

Active and Retiree Edition **Winter 2016**

Vacation Rental Scams 4 Things to Consider Before Booking Your Next Trip

According to an OPERS New Retirements survey, 20% of recent retirees are planning to travel.

Vacation rental stays are on the rise, across all age demographics. Unfortunately, this presents an increased opportunity for scammers. Below are a few things to keep in mind before booking your next trip.

Verify Property Exists

Scammers have been known to use false addresses or to use addresses of actual buildings that turned out to be warehouses, offices, or vacant lots. Make use of free tools such as Google Maps to verify the vacation rental you are considering actually exists. Use aerial and street-level view functions to verify that the pictures presented with the vacation rental ad match the search results. Also, be vigilant for duplicate ads. The property being for sale, having a non-existent address, or the address being listed as a business are all red flags.

Scrutinize the Owner

Many owners are members of renters' associations. You can contact the association to find out if the owner is in good standing. Many county assessors' offices now offer an online record search. If available, check to see if the owner's last name matches the name on property records. Also, avoid owners who require communication solely by email, as email addresses are easily falsified. Instead, make phone contact as often as possible.

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New Address, New Beneficiary?
Forms available at
www.opers.ok.gov/forms

Director's Corner The Life in Your Years

Joseph A. Fox, Executive Director

As Will Rogers said, "Half our time is spent trying to find something to do with the time we have rushed through life trying to save." It seems we have rushed through another year and a new year is upon us. There was an abundance of activity at OPERS/URSJJ in 2015 and much was accomplished. Most importantly, your retirement system continues to move in the right direction.

The actuarial funded ratio for the URSJJ was 110.9% at the end of fiscal year 2015. This is a dramatic increase from 81.3% funded ratio in 2010. The funded ratio represents the percentage of assets available to cover accrued benefit payments to retirees. Deferred asset gains recognized during 2015 and the overall positive experience on liabilities has resulted in the actuarial value of the assets exceeding the actuarial accrued liability by \$29 million. The favorable improvement in these numbers is the combined result of several factors, including strong investment returns and receiving the necessary contributions to pay for the promised benefits and to pay down the unfunded liability.

The Legislature has done an outstanding job of providing contributions at levels to keep the URSJJ fully funded.

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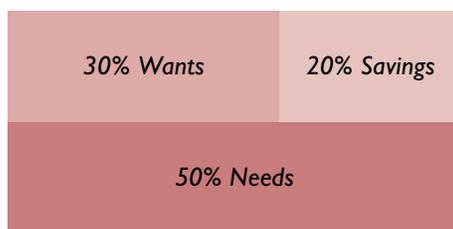
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RETIREMENT 101

The 50/20/30 Formula for Budgeting

Budgets are not usually held in high esteem. For most, budgets feel restrictive, require hours upon hours of organizing receipts, and are generally unsustainable. Instead of accounting for every dollar, set up a framework that keeps spending in balance. Once your money is in balance, you can stop worrying about it and managing your money becomes automatic.

The 50/20/30 formula for budgeting is a way to look at only three broad areas instead of juggling various, specific categories.



Starting with your net income (your income after taxes), balance spending between just three categories:

- 50% will go toward your needs,
- 20% will go toward your savings, and
- 30% will go toward your wants.

50% – Fixed Expenses (Needs)

No more than 50% of your spending should be on the essentials in your budget. These include the things you must pay no matter what. For example: a place to live, utilities, medical care, insurance, transportation, and minimum payments on any legal obligations (i.e. car payments, child support, etc.).

To determine if it is a need, answer these three questions.

1. If you lost your job, would you keep spending money on this?
2. Could you live without this purchase for six months?
3. Could you live in safety and dignity without this expense?

20% – Financial Obligations (Savings)

At least 20% or more of your income should be going toward your financial obligations. The “savings” category actually includes two kinds of money – past and future. In this category, you will tackle paying off your credit cards, medical debt, car loans, mortgage, and other debts.

Along with your debt repayment, this category is also where you will save for the future. This includes establishing your emergency savings, saving for retirement, and saving for other financial goals.

30% – Personal Choices (Wants)

Once your needs and savings are established, you may consider your wants. You deserve some space where you can relax and enjoy yourself. Pinching pennies is unsustainable in the long-term, so once you have your needs and your savings in balance you can spend your “wants” money without guilt. The key is to stay within 30% of your income.

Examples often include: cable, internet and phone plans, charitable giving, childcare, entertainment, gym fees, hobbies, pets, personal care, restaurants, movies, shopping and other miscellaneous expenses.

