

# Retirement Coordinator Training

Presented By

*Oklahoma Public Employees Retirement System*

2016

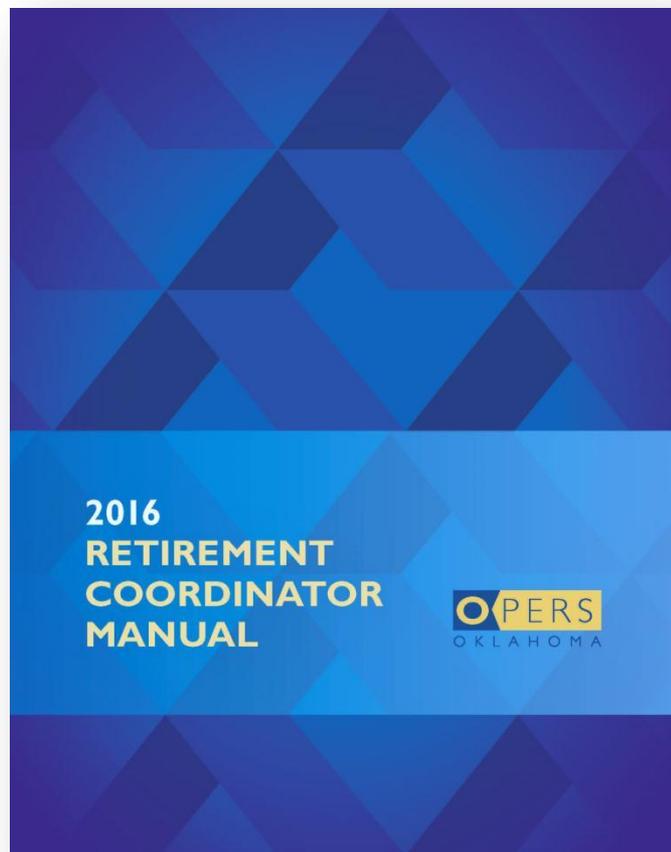
# Stephanie White

*Communications Manager  
Certified Retirement Counselor®*

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# Updated Manual



- PDF available on Coordinators Corner.
- Second page highlights changes in 2016.



[www.opers.ok.gov/coordinators-corner](http://www.opers.ok.gov/coordinators-corner)

# Presentation Overview

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- Recent Developments
- Did You Know? Facts & Figures
- Roles of the Retirement Coordinator
- The Essentials: OPERS DB Plan
- The Essentials: Pathfinder DC Plan
- Questions & Answers

# Recent Developments



# Staffing Changes

## CONTACT INFORMATION

Mailing Address: P.O. Box 53007 | Oklahoma City, Oklahoma 73152-3007  
 Physical Address: 5801 Broadway Extension, Suite 200 | Oklahoma City, Oklahoma 73118-7491  
 (800) 733-9008 toll-free | (405) 858-6737 OKC area | (405) 848-5946 fax  
[www.opers.ok.gov](http://www.opers.ok.gov) | [info@opers.ok.gov](mailto:info@opers.ok.gov)

