

Retiring Right

A Publication of the Oklahoma Public Employees Retirement System

Retiree Edition



Third Quarter, Summer 2008

2008 LEGISLATIVE SESSION SUMMARY

COLA passed in 2008 Legislative Session

The 2008 Regular Session of the Oklahoma Legislature passed only two bills that directly impact members of OPERS - HB 3112 and SB 1641. The major provisions of the two bills include a cost of living adjustment (COLA) for retirees, changes to rules affecting retirees returning to work, and changes in the way benefits are calculated for elected officials.

Cost of Living Adjustment

The Legislature passed a four percent (4%) COLA for members who were retired as of June 30, 2007, and are still receiving a benefit as of July 1, 2008. Retirees will see this increase in their monthly benefits paid in July.

4%

Rules Changes for Retirees Returning to Work

The IRS requires a true separation from employment for OPERS members to receive retirement benefits in good faith. Pre-arranged employment agreements between retiring members of OPERS and their previous employers are not considered a good faith separation from employment. HB 3112 prevents a retiring member from returning to work with the same agency for a period of

one (1) year, unless they waive the receipt of their OPERS retirement benefit during that re-employment period.

Revision to Elected Officials' Benefits

SB 1641 becomes effective Aug. 21, 2008, and closes a benefit provision that allows non-elected service to be counted the same as elected service for retirement. Prior to the passage of this bill, any regular, non-elected member of OPERS who finished their career as an elected official, and

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The Director's Corner **Energy Independence** *Tom Spencer, Executive Director*

I am writing this column a short time after I paid the highest amount per gallon of gas in my lifetime. I'm sure in a week I will break this record again. I am not in a good mood, and I'm sure all of you feel the same way I do.

I have never disclosed this in a column before but I was born and raised in California. Southern California. Please don't call me a prune picker or refer to my home state as the "land of fruits and nuts." Besides, I've lived here since 1974. I still remember vividly the OPEC oil embargo in 1973 when the price of gas almost doubled overnight from 29¢ a gallon to nearly 60¢. Worse than that were the shortages of gas that resulted. My brother and I used to drive the two family cars down to the gas station an hour before it opened to be the first in line.

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RETIREMENT 101

\$5,000 Death Benefit versus Life Insurance

What's the difference and do I have both?

Every OPERS retiree has a \$5,000 death benefit and the system provides it on your behalf. This is not something that you have to pay for, but you are automatically eligible for it at retirement. The \$5,000 death benefit is not life insurance.

Generally speaking, life insurance proceeds are not taxable income, but when the \$5,000 death benefit is paid to your beneficiaries, it will be a taxable event. Your beneficiaries can defer paying taxes on this benefit if they are either a spouse who chooses to take it as a rollover into an IRA, or a non-spouse who rolls the benefit into a traditional inherited IRA.

Life insurance, on the other hand, is something that you would pay for and elect to retain at retirement. The Oklahoma State and Education Employees Group

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The image shows a form titled "OPERS Designation of Beneficiary Form for Retired Member Death Benefits". The form is divided into four main sections: Part 1 - Member Information, Part 2 - Primary Beneficiary Designation, Part 3 - Contingent Beneficiary Designation, and Part 4 - Signature. Part 1 includes fields for Name, Social Security Number, Address, City, State, and Zip Code. Part 2 and Part 3 are tables for listing beneficiaries with columns for Name, Address, Relationship, Date of Birth, and Social Security Number. Part 4 has fields for the member's signature and date.

Video Games – No Longer just for Kids?

Kick the grandkids off the couch and get ready to give your brain a workout. A new study is out to prove that video games can improve the brain power of older adults.

University of Florida researchers have received a \$100,000 grant from the Robert Wood Johnson Foundation to explore whether video games can be used to improve the mental abilities of older adults. UF joins 11 other research

For years, the general wisdom has been that the elderly could keep their minds from declining by doing things like crossword puzzles, but in fact there is no evidence crossword puzzles help maintain cognitive abilities. Experts say it is important to do things that challenge us mentally as we get older. Video games are new and something we may not be particularly good at, but can help to strengthen our mental capacity.

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but can help to strengthen our mental capacity.

teams supported in this first round of funding from Health Games Research, an RWJF national program established to strengthen the evidence base related to the development and use of games to improve health.

Scientists in UF's College of Public Health and Health Professions will study off-the-shelf video games to see whether older adults who play them can improve their mental functioning. The study will examine the effects of a popular action-adventure driving game on older adults' ability to process visual information.

There have now been several decades of positive findings regarding cognitive training in later life. The laboratory-based training studies have shown large improvements for older adults, with positive effects lasting as long as five years.

