

Spouse Consent

Answering the Important Questions

If you are in the process of retiring from URSJJ, or have simply come in contact with our retirement application, you may have come away with a few new questions about retirement. At URSJJ, we are often asked questions about what spouse consent is, when it is necessary, and why it is required. In this article, we attempt to shed some light on the curious issue of spouse consent.

What is Spouse Consent and When is it Necessary?

Under Oklahoma State law, the legal spouse of a retiring member of URSJJ has a statutory right to survivor benefits in the form of a Joint and ½ Survivor Annuity (commonly referred to as *Option A*).

Spouse consent is the written and legal acknowledgement required if a URSJJ member is married at the time of retirement and chooses to retire under any benefit other than Option A. Spouse consent is also required if the member is choosing someone other than his or her current legal spouse as joint annuitant to receive survivor benefits. If either of these scenarios apply, the member's current legal spouse must complete, sign, and date Part 4 of the *Retirement Notice and Application*. In doing so, the spouse is providing spouse consent.

Why is Spouse Consent Required?

Spouse consent is a necessary means for a spouse to waive his or her right to survivor benefits. In the case of a non-spouse being named as a joint annuitant, spouse consent is required to demonstrate a spouse's acknowledgement that this other person is being named as the joint annuitant to receive monthly benefits upon the member's death.

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The Director's Corner

Good News at OPERS & URSJJ

Tom Spencer, Executive Director

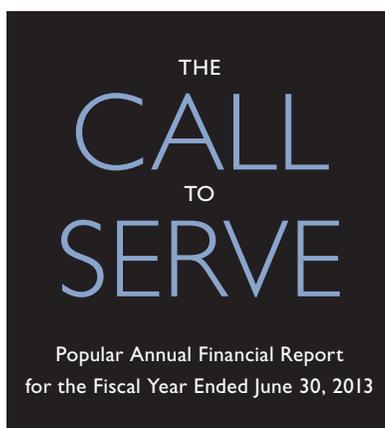
I don't often use this column to pat ourselves on the back, but it's time to tell our members the facts about the fiscal status and accomplishments of OPERS and the URSJJ. While some of the good news comes from things we can brag about, much of it comes from a combination of legislation and favorable markets, too.

For the third year in a row, the URSJJ has a funded ratio over 90%. The funded ratio of the URSJJ stands at 97.3% at the end of FY 2013. The funded ratio is calculated by the System's actuary and represents the percentage of assets the URSJJ has to cover its future benefit obligations. The unfunded liability for the URSJJ is down to \$6.8 million. That is in stark contrast to when it was \$52 million after FY 2010.

Meeting acceptable actuarial funding standards is not completely within the control of OPERS and the URSJJ. The Legislature deserves the most credit for enacting adequate contribution levels and passing legislation requiring benefit enhancements to be fully funded. The OPERS staff does its part for the URSJJ by managing the portfolio in a manner to achieve good returns. At the end of calendar year 2013, the URSJJ portfolio stood at a record high of \$287 million.

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RETIREMENT 101

Understanding Important Age Milestones

The best retirement plans will begin early in a person's career and continue past your working years. Awareness of important milestone ages along the way can help avoid potential pitfalls and pave the way for a happy and productive retirement.

Early Career

20s In our 20s, the distant idea of retirement competes with other financial obligations of career and family. It can leave us feeling spread too thin financially and retirement savings becomes easy to put on hold. The most important reason to begin saving early for retirement is compound interest. Time is your greatest ally at this age. Making retirement savings a priority early in your career will have a substantial, positive impact on the financial risks of inflation, increasing health care costs, and outliving your savings in retirement.

Mid-Career

50 Important considerations in the middle portion of our working years are contribution limits and early withdrawal periods. "Catch-up" provisions begin at age 50. The 2014 annual contribution limit for pre-tax retirement savings plans, like SoonerSave, increases from \$17,500 to \$23,000. That is an additional \$5,500 that can be invested and benefit from compound interest. Those over 50 can also contribute an additional \$1,000 annually in a Traditional or Roth IRA (\$6,000 for 2014).