<b>Active Member Issues</b>	<i>Questions regarding enrollments, service credit, purchases of service, vesting, benefit estimates, member contributions, terminations, or active member deaths</i>	
Kristen Lancaster	858-6736	<a href="mailto:klancaster@opers.ok.gov">klancaster@opers.ok.gov</a>
Thy Tran	858-6738	<a href="mailto:ttran@opers.ok.gov">ttran@opers.ok.gov</a>
Michelle McRee	858-6757	<a href="mailto:mmcree@opers.ok.gov">mmcree@opers.ok.gov</a>
Tara Harris	858-6742	<a href="mailto:tharris@opers.ok.gov">tharris@opers.ok.gov</a>
Lloyd Thompson	858-6778	<a href="mailto:lthompson@opers.ok.gov">lthompson@opers.ok.gov</a>
Sharonda Bowie	858-6729	<a href="mailto:sbowie@opers.ok.gov">sbowie@opers.ok.gov</a>
Kandice Fessler	858-6756	<a href="mailto:kfessler@opers.ok.gov">kfessler@opers.ok.gov</a>
<b>Payroll Reporting Issues</b>	<i>Questions regarding payroll contribution reporting and submissions</i>	
Brian Wolf	858-6725	<a href="mailto:bwolf@opers.ok.gov">bwolf@opers.ok.gov</a>
<b>Retiring Member Issues</b>	<i>Questions for those members currently going through the retirement process regarding vital documents, setting up tax withholding and direct deposit</i>	
Karen Anderson	858-6774	<a href="mailto:kanderson@opers.ok.gov">kanderson@opers.ok.gov</a>
James Small	858-6777	<a href="mailto:jsmall@opers.ok.gov">jsmall@opers.ok.gov</a>
Liza Taylor	858-6795	<a href="mailto:ltaylor@opers.ok.gov">ltaylor@opers.ok.gov</a>
Nelda Nance	858-6715	<a href="mailto:nnance@opers.ok.gov">nnance@opers.ok.gov</a>
Robin Wano	858-6779	<a href="mailto:rwano@opers.ok.gov">rwano@opers.ok.gov</a>
<b>Retired Member Issues</b>	<i>Questions for those members already retired regarding changing tax withholding and direct deposit instructions, or retired member deaths</i>	
Shelly Owens	858-6782	<a href="mailto:sowens@opers.ok.gov">sowens@opers.ok.gov</a>
Cindy Simpkins	858-6726	<a href="mailto:csimpkins@opers.ok.gov">csimpkins@opers.ok.gov</a>
<b>Seminars</b>	<i>Questions regarding Pre-Retirement and Member Education seminar dates and enrollment (800) 733-9008 or (405) 858-6737</i> <a href="http://www.opers.ok.gov/confidence">www.opers.ok.gov/confidence</a>	
<b>Forms</b>	<i>Ordering forms online</i> <a href="http://www.opers.ok.gov/online-form-orders">www.opers.ok.gov/online-form-orders</a>	
<b>Other OPERS Contacts</b>	Patrick W. Lane 858-6720 Stephanie White 858-6768	<a href="mailto:plane@opers.ok.gov">plane@opers.ok.gov</a> <a href="mailto:swhite@opers.ok.gov">swhite@opers.ok.gov</a>
<b>Defined Contribution Plans</b>	<i>Questions regarding SoonerSave or Pathfinder participation</i>	
Ray Pool	858-6710	<a href="mailto:rpool@opers.ok.gov">rpool@opers.ok.gov</a>
Mark Wahling	858-6781	<a href="mailto:mwahling@opers.ok.gov">mwahling@opers.ok.gov</a>
Marva Parsons	858-6705	<a href="mailto:mparsons@opers.ok.gov">mparsons@opers.ok.gov</a>
Mary Baber	858-6796	<a href="mailto:mbaber@opers.ok.gov">mbaber@opers.ok.gov</a>

OPERS Contact Information on Page 3 of the Manual.

[www.opers.ok.gov/staff-directory](http://www.opers.ok.gov/staff-directory)

*Don't know who to ask?*  
 The OPERS Contact Center can help!

# OPERS Member IDs

- OPERS is moving away from the use of Social Security numbers over the phone, by email, or in person. To identify yourself, or a member, you will need to provide the OPERS Member ID. Please keep this number accessible when contacting OPERS.
- The member ID is provided on most OPERS communications, including the active member annual statement.

Did you know?