With this study, the UF team hopes to evaluate whether home-based video games might be one mental exercise strategy that could benefit older adults. The study will track changes in video game skill among players, and will investigate whether extended game play leads to improvement in visual attention and functional activities of daily life, including simulated driving.

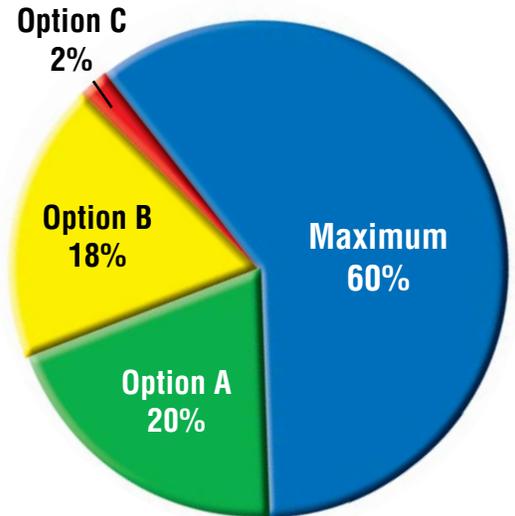
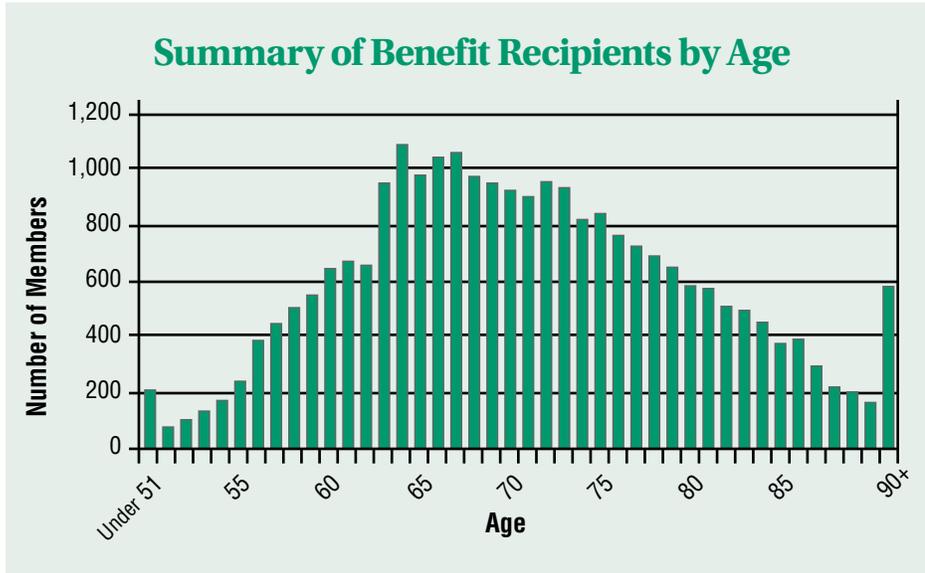
Dr. Patrícia Belchior, the study's lead investigator states, "In contrast to other training approaches, our preliminary work told us that older participants simply enjoyed playing these games more than laboratory-based mental training, and this enjoyment may help keep participants motivated to continue exercising mentally."

Maybe our teens who are obsessed with PlayStation and Xbox are on to something...we shall see.

