court of Criminal Appeals, Worker's Compensation Court, Court of Civil Appeals or District Court, you become a member of the URSJJ immediately upon appointment or election to the bench. Membership is a condition of service on the bench and is thus mandatory. Your age is not a factor in determining eligibility for membership. The term "Justice or judge" includes the Administrative Director of the Courts, and he or she is therefore treated as a Justice or judge for the purpose of all of the provisions of the URSJJ listed in this handbook.

Contributions

Contribution rates for Fiscal Year 2008 are 5.5% for your employer and 8.0% for you. The employer contribution rate will increase by 1.5% each fiscal year until it reaches 22.0%.

The Internal Revenue Code (IRC) limits your annual compensation level for retirement purposes. Your maximum compensation level for Fiscal Year 2008 is \$225,000. This limit will be adjusted in future years for cost-of-living increases in accordance with the IRC.

Service Credit

Credited service includes participating service as a Justice or judge on the Supreme Court, Court of Criminal Appeals, Worker's Compensation Court, Appellate Court, District Court or as provided by the section below entitled *Supernumerary Judges Act*.

Supernumerary Judges Act

Any Justice or judge who, in 1968, was serving on a court that was included in the State Supernumerary Judges Act shall receive credit for retirement for each year the Justice or judge served in any court of record in Oklahoma.

Any Justice or judge who, on January 12, 1969, was not serving as a Justice or judge of a court that was included in the State Supernumerary Judges Act shall receive credit for each year served as a Justice or judge on a court of record provided that the Justice or judge has served for a period of two (2) years after assuming the office as a Justice or judge of

at least one of the following courts: the Supreme Court, the Court of Criminal Appeals, the Court of Civil Appeals, any District Court, or the Worker's Compensation Court.

Military Service

Restriction: If you became an active member of URSJJ after June 30, 2003, you shall not receive credit for military service in URSJJ if you already have credit for the same period(s) of military service in another Oklahoma state retirement system.

Prior Military Service Credit

If you are an active member of URSJJ who served in the Armed Forces of the United States (as defined in Paragraph 23 of Section 902 of Title 74 of the Oklahoma Statutes) and received an honorable discharge, you can receive up to five (5) years of prior military service credit for those specified periods of active military service during which you were a war veteran. The military service must have occurred prior to your beginning participation in URSJJ.

Those who were members of URSJJ prior to July 1, 2000, are eligible for retirement credit for this service without cost. Receipt of military retirement does not disqualify you from receiving credit for military service.

Those who became members of URSJJ after June 30, 2000, must purchase military service at actuarial cost to receive retirement credit.

The periods of active military duty for which retirement credit is available are:

- (a) during the following periods, including the beginning and ending dates, and only for the periods served, from:
- (i) April 6, 1917, to November 11, 1918, commonly referred to as World War I,
 - (ii) September 16, 1940, to December 7, 1941, as a member of the 45th Division,
 - (iii) December 7, 1941, to December 31, 1946, commonly referred to as World War II,
 - (iv) June 27, 1950, to January 31, 1955, commonly referred to as the Korean Conflict or the Korean War,
 - (v) February 28, 1961, to May 7, 1975, commonly referred to as the Vietnam era, except that:

- a) for the period from February 28, 1961, to August 4, 1964, military service shall only include service in the Republic of Vietnam during that period, and
 - b) for purposes of determining eligibility for education and training benefits, such period shall end on December 31, 1976, or
- (vi) August 1, 1990, to December 31, 1991, commonly referred to as the Gulf War, the Persian Gulf War, or Operation Desert Storm, but excluding any person who served on active duty for training only, unless discharged from such active duty for a service-connected disability;
- (b) during a period of war or combat military operation other than a conflict, war or era listed in subparagraph (a) of this paragraph, beginning on the date of Congressional authorization, Congressional resolution, or Executive Order of the President of the United States, for the use of the Armed Forces of the United States in a war or combat military operation, if such a war or combat military operation lasted for a period of ninety (90) days or more, for a person who served, and only for the period served, in the area of responsibility of the war or combat military operation, but excluding a person who served on active duty for training only, unless discharged from such active duty for a service-connected disability, and provided that the burden of proof of military service during this period shall be with the member, who must present appropriate documentation establishing such service.

An eligible member under this paragraph shall include only those persons who shall have served during the times or in the areas prescribed in this paragraph, and only if such person provides appropriate documentation in such time and manner as required by the System to establish such military service prescribed in this paragraph, or for the service pursuant to subdivision "a" of division (v) of subparagraph (a) of this paragraph those persons who were awarded service medals, as authorized by the United States Department of Defense as reflected in the veteran's Defense Department Form 214, related to the Vietnam Conflict for service prior to August 5, 1964.

You may receive prior service credit for Merchant Marine service during the wartime period from December 7, 1941, through August 15, 1945. Credit is given only for the time actually served aboard ship and must be verified on a DD214 document obtained from the U.S. Veterans Administration.

You must submit an *Application for Military Service* and a legible copy of your honorable discharge (e.g. DD214) or other military documents showing date of entry and date of termination of active duty. Your complete name and Social Security number must be on the documents.

Participating Military Service Credit

Participating service credit can be granted to any member who serves on active duty in the Armed Forces and is also a war veteran as that term is defined by state law. However, you must have been employed by a URSJJ participating employer immediately before your active military service and must have returned to employment with a URSJJ participating employer within 90 days following your discharge from active military service. Furthermore, in order to receive participating service credit, you must not have withdrawn your contributions.

USERRA (Uniformed Services Employment & Reemployment Rights Act)

A member who is absent from work due to voluntary or involuntary military service can take advantage of the right, created under the Uniform Services Employment and Reemployment Rights Act (USERRA), to buy back participating service credit lost during the military absence. To assert rights under USERRA, see your Retirement Coordinator, or contact URSJJ immediately upon your return to employment. Certain time limits and conditions must be met, and contributions may be required to be paid before service can be granted. For more information about USERRA, see your Retirement Coordinator.