# Did You Know?

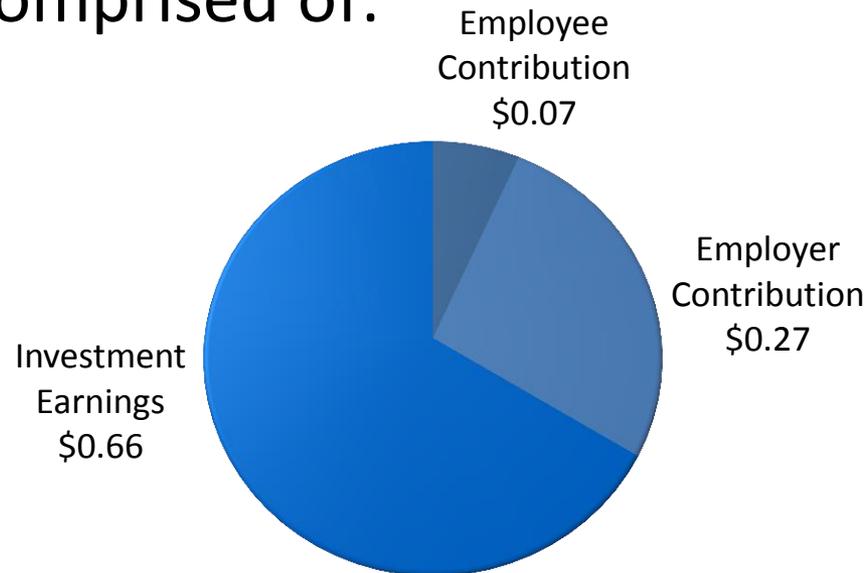
- OPERS administers two types of retirement plans:
  - Defined benefit (DB) plans
  - Defined contribution (DC) plans
- Defined benefit plans administered by OPERS:
  - OPERS (State & Local Government, Hazardous Duty, and Elected Officials)
  - Uniform Retirement System for Justices and Judges
- Defined contribution plans administered by OPERS:
  - SoonerSave
  - Pathfinder (New plan!)

# Did You Know?

- 286 participating employers
  - 122 state agencies representing 75% of active members
  - \$296 million in employer contributions in FY 2016
- 44,000 active members
  - \$74 million in member contributions in FY 2016
- 34,000 benefit recipients
  - \$565 million in benefits paid in FY 2016
  - 1,998 new retirees in FY 2016

# Benefit Payments

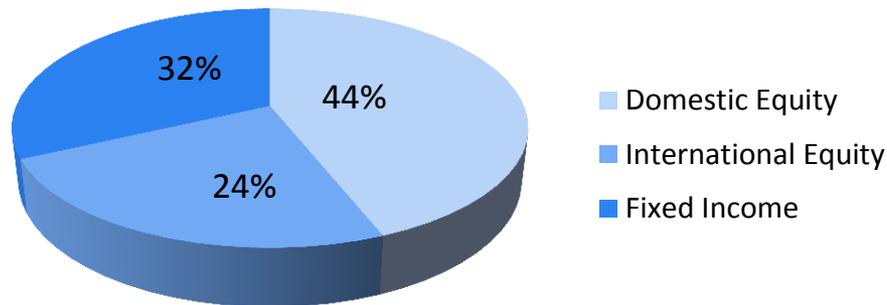
- Consists of:
  - Employee and Employer Contributions
  - Earnings on investments
- Based on plan assumptions and statistics, each \$1 in future benefits is comprised of:



# Did You Know?

- Growth of OPERS Investments
  - \$8.4 billion total assets as of June 30, 2016.
  - Positive investment returns for the previous seven years.
  - As of June 30, 2016, long-term returns are strong.  
The 25-year annualized return of the fund was 8%.
- [www.opers.ok.gov/investment](http://www.opers.ok.gov/investment)

**Target Asset Allocation**



# Roles of the Retirement Coordinator



# Roles of the Retirement Coordinator

- Multiple Plans, Varying Responsibilities
  - Maintaining records
  - Enrolling new employees
  - Reporting contributions
  - Providing information on multiple plans
  - Keeping your employees informed

# Maintaining Records

- Long-term relationship between OPERS and your employees
  - OPERS will frequently request missing information.
  - Keep employee records as accessible as possible.
  - Learn where your old records are hiding, do not get rid of that information unless you can recreate it.