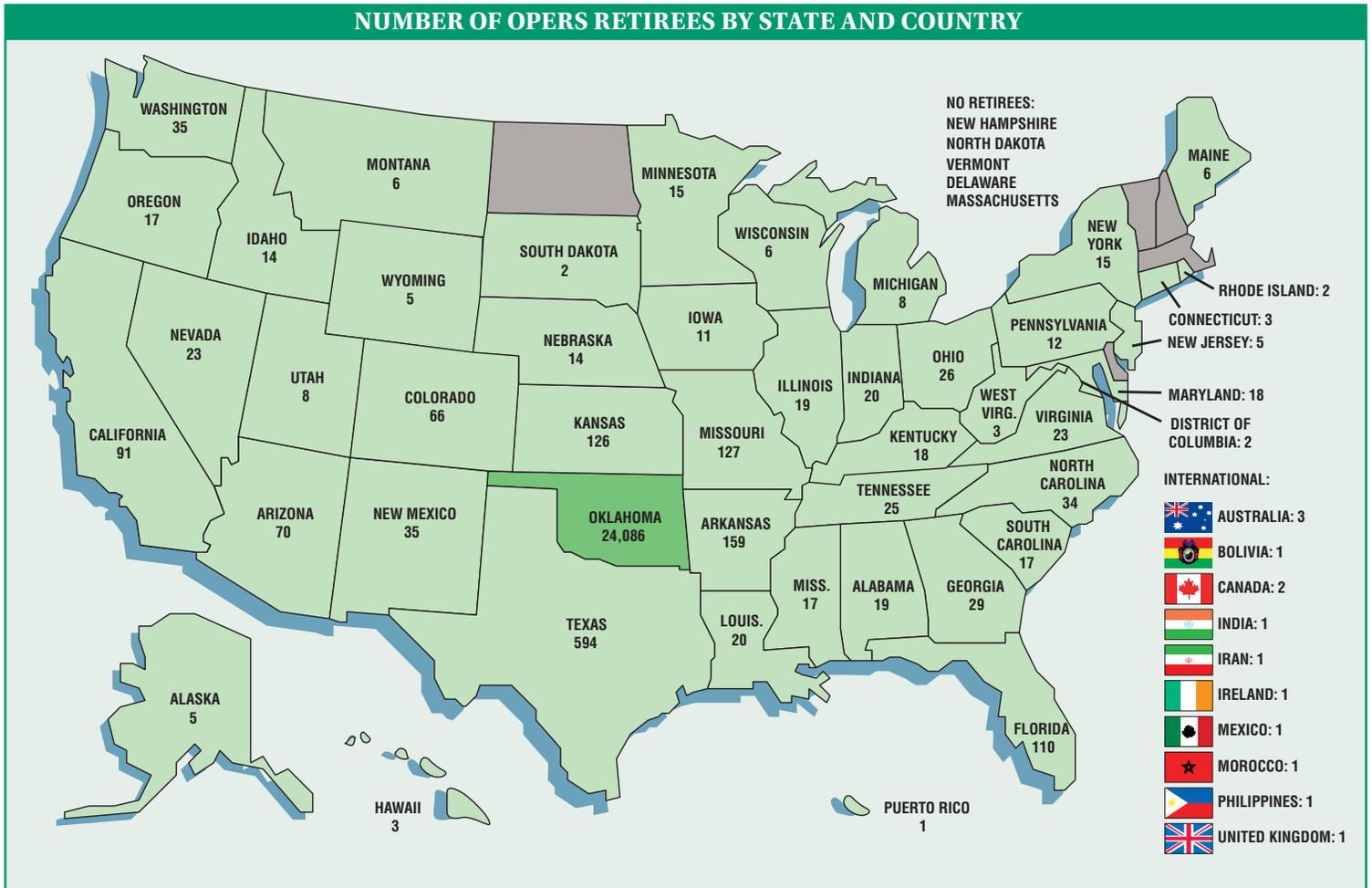
RETIRED MEMBER STATISTICS

There are nearly 25,000 retired members in OPERS. Here are some interesting facts about our members:

Retirement Options



The age of members under Normal Retirement for State & Local Government employees range from the youngest at 48 and the oldest at 104.



Addiction

According to the *Addiction Project* – an HBO production in partnership with the Robert Wood Johnson Foundation, the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) – more than 23 million Americans are struggling with an addiction. Yet only 10 percent are getting the treatment they need. The term addiction is often reserved for drug and alcohol abuse, but can apply to other compulsions like gambling or over-eating. Addiction can also be called a devotion, dependency, attachment, or dedication.

The American Psychiatric Association says that a person is dependent if their pattern of substance use leads to clinically significant impairment or distress shown by three or more of the following in a 12-month period:

1. Tolerance as defined by either of the following:
 - A need for markedly increased amounts of the substance to achieve intoxication or desired effect; or,
 - Markedly diminished effect with continued use of the same amount of the substance.
2. Withdrawal, as manifested by either of the following:
 - The characteristic withdrawal symptom of the substance; or,
 - The same or a closely related substance is taken to relieve or avoid withdrawal symptoms.
3. The substance is often taken in larger amounts or over a longer period than was intended (loss of control).
4. There is a persistent desire or unsuccessful efforts to cut down or control substance use (loss of control).
5. A great deal of time is spent in activities necessary to obtain the substance, use the substance or recover from its effects (preoccupation).
6. Important social, occupational or recreational activities are given up or reduced because of substance use (continuation despite adverse consequences).
7. The substance use is continued despite knowledge of having a persistent or recurrent physical or psychological problem that is likely to have been caused or exacerbated by the substance (adverse consequences).

If you believe that you have an addiction or have a friend or family member with an addiction, contact any of the resources on this page for help.

For more information on addictions, visit these resources.

Tobacco kills about 6,000 Oklahomans each year. The Oklahoma Tobacco Helpline is designed to assist Oklahomans who have a desire to quit smoking or using other tobacco products. Call 1-800-QUIT-NOW (1-800-784-8669).

The Problem and Compulsive Gambling Helpline
1-800-522-4700
Toll-Free, 24-Hours a Day
Certified Gambling Counselors.

For help with substance abuse, contact the Oklahoma Department of Mental Health and Substance Abuse at www.odmhsas.org or on the Reachout Hotline at 1-800-522-9054.