Credit in Other Retirement Systems

You may purchase service credit for years of service accumulated while you were a member of the:

- Oklahoma Firefighters Pension and Retirement System; or
- Oklahoma Police Pension and Retirement System; or
- Oklahoma Public Employees Retirement System; or
- Oklahoma Law Enforcement Retirement System; or
- Oklahoma Teachers' Retirement System;

but only if you are not receiving, or eligible to receive, retirement credit or benefits for that same service in any other public retirement system. The cost to purchase such service shall be the actuarial cost to fund your projected benefits with the additional service credit.

If you wish to purchase such service, you must submit written documentation to URSJJ from one of the systems listed above. The documentation must include dates of membership and service and a statement that you are no longer eligible for benefits from that system. No other documentation will be accepted. URSJJ will calculate the actuarial cost to purchase the service credit and contact you.

Actuarial Cost

Most service credit purchases are at actuarial cost. The actuarial cost represents the present value of the incremental projected or future benefit discounted based upon your age at the time of purchase. A major factor in the determination of the incremental benefit is the difference between the amount of the future benefit you would receive without the purchased credit and the amount of the future benefit after purchase, computed as of the earliest age that you would be eligible to retire with full benefits.

Actuarial cost more closely represents the actual cost to the System resulting from your additional credit, and, as such, assists in maintaining a financially-sound retirement system for all. **Actuarial cost has no relationship to contributions that would have been paid.** The purchase price takes into account the past loss of the use of those funds for investment purposes and the length of time the funds will be available for investment in the future before URSJJ begins to pay benefits to that member. As a general rule, the earlier a purchase is made, the less the cost will be. The actuarial cost for a younger member with fewer years of service credit will not be as high as for a member who is nearer to retirement, since URSJJ will have investment use of those funds for a longer period of time before being required to pay benefits.

Installment Payment Plan

Your repayment of a withdrawal or purchase of service can be made through an installment payment program. **Installment plan payments must be made through payroll deduction and will include interest at a current annual percentage rate of 7.25%. The maximum time period to make such a purchase is 60 months and the minimum monthly payment is \$25.00.** Failure to complete all payments may result in the loss of part of the service credit. Service is not credited until the purchase is complete. For the rules governing installment payment plan purchases, contact URSJJ or see OAC 590:15-1-10.

Rollovers into URSJJ to Purchase Service

You may ask URSJJ to accept a transfer or rollover from an eligible retirement plan or Individual Retirement Account (IRA) to repay a withdrawal or purchase service credit. URSJJ will provide the appropriate form upon request. SoonerSave members may transfer funds from the Deferred Compensation Plan to repay withdrawals or purchase service credit. (For information on rollovers out of the URSJJ plan, see page 18).

Federal Limits on the Purchase of Retirement Credit

Use caution if your retirement planning involves the purchase of any type of retirement credit. Federal law may limit your ability to complete the purchase of retirement credit during one calendar year. If the cost to purchase retirement credit exceeds the federal limit, you must complete your purchase of the credit under the limits set for the next calendar year or alter the amount of credit purchased. In some cases, the federal limits may prohibit the purchase entirely. Contact URSJJ to determine how the federal limits apply to your purchase of retirement credit.

Termination of Employment and Withdrawal

The following is not intended to be tax advice. Members are encouraged to seek the advice of a professional tax advisor before making withdrawal decisions.

If your service as a Justice or judge terminates without retirement, you may withdraw the money you have paid in to URSJJ. You will lose all service credit, including prior service credit earned before the date of withdrawal, and you will no longer be a member of URSJJ. No accumulated interest or increased value is paid on the money withdrawn. The employer's share of contributions always remains in URSJJ. Withdrawal cancels all service purchases and any future repurchase will be at new actuarial cost.

Leaving Contributions with URSJJ

Leaving contributions with URSJJ allows you to retain membership and any service credit previously earned. Upon resumption of service as a Justice or judge, this previously earned service will be used in determining your retirement benefits.

Application for Withdrawal

To withdraw, you and your Retirement Coordinator must complete an *Application for Withdrawal* form and file it with URSJJ as soon as possible after termination.

Your mailing address must be accurate and valid at the time the withdrawal payment is to be issued. If you change your address during the waiting period, you must notify URSJJ of your new address in writing, with an original signature. This can be accomplished by letter or by completing a *Change of Address* form.

Upon receiving your *Application for Withdrawal*, URSJJ will provide you, if eligible, an estimate of your retirement benefit and other information which constitutes an offer to you of an election of a vested benefit. You must at that time choose to either 1) withdraw contributions, or 2) elect a vested benefit.

Withdrawal Payments

After receipt of your withdrawal application, URSJJ will notify you of the amount and taxable status of funds available for withdrawal and the scheduled payment date.

If you choose to withdraw and you are *not* eligible to vest, you can expect to receive payment during the second month following the date of termination. If you are eligible to vest, you cannot expect to receive payment until: 1) URSJJ has informed you of retirement benefits you would receive; and 2) you have declined the vested benefit in writing.

Your receipt of payment will depend on timely receipt of all required forms and documents by URSJJ.

Taxation of Withdrawn Contributions

Member contributions that were paid after January 1, 2000, will be taxable in the calendar year in which the withdrawn contributions are received. Contributions that were paid in prior to January 1, 2000, are not taxable when withdrawn.

If you withdraw taxable contributions, the mandatory taxes (currently 20% federal and 5% state tax) are withheld from your payment, unless the contributions are rolled over. The withdrawn contributions must be

reported as income on your income tax return. You will receive a 1099-R form after the end of the calendar year.

Withdrawn contributions may be subject to an early distribution penalty (currently 10%). The additional tax is imposed only in certain conditions and does have exceptions. For more information, consult IRS Publication 575 and, as with all tax matters, consult a tax advisor.

Rollovers (Also see IRS Publications 575 & 590.)

Withdrawn contributions may be "rolled over" directly to another retirement plan which accepts rollovers or to an Individual Retirement Account (IRA). If contributions are rolled over, the IRS will not currently tax the contributions and URSJJ will not withhold the mandatory taxes (currently 20% for federal and 5% for state taxes) on taxable contributions. All members applying for withdrawal will receive tax and rollover information and a *Rollover Application* form no less than 30 days prior to the scheduled payment date.