# Enrolling New Employees

- Online enrollment available at OPERS Online
  - Please enroll employees before first payroll report and enroll even those who leave immediately.
  - Call OPERS regarding prior participation.
  - Please encourage members to complete beneficiary designations at enrollment.
  - Members cannot withdraw, vest or retire without enrolling.

<https://connect2.opers.state.ok.us>

# Membership Requirements

- Position is permanent, not seasonal or temporary.
- Position requires at least 1,000 hours work per year (rolling 12 months after first day of employment).
- The salary must be equal to or greater than the minimum wage.

# Reporting Contributions

- Retirement contributions begin for:
  - New members - 1st day of month following hire date
  - Previous members - 1st day on the job
- Verify prior participation
  - Call OPERS. The Contact Center can verify when contributions need to begin.
  - Do not email Social Security numbers.

# Membership Requirements

- “Probationary” periods are still reportable
  - Periods of “initial employment” cannot be exempted from OPERS contributions.
  - Delinquent service is costly and avoidable.
- Office of the State Auditor & Inspector
  - OPERS in continuing to work with the Office of the State Auditor & Inspector to identify issues of compliance with state retirement law through the county audit process.
    - Timely enrollment of members (avoiding delinquent service)
    - Application of unused sick leave

# Reporting & Data Integrity

- Make sure to enter hours and salary correctly for each member.
- Do not copy and paste without checking the hours.
- This can cause problems at retirement.
- OPERS may not be able to process a member's retirement until errors are resolved.

# Employer Website Transactions

- Enroll new members
- Payroll reporting
- Update member name
- Update member address
- Final Employer Certification
  - Paper forms will no longer be accepted after Nov. 1, 2016

<https://connect2.opers.state.ok.us>

# Updating Member Information

- Updating Name Changes
  - Name changes occur through the reporting of payroll.
  - This event marks a good time to request copies of the marriage license, divorce decree (first page and signatures), etc. which verifies the name change.
  - Provide copies to OPERS for the member's file. We will likely ask for these documents at retirement.

# Updating Member Information

- Updating Addresses
  - You may update a member's address on the employer website at <https://connect2.opers.state.ok.us>.
  - Members may complete a *Change of Address* form and submit it to OPERS directly. (515-160-10)
- Updating Beneficiaries
  - Members must complete a *Beneficiary Designation* (515-116V-14) form at enrollment. Beneficiaries may be updated at any time by completing and submitting a new form.
  - It is important that the completed, original form be forwarded to OPERS as soon as possible.

# Providing Information to OPERS

- Serve as liaison between OPERS and your employees.
- Keep employees informed on OPERS information.
- Assist employees with OPERS forms.

OPERS is happy to share information  
and advice with Retirement Coordinators

# Your Role at Retirement

- Encourage your employees to attend an OPERS Pre-Retirement seminar when they are within two years of eligibility.
- Assist employees with the *Retirement Notice & Application* in order to meet the 60-day notice requirement.
  - You complete Part 8
- Final Employer Certification
  - Online submissions only after November 1, 2016.

# Updating Coordinator Information

- Contact Stephanie White with coordinator changes.
  - [swhite@opers.ok.gov](mailto:swhite@opers.ok.gov) or (405) 858-6768
- Submit a letter or email from the Retirement Coordinator or their superior with the changes to be made.
  - Include email address and phone number.
- Complete the *User Enrollment Form* to add or delete access to the employer website.
  - <https://connect2.opers.state.ok.us>

# The Essentials

OPERS

Defined Benefit Plan



# The Essentials: OPERS DB Plan

- Defined Benefit Plan (DB Plan)
  - Member and employer pay contributions.
  - Member must meet certain eligibility requirements.
  - Lifetime benefit.
  - Benefits are based upon a formula.

