

Retiree Edition Autumn 2013

## OPERS Board Elects New Officers



DeWayne McAnally (left) and Steve Paris (right)

On July 18, 2013, at its regular annual meeting to elect officers, the Board of Trustees of the Oklahoma Public Employees Retirement System unanimously elected DeWayne McAnally and Steve Paris to become the new chair and vice-chair of the board, respectively.

McAnally replaces former Chairman Don Kilpatrick, who announced at the May board meeting his intention to step down as chair but remain on the board. Kilpatrick had served as chairman of the OPERS board since 1985.

Kilpatrick retired from state government in 2003, after serving 18 years as a member of the Oklahoma Tax Commission. Prior to that, he served in the Oklahoma Legislature for a total of 14 years in both the House of Representatives and State Senate. When he left the legislature, he was a key member of the Senate leadership and had served for several years as chairman of the Senate Appropriations Committee.

McAnally has been on the OPERS board since 1995 and has served on the board's Investment Committee since 1996. He has been a registered Investment Advisor since 1984 and is a Certified Financial Planner providing investment advice through his firm The Advisory Group in Oklahoma City.

Paris, who also chairs the board's Budget and Policy Committee, has been on the board since 2003 and replaces McAnally as vice-chair. With nearly 30 years of experience in media relations, journalism and marketing management, Paris serves as the public information officer and rural development manager for the Oklahoma Center for the Advancement of Science and Technology.

### *The Director's Corner* **The Last Flip Phone in America**

*Tom Spencer, Executive Director*

I am not a Luddite (one who is opposed to technological change). In fact, I have embraced technology in my personal and professional life. But I embrace it with skepticism to ensure it is making my personal and work life better, and is not just a time-killing or unreliable toy. So I'm proud of the fact that since I arrived at OPERS we have implemented a modern imaging system, Call Center, and a pension administration system built on modern database software.

Within a year it is our goal to roll out a whole host of online transactions to better serve our members. A wise man once advised me not to hop onto the latest technological rage until others tried it, tested it, and got the bugs out. "Be on the leading edge; not the bleeding edge" was his sage advice.

The first issue to consider must always be whether the technology makes us more efficient and less costly. Will it save space, make things simpler or be faster? If the answers are "yes", I'm all in. For the record, I purchased (with my own money) a tablet device made by a company associated with a type of fruit. I bought it

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# RETIREMENT 101

## Debt and Its Impact on Retirement Savings

According to the Employee Benefit Research Institute, nearly 82% of baby boomers (ages 55-64) are carrying significant debt loads. What does this mean for your retirement? Quite simply, the dollars going toward debt are not going toward your retirement security.

Why are we carrying debt into retirement? Mortgages, educating our children, and caring for elderly parents are taking the brunt of the blame. Not to mention rising health care costs and credit card debt. Some experts also believe boomers are not adjusting their lifestyles in retirement. Whatever the reason, it seems clear we now have to reconcile debt and retirement.

### How can retirees balance their retirement income needs and debt payments?

- **Live below your means.** Paying off debt and boosting contributions to savings will help you to continue enjoying your current lifestyle better than paying a creditor each month.
- **Downsize your home.** You don't have to wait until after retirement to downsize. Take advantage of a good market and move sooner rather than later.
- **Delay Social Security benefits.** By taking Social Security benefits early, starting at age 62, you will lock yourself into a lower benefit for the rest of your life. For every year you delay past your full retirement age up to the age of 70, your Social Security benefit will increase by 8%. Delaying your benefit is a low-cost way to increase your retirement income.
- **Get a second job or work longer before retiring.** The longer you work, the longer your retirement savings will have to accumulate and grow.

- **Work longer for an OPERS participating employer.** The OPERS benefit formula explained below rewards you for longer periods of service. By increasing the amount of service you have at retirement, you will increase your OPERS retirement benefit.

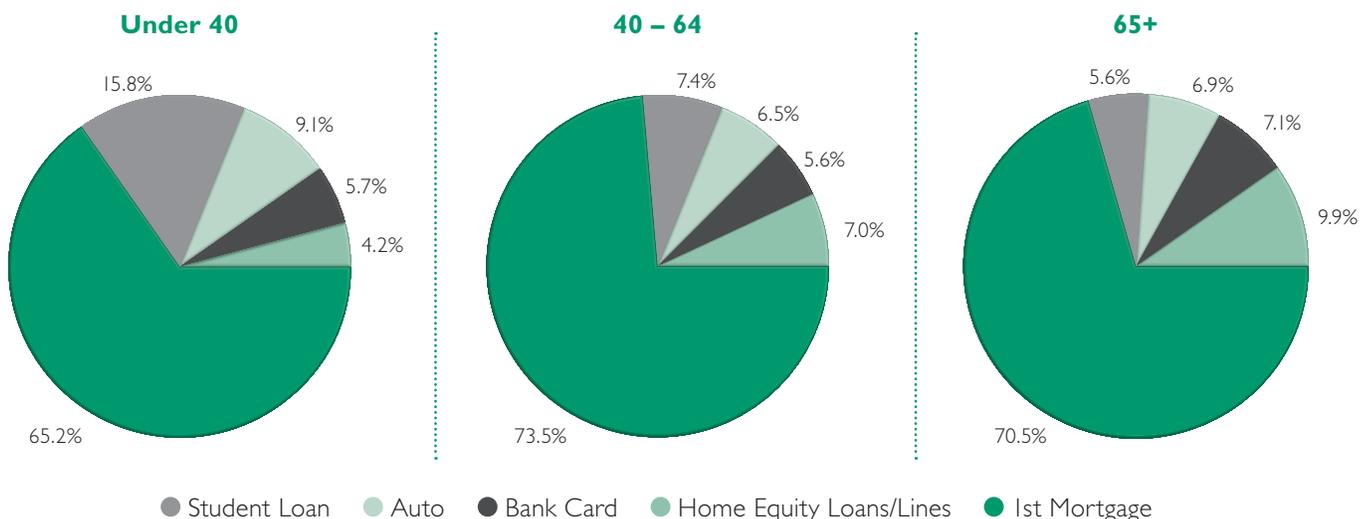
### Good news for OPERS members

We all must do more for ourselves in the form of personal savings and investments for retirement. However, employer-sponsored retirement plans like OPERS and SoonerSave, along with Social Security, provide an excellent foundation for financial security by offering lifetime income sources at retirement.