Reinstating Withdrawn Service

Upon returning to the bench, you may restore service credit lost due to withdrawal. You must repay to URSJJ the sum of the contributions withdrawn, plus interest at ten percent (10%) per year. Purchased service may only be repurchased at the actuarial cost calculated as of the repurchase date. Upon written request, URSJJ will provide the cost to repay and the payment options.

Termination of Employment and Election of a Vested Benefit

If you have completed at least eight (8) years of credited service as a Justice or judge, you are eligible to receive a retirement benefit when you meet the age requirement for retirement. Purchased service and military service do not count toward this minimum service requirement. If you choose the right to a retirement benefit in lieu of withdrawing your accumulated contributions upon termination of employment, you have elected a vested benefit.

When you elect a vested benefit, you do not immediately begin receiving a retirement benefit. You do, however, reserve your right to a retirement benefit in the future when you become eligible to retire under URSJJ. The benefit at that time will be based upon the final average compensation and service credit you earned before termination.

In most cases, the receipt of a monthly retirement benefit is more beneficial than withdrawing contributions, as the receipt of a retirement benefit over one's lifetime has a monetary value that is generally greater than the amount of your accumulated contributions. Also, electing a vested benefit ensures that you will receive an income from URSJJ during your retirement years or provide a survivor benefit to your spouse or other joint annuitant in the event of your death.

To apply for a vested benefit, you and your Retirement Coordinator must complete a form entitled *Application for Vested Benefits* and submit it to URSJJ.

RETIREMENT

Eligibility for Normal Retirement

Age 60

and 10 years of service; or,

You are eligible to begin receiving a monthly retirement benefit on the first day of the month coinciding with or following your 60th birthday, provided you have served as a Justice or judge for at least ten (10) years.

Age 65

and 8 years of service; or,

You are eligible to begin receiving a monthly retirement benefit on the first day of the month coinciding with or following your 65th birthday, provided you have served as a Justice or judge for at least eight (8) years.

80 points

and 8 years of service.

You are eligible to begin receiving a monthly retirement benefit on the first day of the month coinciding with or following the date, on which, your age plus years of service equal 80, provided you have served as a Justice or judge for at least eight (8) years.

Purchased service and military service do not count toward minimum service requirements for retirement eligibility.

Eligibility for Disability Retirement

You are eligible for disability retirement benefits if you are age 55 or older and have 15 or more continuous years of judicial service.

Applying for Disability Retirement

If you meet the requirements, you may make application to the Court on the Judiciary (Court) for a determination of disability benefits. You will be required to be examined by two recognized physicians selected by the Court, to determine the extent of the disability. The physicians will submit a report to the Court detailing the disability. The Court will then determine if the disability prevents the proper performance of your official duties. If so, the Court will award disability retirement benefits to you according to the benefit calculation formula.

The Court will require you to submit to a physical examination once each year for the three (3) years following the start of the disability benefit payments. If it is found by two physicians that you are no longer disabled, the Court will terminate the disability benefits. However, such termination will not preclude you from receiving other benefits that you may be entitled to by law.

Disability of Surviving Spouse

Your surviving spouse may apply to the Court for a determination of disability retirement benefits. The Court will determine whether the surviving spouse is disabled and, if so, will order disability retirement benefits accordingly.

Declaring Your Intent to Retire

To retire from active service on the bench and begin receiving monthly retirement benefits, you must file a written declaration with the Governor and the Court Administrator. The Governor shall endorse his approval thereon, if the conditions specified exist. In most cases, the *URSJJ Retirement Notice and Application* form will serve this purpose. On the form, you may elect to retire effective immediately or at the expiration of your term. Forward your retirement application to the URSJJ office for review. URSJJ will then submit it to both the Court Administrator and the Governor for approval. Please submit your retirement application to URSJJ at least one (1) month prior to your retirement date.

In some cases, additional notification may be required. Contact the Court Administrator to see if you need to file anything apart from the *Retirement Notice and Application*.

IMPORTANT: Retirement dates can only be the **first** day of any given month. Once completed, the *Retirement Notice and Application* should be submitted to URSJJ at least one (1) month before you wish to retire.

Response from URSJJ

After approval of your *Retirement Notice and Application*, URSJJ will send you an acknowledgment letter. Documents such as birth certificates, divorce decrees, etc., that are needed for processing of the application will be requested from you. You must respond as quickly as possible to any requests for information or documents to avoid a delay in benefit payments or retirement.

The acknowledgment letter will also include:

1. An accounting of your service credit;
2. An estimate of your gross monthly benefit;
3. The date your first payment will be issued ; and,
4. Withholding charts and a *Withholding Preference Certificate* form to authorize federal and state income taxes to be withheld.

Direct deposit is required for payment of your monthly benefit. A *Direct Deposit Authorization* form will also be provided for you to complete and return. Accurate completion and timely submission of the *Direct Deposit Authorization* form will avoid a delay in payment of retirement benefits.

About the time your first retirement payment is issued, URSJJ will mail you a final statement of benefits, which will also include:

1. A list of deductions, such as tax withholding and insurance premiums; and,
2. A statement of the amount of contributions you have paid (taxable and non-taxable).

* The first payment will be issued the last working day of the retirement month.

RETIREMENT BENEFITS

Type of Benefit

Eligible members may choose one of four types of retirement benefits described below.

Maximum (Single-Life Annuity) - The maximum type of benefit is paid monthly for your lifetime and ceases the last day of the month in which you die. Married members may elect this type of benefit only with spouse consent.

Option A (1/2 Joint and Survivor Annuity) - Under this option, you will receive a reduced retirement benefit during your lifetime (see page 26). After your death, **one-half** of your reduced retirement benefit will be paid to your surviving joint annuitant for the remainder of his or her lifetime. Your joint annuitant must be a specific person.

IMPORTANT: If you are married at retirement, you are required to select this type of benefit with the spouse as joint annuitant unless your spouse consents to your selection of another type of benefit and/or joint annuitant.