# The Essentials: OPERS DB Plan

- Defined Benefit Formula
  - Final Average Salary
    - Before 7/1/2013 – Highest 3 years out of the last 10 years
    - After 7/1/2013 – Highest 5 years out of the last 10 years
  - Service Credit
  - Computation Factor (2%)

# The Essentials: OPERS DB Plan

## Normal Retirement

*For members who began participation in OPERS before November 1, 2011*

- Age 62 with six years of full-time-equivalent employment  
*OR*
- 80 points (age + service credit) if you initially became a member before July 1, 1992  
*OR*
- 90 points (age + service credit) if you initially became a member on or after July 1, 1992

# The Essentials: OPERS DB Plan

## Normal Retirement

*For members who began participation in OPERS on or after November 1, 2011*

- Age 65 with six years of full-time-equivalent employment

*OR*

- 90 points (age + service credit) and at least 60 years of age

# The Essentials: OPERS DB Plan

## Early Retirement

*For members who began participation in OPERS before November 1, 2011*

- Ages 55 to 62
- 10 years of participating service
- Permanently reduced benefits

Early Retirement Reduction Factors	
Age	Percentage
62	100.00
61	93.33
60	86.67
59	80.00
58	73.33
57	66.67
56	63.33
55	60.00

# The Essentials: OPERS DB Plan

## Early Retirement

*For members who began participation in OPERS on or after November 1, 2011*

- Ages 60 to 65
- 10 years of participating service
- Permanently reduced benefits

Early Retirement Reduction Factors	
Age	Percentage
65	100.00
64	93.33
63	86.67
62	80.00
61	73.33
60	66.67

# The Essentials: OPERS DB Plan

- **Unused Sick Leave**

- May be added to member's service credit.
- If addition causes total credited service to equal or exceed six months, service is rounded up to the next year.\*
- Timely reporting of USL is greatly appreciated to expedite service to retiring members.

Hours of Unused Sick Leave	Months of OPERS Service Credit
0-159	0
160-319	1
320-479	2
480-639	3
640-799	4
800-959	5
960 (maximum)	6

*\*Rounding eliminated for members who begin on or after November 1, 2012. These members will be credited with full years and months of participation.*

# The Essentials: OPERS DB Plan

- Unused Sick Leave

When it adds a year:	
21 years 0 months	Service Credit
+ 6 months	Unused Sick Leave
21 years 6 months	Service (before rounding)
<b>22 years</b>	<b>Total Service Credit</b>

When it does not add a year:	
21 years 9 months	Service Credit
+ 6 months	Unused Sick Leave
22 years 3 months	Service (before rounding)
<b>22 years</b>	<b>Total Service Credit</b>

# The Essentials: OPERS DB Plan

## Unused Sick Leave

- Have you updated your policy on unused sick leave?

*Verification of Unused Sick Leave Policy*  
(515-134)

 Oklahoma Public Employees Retirement System  
**Verification of Unused Sick Leave Policy** 515-134-11

**Section 913(B)(7) of Title 74**  
The total participating service credit of a member who retires or terminates employment and elects a vested benefit shall include not to exceed one hundred thirty (130) days of unused sick leave accumulated subsequent to August 1, 1959, during the member's employment with any participating employer. Such credit shall be added in terms of whole months. Twenty (20) days of unused sick leave shall equal one (1) month for purposes of participating service credit. If unused sick leave entitles a member to an additional year of service credit, the member's employer shall reimburse the System for the cost of funding the additional reserve. Each participating employer shall provide the System with adequate and timely information necessary to determine additional benefits and its cost under this paragraph. This paragraph shall apply to members retiring or vesting on or after July 1, 1984.