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We'd grab breakfast and come back to see dozens of cars lined up behind ours. Many times, we could only purchase 10 gallons at a time. I was only 17 years old, but I felt confident that by the time I reached middle age, we would certainly be running our cars on something other than gasoline. We had just sent 12 men successfully to the moon and back between 1969 and 1972. Certainly the good old U.S. of A. could figure this one out, right?

A few things have been done in an attempt to cut consumption. In 1974, Congress set the maximum speed limit at 55 m.p.h. That was gone by 1995. In 1975, Congress enacted "CAFE" standards mandating higher fuel efficiency for passenger cars. Attempts at increasing these standards have been controversial. I'm not passing judgment on either of these measures. However, what has this nation done since 1973 to find alternative fuels to run our automobiles? Not a whole heck of a lot. We've dabbled in burning ethanol and a little on electric or hybrid cars, but it appears that we are a long way off in getting off our oil addiction. How different our country and world might be today if our government could have created an "Apollo" project for true energy independence back in the 1970s. Many say that we have enough oil and natural gas to get us through the next 100 years, but is that the extent of our vision? What do we do then? Our continued reliance on imported oil is a current economic problem and has dominated much of our foreign policy for too long. I hope that our national leaders will have the vision and courage to make true energy independence a priority.

(Retirement 101 continued from page 2)

Insurance Board (OSEEGIB) is the state agency that manages the health and life insurance of OPERS retirees. If you elected to retain life insurance at your retirement, you selected the amount that would be paid to your beneficiary and will pay a monthly premium.

Both the \$5,000 death benefit and life insurance have beneficiaries. You can name multiple beneficiaries and you can change them at any time. To change your OPERS beneficiary for the \$5,000 death benefit, go to the forms page on the OPERS website, www.opers.ok.gov/forms, and try out the new fillable forms, or call 800-733-9008 to request a new form.

If you need more information, visit the OSEEGIB website at www.sib.ok.gov or call 1-800-752-9475.

OPERS Oklahoma Public Employees Retirement System
P.O. Box 53007 • Oklahoma City, OK 73152-2007
1-800-733-9008 or (405) 858-6737 • (405) 848-5549 fax
www.opers.ok.gov 515-160-0865

Change of Address

Please type or print in blue or black ink.

Check one: Retired - currently drawing a retirement benefit.
 Vested - not currently working but eligible to draw a benefit in the future.
 Active/Other - please provide your Agency name: _____

PART 1: PROVIDE YOUR NAME AND SOCIAL SECURITY NUMBER BELOW.

Name (first, middle, last) _____ Social Security number _____

PART 2: PROVIDE YOUR COMPLETE NEW ADDRESS AND TELEPHONE NUMBERS BELOW.
Please provide city, state and zip code even if you are moving within the same town or city.

Mailing address _____
City _____ State _____ Zip+4 _____
Home telephone _____ Work telephone _____

PART 3: PROVIDE THE INFORMATION REQUESTED.

1. The changes made above will change my permanent records in the following Plans:
 Oklahoma Public Employees Retirement System Defined Benefit Plan
 Oklahoma State Employee's Deferred Compensation Program (SoonerSave)
 Oklahoma State Employee's Deferred Savings Incentive Program (SoonerSave)

2. The changes made above will become effective: _____

PART 4: READ THE FOLLOWING, SIGN AND DATE IN THE SPACE PROVIDED.
I understand that I must properly complete and submit this form before any changes to my permanent retirement records can be made.

Signature _____ Date _____

Fillable Forms Available on Website

Now introducing - fillable forms on the OPERS website. You can type your information in to an Adobe PDF, print and mail it to OPERS. The following forms are available at www.opers.ok.gov/forms in the fillable format:

- Change of Address
- Designation of Beneficiary for Active/Vested Members
- Designation of Beneficiary for Retired Member Death Benefits
- Designation of Beneficiary for Option C

Look for more forms to become available in the fillable format as they are updated.

(Legislative Summary continued from page 1)

had at least six (6) years in elected office, was able to count all of their non-elected service as if they were in office for their entire career. This may have given certain elected officials a larger pension than they actually paid for throughout their career.

Members who are elected officials prior to the effective date of the bill are not affected by the change in law. Current OPERS members who are elected after the effective date will have a benefit cap of 100% of their highest annual salary that they received. The loophole is eliminated completely for those who join OPERS after the effective date of the bill. These members will receive a benefit consisting of two separate calculations. Their non-elected years will be multiplied by 2%, and their elected years multiplied by the applicable percentage selected and paid for by the member.

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:

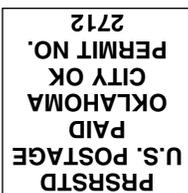
(800) 733-9008

Website:

www.opers.ok.gov

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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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