Option B (100% Joint and Survivor Annuity) - Under Option B, a reduced retirement benefit (see page 27) is paid to you during your lifetime. After your death, the same monthly benefit is paid to your surviving joint annuitant for his or her lifetime. Your joint annuitant must be a specific person. Under federal limitations, Option B is only available to you if you choose your spouse as joint annuitant or you choose a non-spouse joint annuitant who is no more than 10 years younger than you. Married members may only elect this type of benefit with spouse consent.

Original Surviving Spouse Plan (Maximum with Joint and Survivor Annuity) - This plan provides an unreduced retirement benefit to you during your lifetime. After your death, **one-half** of the unreduced benefit will be paid to your eligible surviving spouse. To be eligible to choose this plan, you must have been a married member as of September 1, 2005, and still paying the additional three percent (3%) surviving spouse contributions as of that date. For your surviving spouse to be eligible to receive the benefits under this plan, all of the following conditions must be met:

- Your spouse was married to you at least 90 days prior to the termination of your active service as a Justice or judge; and,

- Your surviving spouse was married to you continuously for a period of at least three (3) years immediately preceding your death; and,
- The required additional contributions were made.

An additional percentage increase in the monthly survivor benefit is payable under this plan when all of the following conditions are met:

- The member retired or died after June 30, 1999; and,
- The member paid the contributions for survivor benefits prior to July 1, 1999; and,
- Those contributions have not been refunded; and,
- The member and surviving spouse remained continuously married; and,
- The member continued to make the contributions up to the time of retirement or death.

The percentage increase in the monthly survivor benefit shall be based upon how long the member paid the survivor benefit contributions prior to July 1, 1999, as follows:

- Up to and including nine (9) years and 11 months: 5% increase
- From 10 years up to and including 19 years and 11 months: 10% increase
- For 20 years, or more: 15% increase

Changing the Type of Benefit

If you retire under Option A or B, your benefit changes to the Maximum benefit upon the death of your joint annuitant. This is referred to as the “pop up” provision. The benefit increase becomes effective the first day of the month following the date of death. You must notify URSJJ of the death in writing and provide a certified death certificate to begin the increase. If written notice is not received within six (6) months, URSJJ is not required to pay more than six (6) months of retrospective benefits increase.

In some cases, a divorce decree may also allow you to change from Option A or B to the Maximum benefit. Contact URSJJ for more information.

The type of benefit you choose may not be changed on or after your retirement date under any other conditions, and no other person may be substituted or named as your joint annuitant.

Q & A About the Reduction Factor Tables

Questions often arise regarding the reduction factors for Retirement Options A and B. These factors can be found on pages 26 and 27. Below are answers to some of the most frequently asked questions.

Question: Who determines the reduction factors and how often are they updated?

Answer: The Plan's actuary periodically reviews all aspects of the Plan, including the reduction factors for Retirement Option's A and B, to ensure that the actuarial assumptions reflect the actual experience of the members covered under the Plan.

Question: Do the reduction factor tables go beyond the ages listed on the table?

Answer: Yes. Due to the limitation of space, URSJJ could not publish the reduction factors for every conceivable age. If you need the reduction factors for a particular member's age and joint annuitant's age, please contact URSJJ.

Question: Why does an older member experience more of a reduction under Option A or B at retirement than a younger member?

Answer: The reduction factors are based upon the premise that URSJJ promises you a benefit for only your lifetime, known as a single-life annuity. This is your maximum benefit.

Since URSJJ promises you only a single-life annuity, any additional payment in the form of a joint and survivor annuity is an additional cost that is reflected by the reduction factors. This is similar to the cost for providing an insurance benefit for a joint annuitant.

The cost of this benefit is more expensive for older retirees than for younger retirees. This is the case because, on average, the older the retiree, the sooner survivor benefits will be paid to a joint annuitant. You may see that this is similar to the cost to purchase whole-life insurance. It is less expensive at age 25 than at age 65.

The more likely that URSJJ will have to pay survivor benefits sooner, the more expensive that survivor benefit becomes. Therefore, older retirees choosing Options A and B have to pay more to fund benefits for their joint annuitants as compared to younger retirees. This additional cost is expressed as a greater reduction in the retiree's benefit.