**Part 1 – Agency Information**

Agency Name  Agency Number

**Part 2 – Unused Sick Leave Policy**

Maximum amount of USL employees may accumulate  Hours / Days (circle one)

Effective date of current policy  Date  If written policy exists, please enclose

**Part 3 – Payroll Schedule**

Monthly | 12 pay periods per year Dates of monthly payroll  (e.g., 1<sup>st</sup> through 31<sup>st</sup>, 21<sup>st</sup> through 20<sup>th</sup>)

Semi-monthly | 24 pay periods per year

Bi-weekly | 26 pay periods per year

Other | Please specify

**Part 4 – Signature**

Date

Retirement Coordinator  
 County Clerk  
 Other

Oklahoma Public Employees Retirement System  
P.O. Box 53007 | Oklahoma City, OK 73152-3007  
Tel (405) 858-6737 | Toll-free 1-800-733-9008 | www.opers.ok.gov

# The Essentials: OPERS DB Plan

- Eligible to retire, begin receiving OPERS benefits
  - Submit *Retirement Notice and Application* at least 60 days before your retirement date.
- Eligible to vest, receive benefits in the future
  - Earned enough service credit (8 years) to receive OPERS benefits when retirement-eligible.
- Insufficient service to retire or vest
  - Leave contributions deposited with OPERS and retain service if you return to covered employment; or,
  - Option to withdraw employee contributions and forfeit OPERS service.

# Retirees Returning to Work

- No pre-arranged employment agreements
  - Pre-retirement employment agreements that permit a member to retire then be rehired by same employer on any basis are prohibited by state law and IRS Code.
- One-year “cooling-off” period
  - An OPERS retiree is prohibited from returning to work with the same employer from which he/she retired for a period of one year without waiving benefits.

# Retirees Returning to Work

- If the member continues to receive benefits:
  - Member and coordinator should also complete *Status of Post-Retirement Employment* form, which serves two purposes:
    - Inform OPERS when a member is approaching the Social Security earnings limitation, if applicable; and,
    - If the member is terminating employment.
- If the member waives benefits:
  - Must go through the retirement process again, including the 60-day notice and new retirement application, if three years is met.
  - If less than three years, he/she will get the benefit of the additional service credit on their original benefit.

# Retirees Returning to Work

- A retiree may return to work for a **non-participating** employer at any time without affecting their retirement.
- If a retiree returns to a **participating** employer, he or she must wait at least one month following the retirement date or benefits will be cancelled.
- Before returning to work with a **participating** employer, contact OPERS. Benefits may be subject to the Social Security earnings limitation.

## Social Security Administration (SSA) Earnings Limitation

- Will not reach SSA Full Retirement Age in 2016 - **\$15,720**
- Up to the point you reach SSA Full Retirement Age in 2016 - **\$41,880**
- Once you reach SSA Full Retirement Age - **No Limit**

# The Essentials

## Pathfinder Defined Contribution Plan

*For State Agencies Only*



# The Essentials: Pathfinder DC Plan

- Participation eligibility
  - First hired by a State agency on or after November 1, 2015, no prior service in OPERS.
  - Full-time-equivalent position.
  - Any position less than full-time but more than a half-time that includes employee benefits.

*This determination shall be made by the employer and exclusively relied upon by OPERS.*

# The Essentials: Pathfinder DC Plan

- Plan comprised of a 401(a) plan and a 457(b) plan
  - **401(a)** – Employee mandatory contributions and employer matching contributions
  - **457(b)** – Employee additional contributions

Pathfinder Contributions	
401(a) Plan	457(b) Plan
<ul style="list-style-type: none"><li>• Employee mandatory (4.5%)</li><li>• Employer matching (6% or 7%)</li></ul>	<ul style="list-style-type: none"><li>• Employee voluntary above 4.5%.</li></ul>

# The Essentials: Pathfinder DC Plan

Additional employer contributions will go to the OPERS defined benefit plan.