59½ If you retire early, you should be aware of the early withdrawal penalty for people younger than age 59½. The 10% penalty applies to early distributions from an individual retirement account (IRA), 401(k), 403(b), or other qualified retirement plan before reaching age 59½.

Late Career

62 Baby boomers born in 1948 reach age 66 in 2014, which is the full retirement age with Social Security for anyone born between 1943 and 1954. Social Security provides several options to begin drawing benefits: early retirement starting at age 62, normal retirement based on your date of birth, or delayed benefits up to the age of 70.

70 As with any type of early benefit, electing early Social Security benefits will result in a permanently reduced benefit. You can avoid the early reduction by electing benefits at your Social Security full retirement age, or increase your Social Security benefit by 8% per year for each year you delay claiming up until age 70. There are no additional benefits to delaying Social Security payments after age 70. For more information, visit the Social Security online at www.ssa.gov.

65 Medicare eligibility begins at age 65. Regardless of your work status, you need to contact the Social Security administration three months before you reach age 65. Signing up right away can help you avoid increased Medicare Part B premiums.

70½ Required Minimum Distribution (RMD) refers to the amount that qualified pre-tax retirement savings plan participants must begin taking a distribution from their retirement accounts by April 1 following the year they reach age 70½. RMD amounts must then be distributed each subsequent year. Your plan administrator should notify you in writing of the amount and date by which this distribution needs to occur. Make sure to stay vigilant of the Required Minimum Distribution deadlines, as to avoid the 50 percent penalty assessed to those you fail to take the required disbursement.

? The last number is a little harder to nail down – how long will you live? Most people underestimate how long they need to plan on living, and so run the risk of running out of resources in retirement. The average life expectancy for a man reaching age 65 would be another 19 years and 21 years for a woman. Many experts recommend on planning for at least 10-15 years past the average. Visit the life expectancy calculator at www.livingto100.com to get a better idea of how long you should plan on living in retirement.

Social Security — Normal Retirement Age

YEAR OF BIRTH	AGE
1937 and prior	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67



THE CALL TO SERVE

Popular Annual Financial Report

for the Fiscal Year Ended June 30, 2013

Dear Esteemed Member:

In 1825, American Statesman Daniel Webster said, "Let us develop the resources of our land, call forth its power, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy of being remembered."

Public service is alive and well in Oklahoma and Webster's words still ring true today. We take great pride at the URSJJ in serving those who serve the people of Oklahoma.

This edition of the *Popular Annual Financial Report* honors the call to serve that the Justices and Judges of the Supreme Court, Court of Criminal Appeals, Courts of Civil Appeals, Workers' Compensation Court, and the District Courts have answered with their time and talents.

We are pleased to provide you with this report and hope you find it informative.

Sincerely,

Tom Spencer
Executive Director



ABOUT URSJJ

The URSJJ is a single-employer public employer retirement plan established in 1968 by the Oklahoma Legislature. The Plan covers Justices and Judges who sit on the Supreme Court of Oklahoma, the Oklahoma Court of Criminal Appeals, the Oklahoma Court of Civil Appeals, the Oklahoma District Courts and the Oklahoma Workers' Compensation Court, as well as the Administrative Director of the Courts. As of June 30, 2013, the Plan's membership includes 273 active members, 19 inactive members, and 230 retirees and beneficiaries.

The 2013 Popular Annual Financial Report of the Uniform Retirement System for Justices and Judges (URSJJ) contains summary financial information from the 2013 Comprehensive Annual Financial Report. The full report can be viewed in its entirety online at www.opers.ok.gov/publications.

PLAN NET POSITION

Plan net position is assets less liabilities restricted for payment of monthly retirement benefits and other qualified distributions to URSJJ members. A summary of net position restricted for pension benefits on June 30, 2013, 2012, and 2011, is shown to the right. As of June 30, 2013, URSJJ net position was approximately \$263 million.