Reduction Factors For Retirement Option A

Expressed as a percentage of the total maximum benefit

Age of member at retirement	The number of years younger the joint annuitant is than the member at the date of the member's retirement.										The number of years older the joint annuitant is than the member at the date of the member's retirement.										
	10	9	8	7	6	5	4	3	2	1	0	1	2	3	4	5	6	7	8	9	10
50	95.37%	95.48%	95.61%	95.74%	95.86%	95.99%	96.12%	96.24%	96.37%	96.50%	96.63%	96.76%	96.89%	97.02%	97.14%	97.26%	97.39%	97.50%	97.62%	97.73%	97.84%
51	95.08%	95.20%	95.33%	95.46%	95.60%	95.73%	95.87%	96.01%	96.14%	96.28%	96.42%	96.56%	96.69%	96.83%	96.96%	97.09%	97.22%	97.35%	97.47%	97.60%	97.71%
52	94.76%	94.89%	95.03%	95.17%	95.32%	95.46%	95.61%	95.75%	95.90%	96.05%	96.20%	96.34%	96.49%	96.63%	96.78%	96.92%	97.05%	97.19%	97.32%	97.45%	97.57%
53	94.42%	94.57%	94.71%	94.86%	95.02%	95.17%	95.33%	95.48%	95.64%	95.80%	95.96%	96.11%	96.27%	96.42%	96.57%	96.72%	96.87%	97.02%	97.16%	97.29%	97.43%
54	94.06%	94.21%	94.37%	94.53%	94.70%	94.86%	95.03%	95.20%	95.36%	95.53%	95.70%	95.87%	96.03%	96.20%	96.36%	96.52%	96.68%	96.83%	96.98%	97.13%	97.27%
55	93.68%	93.84%	94.01%	94.18%	94.36%	94.53%	94.71%	94.89%	95.07%	95.25%	95.43%	95.60%	95.78%	95.96%	96.13%	96.30%	96.47%	96.63%	96.79%	96.94%	97.10%
56	93.27%	93.45%	93.63%	93.81%	94.00%	94.18%	94.37%	94.56%	94.76%	94.95%	95.14%	95.33%	95.52%	95.70%	95.89%	96.07%	96.25%	96.42%	96.59%	96.76%	96.92%
57	92.85%	93.03%	93.23%	93.42%	93.62%	93.82%	94.02%	94.23%	94.43%	94.64%	94.84%	95.04%	95.24%	95.44%	95.64%	95.83%	96.02%	96.21%	96.39%	96.56%	96.74%
58	92.40%	92.60%	92.81%	93.02%	93.23%	93.44%	93.66%	93.87%	94.09%	94.31%	94.53%	94.74%	94.96%	95.17%	95.38%	95.58%	95.78%	95.98%	96.17%	96.36%	96.55%
59	91.93%	92.15%	92.36%	92.59%	92.81%	93.04%	93.27%	93.50%	93.73%	93.97%	94.20%	94.43%	94.65%	94.88%	95.10%	95.32%	95.53%	95.74%	95.95%	96.15%	96.34%
60	91.44%	91.66%	91.90%	92.14%	92.38%	92.62%	92.86%	93.11%	93.36%	93.60%	93.85%	94.09%	94.34%	94.58%	94.81%	95.04%	95.27%	95.50%	95.71%	95.93%	96.14%
61	90.92%	91.16%	91.41%	91.66%	91.92%	92.18%	92.44%	92.70%	92.96%	93.23%	93.49%	93.75%	94.01%	94.26%	94.51%	94.76%	95.00%	95.24%	95.47%	95.70%	95.92%
62	90.38%	90.64%	90.90%	91.17%	91.45%	91.72%	92.00%	92.28%	92.56%	92.84%	93.11%	93.39%	93.67%	93.94%	94.20%	94.47%	94.72%	94.98%	95.22%	95.47%	95.70%
63	89.82%	90.10%	90.38%	90.67%	90.96%	91.25%	91.55%	91.84%	92.14%	92.44%	92.73%	93.02%	93.32%	93.60%	93.89%	94.17%	94.44%	94.71%	94.97%	95.23%	95.48%
64	89.25%	89.54%	89.84%	90.15%	90.46%	90.77%	91.08%	91.40%	91.71%	92.03%	92.34%	92.65%	92.96%	93.27%	93.57%	93.87%	94.16%	94.44%	94.72%	94.99%	95.26%
65	88.65%	88.96%	89.28%	89.61%	89.93%	90.27%	90.60%	90.93%	91.27%	91.60%	91.94%	92.27%	92.60%	92.92%	93.24%	93.56%	93.87%	94.17%	94.47%	94.76%	95.04%
66	88.03%	88.37%	88.71%	89.05%	89.40%	89.75%	90.10%	90.46%	90.82%	91.17%	91.53%	91.88%	92.23%	92.57%	92.92%	93.25%	93.58%	93.90%	94.21%	94.52%	94.81%
67	87.40%	87.75%	88.11%	88.48%	88.85%	89.22%	89.60%	89.98%	90.36%	90.73%	91.11%	91.49%	91.86%	92.22%	92.59%	92.94%	93.29%	93.63%	93.96%	94.28%	94.59%
68	86.74%	87.12%	87.50%	87.89%	88.28%	88.68%	89.08%	89.48%	89.88%	90.28%	90.68%	91.08%	91.48%	91.87%	92.25%	92.63%	92.99%	93.35%	93.71%	94.05%	94.37%
69	86.05%	86.45%	86.86%	87.27%	87.69%	88.11%	88.53%	88.96%	89.38%	89.81%	90.24%	90.66%	91.08%	91.49%	91.90%	92.30%	92.69%	93.07%	93.44%	93.80%	94.14%
70	85.33%	85.75%	86.18%	86.62%	87.06%	87.51%	87.96%	88.41%	88.87%	89.32%	89.77%	90.22%	90.67%	91.10%	91.54%	91.96%	92.37%	92.77%	93.16%	93.54%	93.91%

This Table is based upon an analysis of actuarial assumptions and experience of the Uniform Retirement System for Justices and Judges prepared by Milliman, Inc.