<b>Person A – Receives a 6% employer match in Pathfinder</b>	
OPERS required employer contribution (DB)	16.5%
Pathfinder employer match	(6.0)%
Remainder to OPERS	10.5%

<b>Person B – Receives a 7% employer match in Pathfinder</b>	
OPERS required employer contribution (DB)	16.5%
Pathfinder employer match	(7.0)%
Remainder to OPERS	9.5%

# The Essentials: Pathfinder DC Plan

## Option Period & 2016 Legislation

- Option period in October to change contribution percentage.
- HB 2264 – will allow employees to change their contribution percentage once per month.

# The Essentials: Pathfinder DC Plan

## Vesting

- Participant is 100% vested in employee contributions at all times.
- Participant progressively vested in employer contributions based on the following vesting schedule:

Vesting Period	Vesting Percentage
1 Year	20%
2 Years	40%
3 Years	60%
4 Years	80%
5 Years	100%

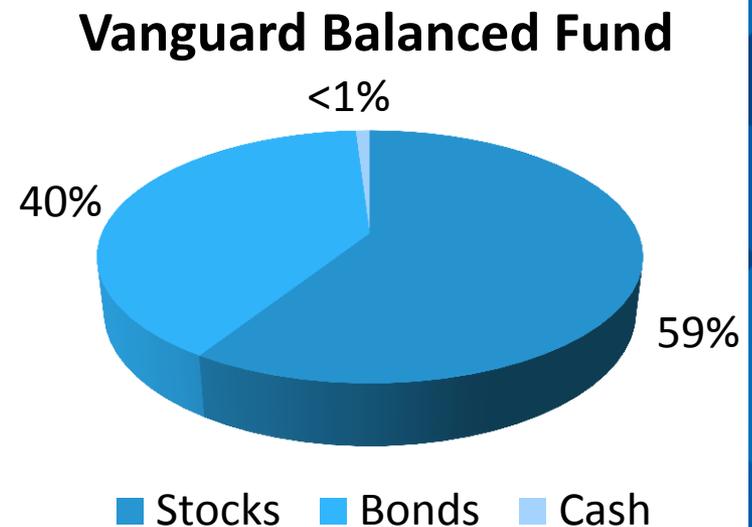
# The Essentials: Pathfinder DC Plan

## Vesting

- Vesting begins as of date of hire, not participation date
- Vesting calculated based on complete years
  - 365 days elapsed = 1 complete year toward vesting
  - Days, not months (no rounding)
- Termination is the only thing that “stops the clock,” not breaks in service
  - Participation no longer a matter of hours

# The Essentials: Pathfinder DC Plan

- Participants have investment discretion over all contributions, matching funds, and the gains or losses on those amounts.
  - All Pathfinder participants are defaulted into the Vanguard Balanced Fund at enrollment.
  - Investment choices may be changed at [www.okpathfinder.com](http://www.okpathfinder.com) or calling KeyTalk at (844) 465-7284.



# The Essentials: Pathfinder DC Plan

## Enrollment Process

- Provide the Enrollment Guide to new employees
  - Enrollment form to choose contribution rate
    - Do not submit enrollment form to OPERS or Empower Retirement©
    - Need only be maintained in participant's personnel file
  - Default investment option – Vanguard Balanced Fund
    - All participants defaulted in the Balanced Fund
    - There will be no paper forms for choosing investments
    - Investment choices may be changed at any time via website or Keytalk
  - Once account is created by Empower, participants will receive a PIN letter (1-2 weeks).

# The Essentials: Pathfinder DC Plan

- Beneficiary Designation(s)
  - May have separate beneficiaries for each plan
  - May update beneficiaries by completing a form or logging into their account(s) through [www.okpathfinder.com](http://www.okpathfinder.com)

# Looking Ahead



# Future Plans at OPERS

- Improvements to the Employer Website
- Redesign and improvements to the public website
- New coordinator training resources
  - What would you like to be included?
  - What would you like to have known as a new coordinator?