CHANGES IN PLAN NET POSITION

The URSJJ is funded through a combination of member contributions, employer contributions and investment earnings. For fiscal year 2013, plan net position increased \$19.4 million or 8.0% primarily due to increases of 7.5% in investments and 160.8% in pending sales of securities partially offset by a 96.6% increase in pending purchases of securities.

Deductions to plan net position are incurred primarily for the purpose for which the URSJJ was created, namely the payment of benefits to retirees. In fiscal year 2013, retirement, death and survivor benefits increased \$0.1 million or 0.8% and the average benefit increased 0.4% despite a 1.3% decrease in the number of retirees. This was attributable to the number of retirees not decreasing until the second half of the fiscal year. Refunds and withdrawals decreased 90.4% from the prior year because the total amount withdrawn is dependent on the amounts of the specific members electing to withdraw contributions each year. Administrative costs decreased 17.2% when compared to the prior year due to a decreased allocation rate of 14.9% and decreases in personnel costs.

BENEFITS PAID TO MEMBERS

Participants who became members prior to January 1, 2012, qualify for full retirement benefits at the earliest of the following: age 65 with eight years of judicial service; age 60 with 10 years of judicial service; or, when the sum of at least eight years of credited service and age equals or exceeds 80. Participants who became members on or after January 1, 2012, qualify at age 67 with eight years of judicial service, or at age 62 with 10 years of judicial service.

The *Schedule of Benefits Payments* below provides information on the total benefit expenses incurred by the Plan consisting of age and service, disability, and beneficiary death benefits.

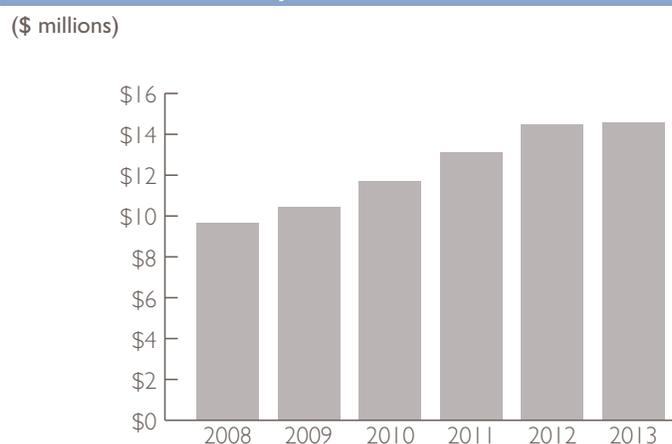
Condensed Schedule of Plan Net Position

(\$ millions)	June 30,		
	2013	2012	2011
Assets:			
Cash and cash equivalents	\$ 6.1	\$ 3.9	\$ 5.0
Receivables	26.3	10.7	13.0
Investments	265.0	246.6	250.8
Securities lending collateral	14.8	6.0	18.4
Total assets	312.2	267.2	287.2
Liabilities:			
Other liabilities	34.2	17.4	20.6
Securities lending collateral	14.8	6.0	18.4
Total liabilities	49.0	23.4	39.0
Ending net position restricted for pension benefits	\$ 263.2	\$ 243.8	\$ 248.2

Condensed Schedules of Changes in Plan Net Position

(\$ millions)	June 30,		
	2013	2012	2011
Member contributions	\$ 2.5	\$ 2.6	\$ 2.7
State and local agency contributions	4.1	3.6	3.2
Net investment income	27.5	4.4	44.5
Total additions	34.1	10.6	50.4
Retirement, death and survivor benefits	14.6	14.5	13.1
Refunds and withdrawals	0.0	0.3	0.2
Administrative expenses	0.1	0.2	0.1
Total deductions	14.7	15.0	13.4
Total changes in plan net position	19.4	\$ (4.4)	\$ 37.0