Reduction Factors For Retirement Option B

Expressed as a percentage of the total maximum benefit

Age of member at retirement	The number of years younger the joint annuitant is than the member at the date of the member's retirement.										The number of years older the joint annuitant is than the member at the date of the member's retirement.										
	10	9	8	7	6	5	4	3	2	1	0	1	2	3	4	5	6	7	8	9	10
50	91.16%	91.38%	91.60%	91.82%	92.05%	92.29%	92.52%	92.76%	93.00%	93.24%	93.48%	93.73%	93.97%	94.20%	94.44%	94.67%	94.90%	95.13%	95.35%	95.57%	95.78%
51	90.61%	90.84%	91.08%	91.32%	91.56%	91.81%	92.06%	92.32%	92.57%	92.83%	93.09%	93.34%	93.60%	93.85%	94.11%	94.35%	94.60%	94.84%	95.07%	95.30%	95.53%
52	90.04%	90.28%	90.54%	90.79%	91.05%	91.31%	91.58%	91.85%	92.12%	92.40%	92.67%	92.94%	93.22%	93.49%	93.75%	94.02%	94.28%	94.53%	94.78%	95.03%	95.27%
53	89.43%	89.69%	89.96%	90.23%	90.50%	90.78%	91.07%	91.36%	91.64%	91.94%	92.23%	92.52%	92.81%	93.09%	93.38%	93.66%	93.93%	94.20%	94.47%	94.73%	94.98%
54	88.79%	89.06%	89.34%	89.63%	89.93%	90.22%	90.53%	90.83%	91.14%	91.45%	91.75%	92.06%	92.37%	92.67%	92.97%	93.27%	93.56%	93.85%	94.13%	94.41%	94.68%
55	88.10%	88.40%	88.69%	89.00%	89.31%	89.63%	89.95%	90.27%	90.60%	90.93%	91.25%	91.58%	91.91%	92.23%	92.55%	92.86%	93.17%	93.48%	93.78%	94.07%	94.36%
56	87.39%	87.70%	88.02%	88.34%	88.67%	89.01%	89.35%	89.69%	90.04%	90.38%	90.73%	91.07%	91.42%	91.76%	92.10%	92.43%	92.77%	93.09%	93.41%	93.72%	94.02%
57	86.65%	86.98%	87.31%	87.66%	88.01%	88.36%	88.72%	89.09%	89.45%	89.82%	90.19%	90.55%	90.92%	91.28%	91.64%	92.00%	92.35%	92.69%	93.03%	93.36%	93.68%
58	85.87%	86.22%	86.58%	86.94%	87.31%	87.69%	88.07%	88.46%	88.84%	89.23%	89.62%	90.01%	90.40%	90.78%	91.16%	91.54%	91.91%	92.27%	92.63%	92.98%	93.32%
59	85.07%	85.43%	85.81%	86.20%	86.59%	86.99%	87.39%	87.80%	88.21%	88.62%	89.03%	89.44%	89.85%	90.25%	90.66%	91.06%	91.45%	91.84%	92.21%	92.58%	92.95%
60	84.22%	84.61%	85.01%	85.42%	85.83%	86.25%	86.68%	87.11%	87.54%	87.98%	88.41%	88.85%	89.28%	89.71%	90.14%	90.56%	90.97%	91.38%	91.78%	92.18%	92.56%
61	83.35%	83.76%	84.18%	84.61%	85.05%	85.49%	85.94%	86.40%	86.86%	87.31%	87.77%	88.23%	88.69%	89.14%	89.59%	90.04%	90.48%	90.91%	91.34%	91.75%	92.16%
62	82.45%	82.88%	83.33%	83.78%	84.24%	84.71%	85.19%	85.66%	86.15%	86.63%	87.12%	87.60%	88.08%	88.57%	89.04%	89.51%	89.98%	90.43%	90.88%	91.32%	91.75%
63	81.52%	81.98%	82.45%	82.93%	83.41%	83.91%	84.41%	84.91%	85.42%	85.93%	86.45%	86.96%	87.47%	87.98%	88.48%	88.98%	89.47%	89.95%	90.43%	90.89%	91.34%
64	80.58%	81.06%	81.56%	82.06%	82.57%	83.10%	83.62%	84.15%	84.69%	85.23%	85.77%	86.31%	86.85%	87.39%	87.92%	88.44%	88.96%	89.47%	89.97%	90.46%	90.94%
65	79.61%	80.12%	80.64%	81.17%	81.71%	82.26%	82.81%	83.38%	83.94%	84.51%	85.08%	85.65%	86.22%	86.78%	87.35%	87.90%	88.45%	88.99%	89.52%	90.03%	90.54%
66	78.62%	79.16%	79.70%	80.26%	80.83%	81.41%	81.99%	82.58%	83.18%	83.78%	84.38%	84.98%	85.58%	86.17%	86.77%	87.35%	87.93%	88.50%	89.06%	89.60%	90.13%
67	77.62%	78.18%	78.75%	79.34%	79.94%	80.54%	81.16%	81.78%	82.41%	83.04%	83.67%	84.31%	84.94%	85.57%	86.20%	86.81%	87.42%	88.02%	88.61%	89.18%	89.74%
68	76.59%	77.18%	77.78%	78.39%	79.02%	79.66%	80.31%	80.96%	81.62%	82.29%	82.95%	83.62%	84.29%	84.96%	85.61%	86.26%	86.91%	87.54%	88.16%	88.76%	89.35%
69	75.52%	76.14%	76.77%	77.41%	78.07%	78.74%	79.42%	80.11%	80.81%	81.51%	82.21%	82.92%	83.62%	84.32%	85.01%	85.70%	86.37%	87.04%	87.69%	88.32%	88.94%
70	74.41%	75.06%	75.72%	76.40%	77.09%	77.79%	78.51%	79.23%	79.97%	80.70%	81.44%	82.19%	82.93%	83.66%	84.39%	85.11%	85.83%	86.52%	87.20%	87.87%	88.51%

This Table is based upon an analysis of actuarial assumptions and experience of the Uniform Retirement System for Justices and Judges prepared by Milliman, Inc.

Retirement Benefit Payments

Your first retirement benefit payment is made by electronic deposit directly to your account in a bank or other financial institution on the last working day of your first month of retirement. Thereafter, payment will be issued on the last working day of each month.

Taxation of Retirement Benefits

The following information is not intended to be tax advice. URSJJ encourages all members to seek advice from a tax advisor on matters of taxation. Currently, benefits from URSJJ are considered income for Oklahoma income tax purposes and for federal income tax purposes.

Oklahoma State Income Tax

Under Oklahoma tax provisions, a portion of retirement benefits paid to an Oklahoma resident may be excluded from an individual taxpayer's gross income each year. However, you may experience a different tax treatment if you reside in a state other than Oklahoma.

Federal Income Tax

If you have any accumulated nontaxable contributions (post-tax contributions) as of your retirement date, you will be able to reduce the taxable portion of your benefit to the extent of your nontaxable contributions in accordance with the Internal Revenue Service's Safe Harbor provision. Generally, this method allows URSJJ to spread your accumulated nontaxable contributions over your life expectancy or the joint life expectancies of you and your joint annuitant. URSJJ will calculate this exclusion for you, and the resulting taxable portion will appear on your Form 1099-R. However, you may consult IRS Publication 575 for more information about the Safe Harbor method.

URSJJ will mail you a Form 1099-R at the end of January of each year. This form will show: 1) the gross amount of your retirement benefit for the previous calendar year; 2) the amount of state and federal income tax withheld from your retirement benefit; and, 3) the federal taxable amount of your retirement benefit for the year. The information contained in your Form 1099-R should be used in completing your state and federal income tax return.

Tax Withholding

You will receive a *Withholding Preference Certificate* from URSJJ approximately one (1) month before your retirement payments begin. The form must be completed, indicating whether or not state and federal tax should be withheld from the monthly benefit and, if so, at what rate. This completed form must be returned to URSJJ. If the form is not received, taxes will be withheld at the rates for an individual who is married and has three (3) exemptions. A new *Withholding Preference Certificate* form may be completed at any time to change future withholdings.