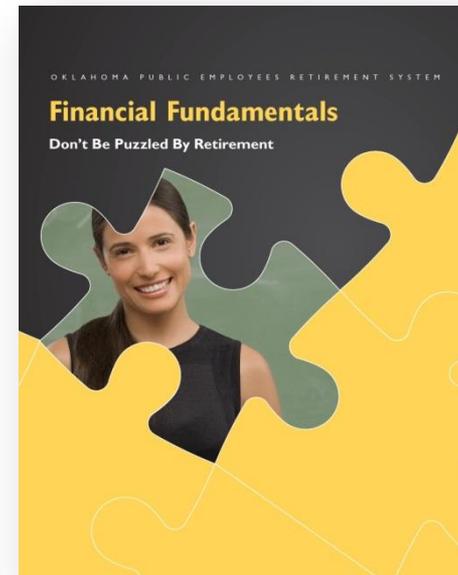
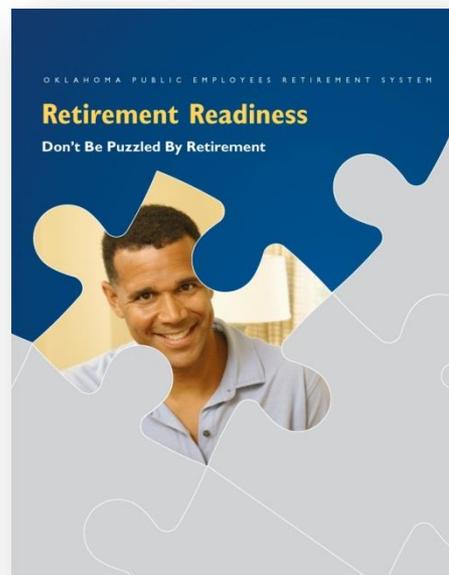
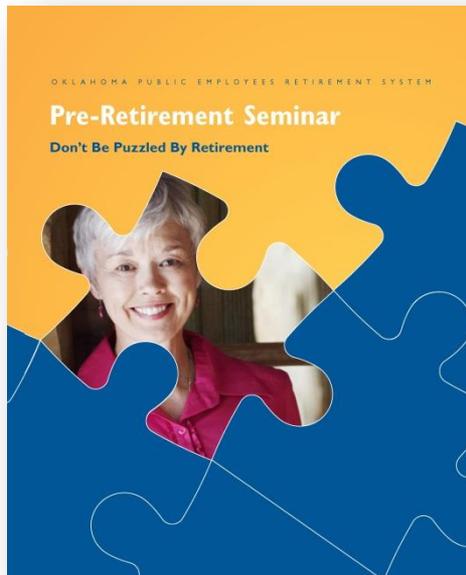
# Online Resources

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- Coordinator's Corner
- Benefit Estimator
- Current and Archived Publications
- Forms (to print or order)
- Pre-Retirement Seminar Schedule

# Member Education

- Pre-Retirement Seminar
- Retirement Readiness
- Financial Fundamentals



# Pre-Retirement Seminars

- Seminars are provided in the following cities:
  - Oklahoma City
  - Tulsa
  - McAlester
  - Ardmore
  - Lawton
  - Woodward
  - Enid
- Schedule is available online:
  - [www.opers.ok.gov/confidence](http://www.opers.ok.gov/confidence)
- Contact OPERS to register at (800) 733-9008

# Annual Statements

- Information as of June 30, 2016
- Contains information regarding:
  - Accumulated contributions
  - Beneficiary(ies)
  - Retirement Coordinator contact information
  - Retirement eligibility requirements
  - Death benefits
- Retirement Coordinators will receive a list of “dead-end” statements.



Questions & Answers

# Thank you!

5801 Broadway Extension, Suite 200 | Oklahoma City , OK 73118-7491

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

(405) 858-6737 (local) | (800) 733-9008 (toll-Free)



[www.opers.ok.gov](http://www.opers.ok.gov) | [www.okpathfinder.com](http://www.okpathfinder.com) | [www.soonersave.com](http://www.soonersave.com)