Schedule of Benefit Payments



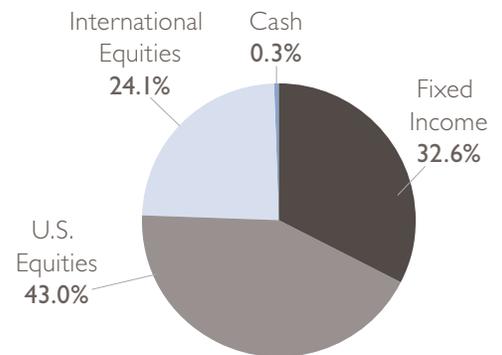
INVESTMENTS

The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. The Board and its advisors invest the Plan’s assets for the sole interest of our membership and their beneficiaries. In addition, funds are to be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Plan’s overall investment return for the year ended June 30, 2013, was 11.5 percent. The increase in the Plan’s managed investments is reflective of the increase in domestic and international equity markets for the year. The *Rate of Return* table to the right reflects overall investment returns for the Plan over the past five fiscal years.

The Board of Trustees has established the *Statement of Investment Policy* to guide investment decisions and outline the overall investment philosophy of the Plan. The investment philosophy is supported by three main pillars: identifying the importance of asset allocation; diversification of the asset base as the primary risk control element; and, controlling costs through passive investment management where most appropriate. Outside investment advisors are engaged to manage the investment portfolio. The advisors are required to adhere to the investment policy and their respective mandates, but may use full discretion within the policy and guidelines. At fiscal year end, the investment portfolio of the URSJJ was managed by four investment management firms. The URSJJ employs one firm to manage passive mandates in several asset classes; otherwise, the remaining investment management firms each have a unique area of focus and expertise. For fiscal year 2013, investments provided a 11.5 percent rate of return. The annualized rate of return for the URSJJ was 11.3 percent over the last three years and 5.8 percent over the last five years. At June 30, 2013, the allocation of the investment portfolio is shown in the *Asset Mix* chart to the right.

Rate of Return	
Year Ending June 30,	Total
2013	11.5 %
2012	1.9
2011	21.4
2010	14.3
2009	(15.7)

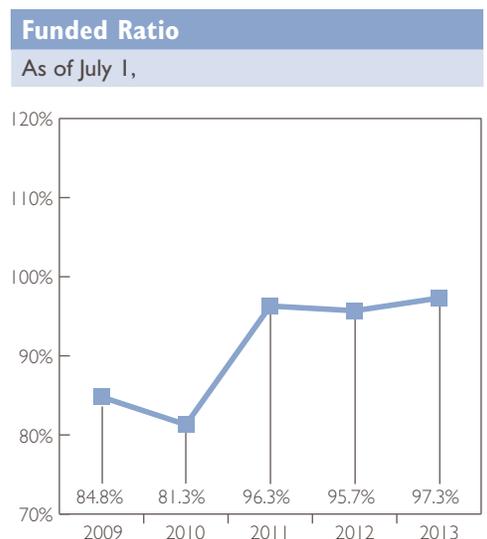
Asset Mix
June 30, 2013



FUNDING

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for the URSJJ is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, the larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is that the participants can look at assets that are committed to the payment of benefits. The actuarial accrued liability and actuarial value of assets of the URSJJ as of July 1, 2013, amounted to \$254.4 million and \$247.5 million, respectively.

The URSJJ funded status was 97.3 percent at June 30, 2013, compared to 95.7 percent at June 30, 2012. The key items responsible for the change in funded status were the effect (\$3.4 million) of contributions less than the actuarial rate and negative return on actuarial value of assets of \$0.5 million. These items were partially offset by a liability gain of \$7.7 million. The *Funded Ratio* chart to the right shows the change in funded status over the past five fiscal years.



THE URSJJ AWARDED FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the Uniform Retirement System for Justices and Judges (URSJJ) for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The CAFR was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate the URSJJ's financial story.

This year marks the first time the URSJJ has published a Popular Annual Financial Report. The Plan will submit this report to the GFOA for their consideration for an Award for *Outstanding Achievement in Popular Annual Financial Reporting*.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.



