*Essential*OPERS

State & Local Government Employees

OPERS OKLAHOMA

The Oklahoma Public Employees Retirement System (OPERS) is a defined benefit retirement plan qualified under Section 401(a) of the Internal Revenue Code. Participation in OPERS is mandatory for eligible state and local government employees. OPERS provides you a lifetime retirement benefit when you meet the eligibility requirements described below.

You participate in OPERS by contributing a portion of your salary each pay period. Your employer also contributes on your behalf. The amount of your contributions does not determine the amount of the benefit OPERS promises you. Your benefits are determined by a formula which includes your salary and years of credited service. The paid contributions are invested, under the direction of the OPERS Board of Trustees, to provide lifetime retirement benefits to eligible members.

This handout is an overview describing OPERS plan provisions as of July 1, 2014. It is not a plan document and does not create any type of binding obligation, contract or promise to pay benefits. OPERS reserves the right to correct any errors contained herein to comply with federal or state statutes. For more information, refer to the member handbook available online at **www.opers.ok.gov**.

Membership and Participation	Participation in OPERS begins on the first day of the month immediately following the beginning date of your employment, provided that all of the following apply: 1. Your position is permanent, not seasonal, or temporary; and, 2. Your position requires at least 1,000 hours of work per year; and, 3. Your salary is equal to or greater than the minimum wage.
Contributions	Current contribution rates are 3.5% for state employees and 16.5% for state agencies. Local government employers choose the rate at which the organization and employee will contribute for a total of 20%. For more details on the contribution rates of a participating local government organization, see your Retirement Coordinator.
Vesting	**Vesting** means you have accumulated enough service credit to entitle you to a lifetime monthly retirement benefit in the future. At OPERS, you must have eight years of credited service (including six full years of full-time-equivalent employment[1]) to be eligible to vest.
Eligibility for Normal Retirement Benefits	**If you became a member of OPERS before November 1, 2011:** • **Age 62** – You can begin receiving full, unreduced retirement benefits when you are at least age 62 with six full years of full-time-equivalent employment[2]; or • **80 Points** – You can begin receiving full, unreduced retirement benefits when the sum of your age and years of service equals 80 if you became a member before July 1, 1992; or • **90 Points** – You can begin receiving full, unreduced retirement benefits when the sum of your age and years of service equals 90 if you became a member on or after July 1, 1992. **If you became a member of OPERS on or after November 1, 2011:** • **Age 65** – You can begin receiving full, unreduced retirement benefits when you are at least age 65 with six full years of full-time-equivalent employment[2]; or • **90 Points** – You can begin receiving full, unreduced retirement benefits when you are at least 60 years of age and the sum of your age and years of service equals 90.

Oklahoma Public Employees Retirement System
P.O. Box 53007 • Oklahoma City, OK 73152-3007
1-800-733-9008 • www.opers.ok.gov

Eligibility for Early Retirement Benefits

If you became a member of OPERS before November 1, 2011:

- You can begin receiving reduced retirement benefits once you have reached age 55 and have at least 10 years of participating service.

If you became a member of OPERS on or after November 1, 2011:

- You can begin receiving reduced retirement benefits once you have reached age 60 and have at least 10 years of participating service.

If you choose early retirement, you will receive a **permanent** actuarial reduction in your benefit based on your age at retirement.

Eligibility for Disability Benefits

If you must terminate participation in OPERS due to significant health problems resulting in permanent disability, you may be entitled to disability benefits if:

1. You qualify for payment of disability from the Social Security Administration or the Railroad Retirement Board, the disability onset date falls within one year of your last date physically on the job, and you were an active employee with a participating OPERS employer at the time of disability onset; and,
2. You have at least eight years of credited service (including six full years of full-time-equivalent employment).

Calculating Your Retirement Benefits

Your gross annual retirement benefit is calculated by multiplying your:

- **Final Average Compensation**[3] – If you became a member before **July 1, 2013**, this is the average of your compensation during your highest three years out of the last 10 years of participating service prior to retirement (including highest three longevity payments). If you became a member **on or after July 1, 2013**, this is the average of your highest five years out of the last 10 years of participating service prior to retirement (including highest five longevity payments).
- **Total Service Credit** – The years and full months you have participated in OPERS, including any purchased service, prior service, bonus years, and months of unused sick leave (6 months maximum). Total service is rounded up or down to the nearest full year.
- **Computation Factor of 0.02 (or 2%)**[4]

Termination of Employment and Withdrawal

If you terminate employment with a participating employer and did not accrue enough service for retirement eligibility or vesting, you may choose to:

- **Leave the contributions with OPERS to retain membership and any service credit previously earned**. Upon re-employment with a participating employer, this previously earned service will be added to any new service credit and used in determining your retirement benefits; or,
- **Withdraw the contributions you have paid into OPERS**. 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 OPERS. No accumulated interest or increased value is paid on the withdrawn money.

---

1 *Full-time equivalent employment* refers to a member's actual employment with a participating OPERS employer and is credited on service where the member is making contributions or purchasing service that constitutes full-time employment with a participating employer.
2 In this scenario, a member only needs six full years of full-time-equivalent employment **and** must be actively employed with a participating OPERS employer.
3 In the past, certain salary caps applied. Therefore, if any of the highest years of annual compensation out of the last 10 years of compensation prior to retirement was earned before July 1, 1999, compensation for that year is subject to a cap. Contact OPERS for more information.
4 Members may elect to increase or *step up* the computation factor from 2% to 2.5%; thereby increasing the amount of their retirement benefits. Members electing the Step-Up are required to make an additional retirement contribution. A brochure on the Step-Up program can be obtained from OPERS or your Retirement Coordinator.