Here are a few ideas to help move your budget closer to the 50/20/30 ideal:

- Lower your insurance costs
- Get rid of insurance you don't need
- Consolidate student loans
- Refinance mortgage
- Negotiate for a better deal
- Avoid long-term contracts
- Get a roommate
- Sell the stuff you don't need
- Get a second job
- Be a smart shopper, and compare prices and quality

Online Resources:

- www.opers.ok.gov/confidence
- www.mint.com
- www.mybalancebudget.org
- www.mymoney.gov
- www.smartaboutmoney.org
- www.youneedabudget.com

The 50/20/30 formula is a good goal to target, and every step you take to move closer to this balance is a victory. If you have questions or need help, visit some of the resources provided in the box above.

When you know your budget is balanced, your money worries will begin to fade away. The realization that your obligations are met and it is okay to spend a certain amount on fun stuff will prevent the added stress of continually asking, “Can I really afford this?” Using the 50/20/30 Formula can help you relax and enjoy your money.

2015

A BRIGHT FUTURE STARTS HERE

Popular Annual Financial Report for the Fiscal Year Ended June 30, 2015

Dear Esteemed Member:

We are pleased to bring you the Popular Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) for the fiscal year ended June 30, 2015.

The URSJJ is committed to providing quality financial and retirement planning education early and often throughout our members' careers. Success in retirement is within reach for our members who dedicate themselves to the noble calling of public service.

The 2015 edition of the Comprehensive Annual Financial Report expands on some of the retirement planning concepts we convey to members as they plan for their future. We believe that a bright future starts with good planning, and each section of the Comprehensive Annual Financial Report is dedicated to one important retirement planning concept. Examples include:

- What does retirement readiness really mean;
- Understanding the risks of retirement;
- Setting well-defined financial and retirement goals;
- Using the "four-legged" chair as a model; and,
- Reducing debt.

The URSJJ has taken an active role in helping our members be better prepared for retirement by providing comprehensive information throughout their careers. Being adequately prepared requires taking steps years, even decades, in advance. Ongoing retirement education is available to members in a number of ways, including financial planning seminars, the *Retiring Right* newsletter, member publications, online resources, and a friendly staff waiting to answer any question.

We strive to help our members on their journey to a financially secure retirement – a retirement that rewards the service provided to the citizens of our great state.

Sincerely,

Joseph A. Fox
Executive Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT ONLINE

The 2015 Popular Annual Financial Report of the Uniform Retirement System for Justices and Judges (URSJJ) contains summary financial information from the 2015 Comprehensive Annual Financial Report. The full report can be viewed, in its entirety online, at www.opers.ok.gov/publications.

ABOUT URSJJ

The URSJJ is a single-employer public employee 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 Courts 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, 2015, the Plan's membership includes 271 active members, 18 inactive members, and 260 retirees and beneficiaries.

NET POSITION

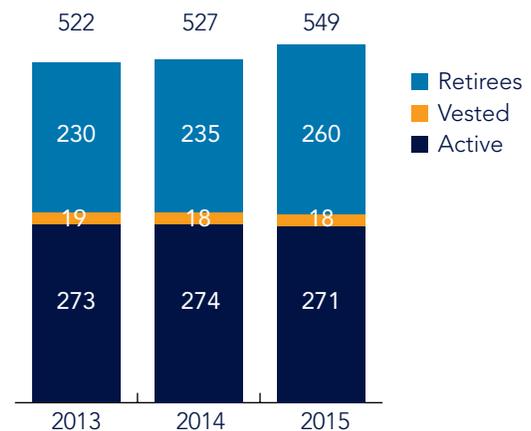
Net position represents assets less liabilities held in trust for payment of monthly retirement benefits and other qualified distributions to URSJJ members. A summary of net position restricted for pensions on June 30, 2015, 2014, and 2013, is shown to the right. As of June 30, 2015, URSJJ net position was approximately \$301 million.

CHANGES IN FIDUCIARY NET POSITION

The URSJJ is funded through a combination of member contributions, employer contributions and investment earnings. For the year ended June 30, 2015, fiduciary net position decreased \$0.1 million, or 0.1%. Total assets increased by \$5.6 million, or 1.7%, due to an increase of 0.9% in investments and an increase of 9.1% in securities lending collateral, partially offset by a decrease of 0.3% in pending sales of securities. Total liabilities increased 21.0% primarily due to a 33.1% increase in pending purchases of securities and a 9.1% increase in securities lending collateral.