Health Insurance Supplement

URSJJ pays an insurance premium supplement on your behalf if you maintain health insurance with the Oklahoma State & Education Employees Group Insurance Board (OSEEGIB). The monthly contribution is paid in addition to your monthly retirement benefit and is paid directly to OSEEGIB. It is not considered taxable income to you. It continues until you terminate health insurance coverage with OSEEGIB or until your death.

RETIREMENT BENEFIT CALCULATION

Benefit Estimates

When you are approaching eligibility for retirement, you may ask URSJJ to calculate an estimate of the amount of the benefits you will receive as of a selected retirement date or your earliest normal retirement date. Otherwise, you may use the benefit calculation formula contained in this handbook (page 31) to calculate an approximate retirement benefit estimate. URSJJ will prepare and mail the requested information as quickly as time and workload allow. Estimate requests should be made at least six months before your selected retirement date. It is necessary to make assumptions about future salary and service in order to estimate future benefits. URSJJ cannot guarantee the accuracy of any benefit estimate.

Benefit Calculation Example

Monthly Retirement Benefit Calculation Formula

Average Monthly Salary (based on the highest 36 months of salary* plus the 3 highest annual longevity payments, if applicable†, divided by 36) x 4% x Years of Service.

NOTE: Your Monthly Retirement Benefit is limited to 100% of your Average Monthly Salary.

AVERAGE MONTHLY SALARY

Highest Annual Salary		119,250
Second Highest Annual Salary		119,100
Third Highest Annual Salary	+	<u>117,000</u>
Salary for Highest 3 Years		355,350
	÷	<u>36</u>
Average Monthly Salary		9,870.83

YEARS OF SERVICE

	Years	Months
Military Service	<u>2</u>	<u>1</u>
Purchased Service	+ <u>0</u>	<u>0</u>
Service as a Justice or judge	+ <u>15</u>	<u>6</u>
SUBTOTAL	17	7

A "major fraction" of a year (6 months and 1 day of service) rounds up to give the member 1 additional year of service credit.

YEARS OF SERVICE

18

BENEFIT CALCULATION

Average Monthly Salary		9,870.83
Benefit Calculation Factor	x	<u>.04</u>
Monthly Benefit per Year of Service		394.83
Years of Service	x	<u>18</u>
Monthly Retirement Benefit		<u>7,107.00</u>

* Provided all required contributions have been made on that salary.

† Only longevity payments prior to July 1, 2004, may be included.

Benefit Calculation Worksheet

You may use this worksheet to assist in calculating an estimate of your monthly benefit, similar to the example on the previous page. The amounts you enter for salary, longevity payments (if applicable*), and service credit should be those you expect at the time of your retirement from active service on the bench.

AVERAGE MONTHLY SALARY

Highest Annual Salary	
Second Highest Annual Salary	
Third Highest Annual Salary	+ _____
Salary for Highest 3 Years	
	÷ _____
Average Monthly Salary	<u>36</u>

YEARS OF SERVICE

	Years	Months
Military Service	_____	_____
Purchased Service	+ _____	_____
Service as a Justice or judge	+ _____	_____
SUBTOTAL		

A "major fraction" of a year (6 months and 1 day of service) rounds up to give the member 1 additional year of service credit.

YEARS OF SERVICE

BENEFIT CALCULATION

Average Monthly Salary	
Benefit Calculation Factor	x _____ .04
Monthly Benefit per Year of Service	
Years of Service	x _____
Monthly Retirement Benefit	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>

NOTE: Your Monthly Retirement Benefit is limited to 100% of your Average Monthly Salary.

* Only longevity payments prior to July 1, 2004, may be included.

Will URSJJ Benefits Meet Your Needs?

You can determine how your URSJJ benefit will help meet your financial needs in retirement by using a simple formula: Years of Service x 4%. By using this formula, you can determine how your URSJJ benefit would compare to your average salary. You can then calculate how much income you will need from Social Security, personal savings, and other sources to make up the difference between your URSJJ benefit and your income needs in retirement.

Let's use Percy Pensioner as an example. Percy plans to retire when he has 15 years of service. Fifteen times 4% equals 60%. This means that Percy's benefit would be 60% of his average salary. If Percy's average salary is \$100,000, then his annual URSJJ retirement benefit will be \$60,000 or 60% of his average salary. If Percy decides he needs 90% of his average salary (\$90,000) to support his annual financial needs in retirement, then he will need to be sure that Social Security and his personal savings will provide the additional 30% or \$30,000 per year for his remaining lifetime in retirement.

Total Service	URSJJ Retirement Benefit as a Percentage Of Average Salary
8 years	32%
10 years	40%
15 years	60%
20 years	80%
25 years	100%

POST-RETIREMENT EMPLOYMENT

If you are elected or appointed to any political or judicial office after retirement, your retirement compensation will be suspended during the period of time that you hold such office if the compensation for said office is paid from fees, levies or taxes imposed by the state of Oklahoma or any political subdivision thereof. However, upon leaving office, your retirement compensation will be reinstated.

Post-retirement employment in any other capacity does not limit or suspend your receipt of URSJJ retirement benefits.

Senior Status or Active Duty after Retirement

Judicial service in this capacity at the direction of the Supreme Court does not limit or suspend your receipt of URSJJ retirement benefits.

DEATH BENEFITS

Beneficiary Designation and Benefit Distribution for Active Members

When you are first enrolled in URSJJ, you are asked to designate a primary and a contingent beneficiary. The designation of a beneficiary is extremely important, since it allows URSJJ to pay death benefits upon your death.

You should name at least one primary beneficiary and one contingent beneficiary. You must provide complete legal names, Social Security numbers, and addresses of the beneficiaries you name and identify your relationship to them. URSJJ encourages you to avoid naming minors as beneficiaries. The Uniform Transfers to Minors Act, however, permits payments to adult custodians or to banks and trust companies on behalf of minors who are named beneficiaries of a deceased member of URSJJ.

You may change your beneficiary at any time. This is important to remember if your beneficiary dies or if your marital status changes. Use the *Designation of Beneficiary For Active/Vested Members* form to update your beneficiaries.

It is important to keep your beneficiaries current.