The OPERS benefit is calculated using a simple formula that multiplies your final average salary, years of service credit in OPERS, and a computation factor (typically 2% for most state and local government employees). Another way to look at it is for every year of service credit you have in OPERS, you are replacing 2% of your final average salary in retirement. For example, if you retire with 25 years of participation in OPERS, you will receive a benefit from OPERS totaling approximately 50% of your final average salary (25 years multiplied by 2%).

For more information about OPERS, please visit our website at [www.opers.ok.gov](http://www.opers.ok.gov). For those within a couple of years of retirement eligibility, consider attending a Pre-Retirement Seminar. The complete list of seminar dates is available at [www.opers.ok.gov/confidence](http://www.opers.ok.gov/confidence).

### Estimated Debt Allocation by Age



Source: Credit Mix June 2012

# Healthful *hints*

## The Importance of Sleep

According to the American Psychological Association, “more than 40 percent of adults experience daytime sleepiness severe enough to interfere with their daily activities at least a few days each month - with 20 percent reporting problem sleepiness a few days a week or more.” Our hectic lives can make sleep seem more like a luxury than a need for maintaining good health. Getting enough quality sleep at the right times can help protect your mental and physical health, quality of life, and safety. Ongoing sleep deficiency can raise your risk for some chronic health problems and affect how well you think, react, work, learn, and get along with others.

While you are sleeping, your brain is forming new pathways to help you absorb and retain information. Studies show that a good night’s sleep prepares you for the next day and improves your attention span, decision making and creativity. Whether you are learning math, how to play chess, or perfecting your golf swing, sleep helps enhance your learning and problem-solving skills.

Sleep plays an important role in your physical health, as well. For example, sleep is involved in the healing and repair of your heart and blood vessels. Ongoing sleep deficiency is linked to an increased risk of heart disease, kidney disease, high blood pressure, diabetes, stroke and obesity.

Your immune system relies on sleep to help defend your body against foreign or harmful substances, such as bacteria and viruses. Ongoing sleep deficiency can change the way in which your immune system responds. For example, if you are sleep deficient, you may have trouble fighting common infections.

Getting enough quality sleep at the right times helps you prepare and function throughout the day. If you are sleep deficient, you may have trouble solving problems, controlling your emotions and behavior, and coping with change. Sleep deficiency also has been linked to depression, suicide, and risk-taking behavior.

You need to set the stage for good sleep on a daily basis. This may involve improving your daytime habits, creating a better sleep environment, or trying to avoid eating within two to three hours before going to bed. Developing a calm, relaxing bedtime routine is also important. Keeping the same sleep schedule, even on weekends and holidays, is extremely beneficial to your sleep cycle. Finding a sleep routine that works for you will lead to a productive night’s rest.

For more information, visit [www.sleepfoundation.org](http://www.sleepfoundation.org) or [www.oklahomasleepinstitute.com](http://www.oklahomasleepinstitute.com).

### How Much Sleep Do You Really Need?

AGE	SLEEP NEEDS
Newborns (0–2 months)	12–18 hours
Infants (3–11 months)	14–15 hours
Toddlers (1–3 years)	12–14 hours
Preschoolers (3–5 years)	11–13 hours
School-age children (5–10 years)	10–11 hours
Teens (10–17 years)	8.5–9.25 hours
Adults	7–9 hours

Source: National Sleep Foundation

## Keeping Your Beneficiary Designation Current

### Too many OPERS members with missing, dated beneficiaries

In our most recent mailing of annual statements, OPERS identified more than 11,000 active members with missing or dated beneficiary designations on file. Don’t let this happen to you. If you pass away and have no beneficiary designated with OPERS, you run the risk of your money being distributed to a person you may not have intended. Major life events may also trigger the need to revisit your beneficiary designation.

This is not only true of your benefits with OPERS, but with many other entities, such as SoonerSave and the Employees Group Insurance Division. Forms may be obtained online.

- OPERS – [www.opers.ok.gov/forms](http://www.opers.ok.gov/forms)
- SoonerSave – [www.soonersave.com](http://www.soonersave.com)
- Employees Group Insurance Division – [www.ok.gov/sib](http://www.ok.gov/sib)

## The Director's Corner

# The Last Flip Phone in America

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mostly for travel in place of a laptop, which seemed clunky all of a sudden. My tablet is light, sleek and powerful. My office phone is an early "smart phone" that works as a phone and email device. I've had it since 2009. No touch screen. No apps. My personal phone is a "flip phone" I've had at least as long. I can talk and text on it. No games. No internet.

Almost everyone I know with the latest smart phone has become totally addicted to it. The devices appear to be a diversion from work, personal relationships and conversation. Maybe I will be different when I get mine. Until then, I'm proud to own the last flip phone in America.

## Contact OPERS

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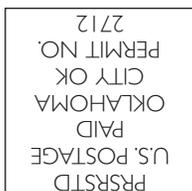
### Website:

[www.opers.ok.gov](http://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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