Deductions to fiduciary net position are incurred primarily for the purpose for which the URSJJ was created, namely the payment of benefits to retirees. For the year ended June 30, 2015, total deductions increased \$1.2 million, or 8.1%, from the prior year. Retirement, death, and survivor benefits increased \$1.2 million, or 7.7%, and the average benefit increased 3.1% due to a 10.6% increase in the number of retirees. Refunds and withdrawals increased 95.2% from the prior year because the total amount withdrawn is dependent on contribution amounts of the specific members electing to withdraw contributions each year. Administrative costs increased 8.6% when compared to the prior year due to an overall increase in personnel costs in spite of a decrease in the allocation rate of 1.0%.

DEMOGRAPHICS CHART



CONDENSED SCHEDULES OF FIDUCIARY NET POSITION

(\$ millions)	June 30		
	2015	2014	2013
Assets:			
Cash and cash equivalents	\$ 3.3	\$ 1.6	\$ 6.1
Receivables	9.7	9.7	26.3
Investments	306.6	303.9	265.0
Securities lending collateral	15.1	13.9	312.2
Total assets	334.7	329.1	312.2
Liabilities:			
Other liabilities	18.3	13.7	34.2
Securities lending collateral	15.1	13.9	14.8
Total liabilities	33.4	27.6	49.0
Ending net position restricted for pensions	\$ 301.3	\$ 301.5	\$ 263.2

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)	June 30		
	2015	2014	2013
Member contributions	\$ 2.7	\$ 2.5	\$ 2.5
State and local agency contributions	5.3	4.6	4.1
Net investment income	8.2	46.2	27.5
Total additions	16.2	53.3	34.1
Retirement, death and survivor benefits	16.1	14.9	14.6
Refunds and withdrawals	0.1	0.1	0.0
Administrative expenses	0.1	0.1	0.1
Total deductions	16.3	15.1	14.7
Net (decrease) increase in net position	\$ (0.1)	\$ 38.2	\$ 19.4

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 Benefit Payments* to the right provides information on the total benefit expenses incurred by the Plan consisting of age and service, disability, and beneficiary death benefits.

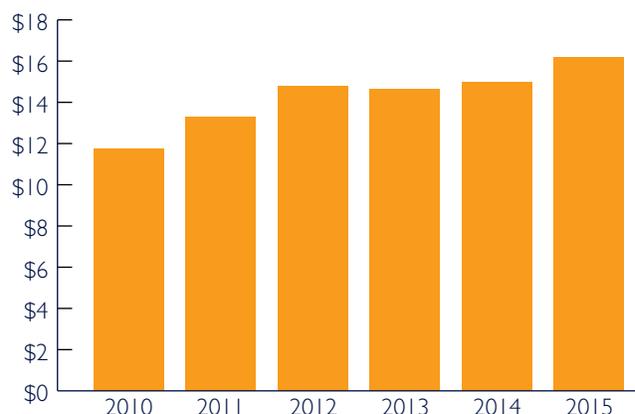
INVESTMENTS

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, 2015, was 2.8 percent. The increase in the Plan’s managed investments is reflective of the increase in fixed income and domestic 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 three 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

SCHEDULE OF BENEFIT PAYMENTS

(\$ millions)

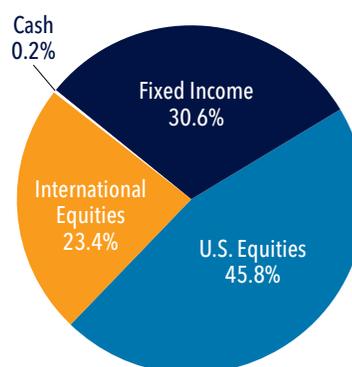


RATE OF RETURN

Year Ending June 30,	Total
2015	2.8%
2014	17.7
2013	11.5
2012	1.9
2011	21.4

ASSET MIX

June 30, 2015



year 2015, investments provided a 2.8 percent rate of return. The annualized rate of return for the URSJJ was 10.5 percent over the last three years and 10.8 percent over the last five years. At June 30, 2015, the allocation of the investment portfolio is shown in the *Asset Mix* chart above.

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 as of July 1, 2015 amounted to \$266.4 million and \$295.4 million, respectively.

The URSJJ funded ratio had been steadily declining from 2002 to 2010, falling below 100 percent for the first time at July 1, 2007 and declining further to 81.3 percent at July 1, 2010 before rebounding significantly to 96.3 percent at July 1, 2011 due to the removal of the cost-of-living-adjustment (COLA) assumption, and increased further to 110.9 percent as of July 1, 2015. In part this overall decline was due to an employer contribution rate decrease in January 2001 and the lifting of the salary cap for benefit calculation for the past seven years. Effective July 1, 2005, in an effort to address the decline, the employer rate was increased 1.0 percent annually for two years, and at July 1, 2007 it was increased 1.5 percent annually up to 22.0 percent for fiscal years ending 2019 and thereafter. The Funded Ratio chart to the right shows the change in funded status over the past six fiscal years.