Death of Active and Vested Members

The System provides for two types of death benefits upon the death of an active or vested (non-retired) member:

1. The first type of benefit is a survivor benefit that is available only to your eligible surviving spouse, if you were vested, eligible to vest, or eligible to retire at the time of your death. At your death, your eligible surviving spouse will be offered Option B survivor benefits or, if eligible, benefits under the Original Surviving Spouse Plan. If your spouse elects to receive the survivor benefit, there will be no benefit payments to your other beneficiaries. The surviving spouse may also choose to receive a lump-sum payment equal to your accumulated contributions in lieu of the monthly life-time benefit payment.
2. The second type of benefit is a one-time lump-sum payment equal to your accumulated contributions. If no surviving spouse benefit is

to be paid at your death, your accumulated contributions will be distributed among your primary beneficiaries. If one or more of your primary beneficiaries are deceased, accumulated contributions will be distributed among your remaining living primary beneficiaries. Contingent beneficiaries will receive accumulated contributions only if there are no living primary beneficiaries.

NOTE: If you are making a purchase through the installment payment plan (see page 15 for more information) at the time of your death, your survivor has the option to pay the remaining balance within six (6) months.

Applying for Active Member Death Benefits

Upon the death of an active member, your surviving spouse, beneficiary or next of kin must contact URSJJ as soon as possible after your death.

Death of Retired Members

When you die as a retired member, your monthly retirement benefit may cease, change or continue depending on the type of benefit you chose at retirement. (For more information about the benefit options, see page 23.) In addition, a lump-sum death benefit will be distributed among your primary beneficiaries. You will designate beneficiaries at the time of your retirement. This beneficiary designation may be changed after your retirement date by completing a new form. The lump-sum death benefit is not insurance and is taxable income to the beneficiary. The \$5,000 Death Benefit is payable only upon the death of a retiree, but not upon the death of a joint annuitant.

For non-spouse beneficiaries, URSJJ must withhold ten percent (10%) for federal tax and five percent (5%) for state tax for Oklahoma residents unless the member's beneficiary either elects not to have URSJJ withhold any amount for tax purposes, or rolls the amount into a traditional inherited individual retirement account or annuity (IRA).

A mandatory withholding tax, currently at the rate of twenty percent (20%) for federal tax and five percent (5%) for Oklahoma state tax, is imposed upon distributions of a deceased member's accumulated contributions to a spouse beneficiary who does not roll over the contributions to an IRA.

Excess Member Contributions

Occasionally, at the death of a retired member, the amount of member contributions you paid in to URSJJ is more than the total amount you received in monthly retirement benefits. In that event, if no survivor benefits are to be paid, URSJJ will pay to your designated beneficiary, or, if none, to your estate, the amount of your excess member contributions. An *Application for Payment of Accumulated Contributions in Excess of Retirement Benefits Paid* form will be sent to your beneficiary. This application will show the balance remaining between the total amount of contributions you paid to URSJJ, and the total amount of retirement benefits paid to you during your lifetime.

Applying for Retired Member Death Benefits

Upon your death as a retired member, your surviving spouse, beneficiary or next of kin must immediately contact URSJJ.

GLOSSARY

Accumulated Contributions – The sum of all contributions paid by a member to the System, which shall be credited to the member's account.

Beneficiary – Any person or entity, other than a joint annuitant under Option A or Option B, named by a member to receive any benefits as provided by the laws governing the System. If there is no beneficiary living at the time of the member's death, the member's estate shall be the beneficiary. An eligible URSJJ beneficiary does not have to be a specific or natural person. For example, a member can name a trust or an organization as a beneficiary. Contact URSJJ for instruction on how to properly designate a trust as beneficiary.

Compensation – Salary for services rendered by the Justice or judge. Compensation includes: amounts deducted from the employee's pay for retirement and deferred compensation contributions. Compensation does not include: expense reimbursements; allowance payments; insurance benefits or benefit allowances; illegal or erroneous payments; bonuses; any other payments excluded by law. The Internal Revenue Code limits the level of annual compensation for retirement purposes.

Credited Service – The sum of participating service as a Justice or judge, purchased service, and military service.

Joint Annuitant – A *specific person* who is designated by an URSJJ retiree to receive a lifetime retirement benefit under Option A or Option B after the death of the retiree. A spouse who draws a lifetime benefit under the Original Surviving Spouse Plan may also be considered a joint annuitant, but must be a member's spouse (see *Original Surviving Spouse Plan*).

Member – An eligible Justice or judge who is in the System and is making the required contributions, or any former Justice or judge who shall have made the required contributions to the System and has not received a refund or withdrawal.

URSJJ – The Uniform Retirement System Justices and Judges as established by an act of the Oklahoma State Legislature in 1968. (Statutory Reference: 20 O.S.2001, § 1101 et seq., as may be amended.)

Original Surviving Spouse Plan – A plan that provides a lifetime monthly benefit to a surviving spouse if the member met certain

conditions. Members who initially joined URSJJ after September 1, 2005 are not eligible to select this plan. (See *page 23 for more details.*)

Participating Employer – An eligible employer who has agreed to make contributions to the System on behalf of its employees. For URSJJ, eligible employers are the Supreme Court, Court of Criminal Appeals, Worker’s Compensation Court, Court of Civil Appeals and District Court.

Participating Service – The period of service after the entry date for which credit is granted a member. For URSJJ, this is service with the Supreme Court, Court of Criminal Appeals, Worker’s Compensation Court, Court of Civil Appeals or District Court.

Prior Military Service – Specified periods of active military service during which you were a war veteran, as that term is defined in state law. The military service must have occurred prior to your membership in URSJJ.

Retiree/Retirant – A member who has retired under the laws and administrative rules of the Uniform Retirement System Justices and Judges.

Supernumerary Judges Act – An act providing credit for a Justice or judge who served in any court of record, provided he or she was serving on an applicable court in 1968. (See *page 11 for more details.*)

System – The Uniform Retirement System Justices and Judges as established by an act of the Oklahoma State Legislature in 1968. (Statutory Reference: 20 O.S.2001, § 1101 et seq., as may be amended.)

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