Supreme Court of Oklahoma



Oklahoma Court of Criminal Appeals



Oklahoma Court of Civil Appeals



Oklahoma Workers' Compensation Court



THE CALL TO SERVE

The 2013 Comprehensive Annual Financial Report, entitled *The Call To Serve*, can be viewed in full online at www.opers.ok.gov/publications.

Healthful *hints*

Reviving your New Year's Resolution

Did you set lofty goals for the New Year only to fall back on old habits? Have your good intentions for a healthy 2014 begun to wane? Your friendly writer finally polished off the last of the holiday sweets, but I'm not waiting for next January to give it another try.

Like any goal in life, it is very difficult to achieve a healthy resolution that is vaguely defined. Ambiguous goals, such as I want to lose weight, get out debt, or get organized, quickly fall by the wayside and become goals for next year.

It's time to get S.M.A.R.T. about the things we want to accomplish.

S = Specific M = Measurable A = Attainable R = Realistic T = Targeted

Your goal needs to be well defined. For example, instead of saying that you want to get in shape, you could be more specific by answering the five "W" questions:

- **What** do I want to accomplish?
(To lose weight, improve endurance)
- **Why** is the goal important? (To live longer, feel better)
- **Who** is involved? (Need a walking partner, nutritionist)
- **Where** will this take place? (Close to home/work)
- **Which** requirements and constraints do I face?
(30 minutes/day, friend's schedule)

"Getting in shape" is an important and worthwhile goal, but not very specific. A more specific goal would be "following the XYZ program for nine weeks to run a 5K in 30 minutes."

Establish milestones for measuring progress toward your end goal and reward yourself along the way. For example, instead of focusing on losing 25 pounds, set interim targets of losing 5 pounds and treat yourself to something that will not jeopardize your end goal (buy a new pair of running shoes, go see a movie).

It is important to have goals that stretch us yet remain attainable. An attainable goal will usually answer the 'How' question of how the goal can be accomplished. It is when we identify those goals most important to us that we develop the attitudes, abilities and discipline needed to reach them.

A realistic goal must represent an objective you are both willing and able to pursue. You are the only one who can decide just how ambitious your goal should be. Your goal is probably realistic if you truly believe that it can be accomplished.

Goals need deadlines. Without a deadline, the goal is easy to put off to a later date. A goal that is set too close is not only unrealistic, it's discouraging.

Think about your goals and how you can use the SMART outline to create a plan to finally achieve your New Year's resolutions.

For more help on setting healthy goals and achieving them, visit these online resources.

- www.letsmove.gov
- www.choosemyplate.gov
- www.heart.org
- www.mapmyfitness.com
- www.fooducate.com
- www.sparkpeople.com
- www.myfitnesspal.com

Spouse Consent

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What Does This Mean for Me?

Spouse consent may be a bit confusing, and feeling confident of its application to your own unique situation may be even more unclear. Remember that spouse consent is only necessary if you are married at the time of retirement and wish to elect any benefit other than Option A with your spouse named as joint annuitant.

While it is no laughing matter, we do like to joke with our married retiring members that they should be happily married at the time of retirement and stay that way because your spouse has a say in the selection of your benefit, and if you get divorced during retirement, you cannot name someone new as your joint annuitant.

The Director's Corner Good News at OPERS

(Continued from page 1)

For the second year in a row, OPERS has received recognition from the Public Pension Coordinating Council (PPCC) for meeting its professional standards in administration and funding. On the administrative side, these standards include sending out annual benefit statements, mandatory annual audits, annual actuarial valuations, and having the System's investment performance independently verified.

All of this is good news for our members and the entire State. Success in managing a pension plan is not a one-time event or simply achieving short-term positive statistics. Managing a pension fund is a long-term proposition. OPERS staff and management have been working at this since 1964. We're proud of what we've done over the last 50 years.

Contact URSJJ

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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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