FUNDED RATIO

As of July 1,



THE URSJJ AWARDED FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) has given an *Award for Outstanding Achievement in Popular Annual Financial Reporting* to the Uniform Retirement System for Justices and Judges for its Popular Annual Financial Report for the fiscal year ended June 30, 2014. The Award for Outstanding Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit

must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the award requirements, and we are submitting it to GFOA. The URSJJ received this award last year.

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

The Farmers Market: A Not So Hidden Treasure

From savoring produce at the peak of freshness to meeting the people who grow your food, there are countless reasons to support farmers markets. Here are just a few!

Taste Real Flavors

The fruits and vegetables you buy at the farmers market are among the freshest and tastiest available. Fruits are allowed to ripen fully in the field and are brought directly to you. Long-distance shipping, gassing to simulate the ripening process, and sitting for weeks in storage are avoided. This food is as real as it gets; fresh from the farm.

Enjoy the Season

The food you buy at the farmers market is seasonal. It is fresh and delicious and reflects the truest flavors. Shopping and cooking from the farmers market helps you to reconnect with the cycles of nature in your region. As you look forward to asparagus in spring, savor sweet corn in summer, or bake pumpkins in autumn, you reconnect with the earth, the weather, and the turning of the year.

Support Family Farmers

Family farmers need your support. Small family farms have a hard time competing in the food marketplace. Buying directly from farmers gives them a better return for their produce and gives them a fighting chance in today's globalized economy. A regular trip to a farmers market is one of the best ways to connect with where your food comes from and how it is produced.

Nourish Yourself

Many grocery stores contain foods which are highly processed and grown using pesticides, hormones, antibiotics, and genetic modification. Some of it has been irradiated, waxed, or gassed in transit. These practices may have negative effects on human health. In contrast, most food found at the farmers market is minimally processed. Many farmers go to great lengths to grow the most nutritious produce possible by using sustainable techniques, picking produce right before the market, and growing heirloom varieties.

Engage Children and Grandchildren

Farmers markets are kid-friendly. Let your children or grandchildren pick out something new to try. Then, let them help prepare a meal or snack based on their selection. This both piques their interest and makes eating healthy foods more fun. The farmers market is also a great place to meet up with your friends and your community at large.

With the fresh air, sunlight, and great selections surrounding you, coming to the farmers market makes shopping a pleasure rather than a chore. To find a farmers market near you, check the resources below:

www.okgrown.com/markets

www.shapeyourfutureok.com

www.localharvest.org

Vacation Rental Scams

(Continued from page 1)

Rent Known Properties

If possible, rent a property that someone you know has previously rented. Ask family members, friends, and coworkers if they have recommendations for the area you plan to visit. If this is not an option, seek the feedback of vacation rental websites. Many provide the ratings and reviews of past renters. This information may prove invaluable.

Consider the Payment Method

A sure sign of a scam is a request for pre-payment via cash, wire transfer, or prepaid debit card. Scammers may use these methods to transfer funds and vanish with your money. It is almost impossible to recover your money once this has happened. A safer bet is to pay with a credit card via PayPal or some other reputable payment site. If there is a problem with your rental or if you are the victim of a vacation rental scam, you can dispute the charges with your credit card company. In most cases, the credit card company will remove the disputed charges from your bill until the matter is investigated.

With warmer weather right around the corner, more thoughts are turning to vacations. Whether planning to travel domestically, internationally, or even to take a quick weekend getaway, remember if it's too good to be true, it probably is. Safe travels!

Director's Corner

The Life in Your Years

(Continued from page 1)

Although the State is struggling through another economic downturn, it is our hope the contribution levels will remain on track to preserve this movement in the right direction.

Once again, OPERS/URSJJ received national recognition from the Public Pension Coordinating Council for meeting professional standards in both administration and funding. OPERS/URSJJ also received its 17th straight certificate of achievement for excellence in financial reporting from the Government Finance Officers Association. We are very proud of both of these national recognitions.

We are working hard for our members and this now includes managing a fourth retirement plan, Pathfinder. This defined contribution plan was created for the newest state employees hired on or after November 1, 2015. Pathfinder is now up and running and we hope to make it the best plan of its kind.

It has been a fun, challenging, exciting and gratifying year. We have big plans to make 2016 and beyond even better for our members. Stay tuned. Remember, in the end, it's not the years in your life that count, it's the life in your years.

Contact URSJJ

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