

Active and Retiree Edition **Autumn 2014**

OPERS Welcomes New Executive Director

Joseph A. Fox becomes sixth executive director
in 50-year history



The OPERS Board of Trustees has named Joseph A. Fox the new executive director of the System effective November 1, 2014. Joe replaces Tom Spencer who resigned to become the executive director of the Oklahoma Teachers' Retirement System. Joe becomes the sixth executive director since OPERS was created in 1964.

"The OPERS Board is very happy with its selection of Joe as executive director," said OPERS Board Chair DeWayne McAnally. "After many consultations with outside sources and OPERS staff, Joe became the clear choice."

Fox has served as general counsel of OPERS since 2005, after serving as legal counsel for the Oklahoma House of Representatives for many years, including general counsel for former Speaker of the House Larry Adair.

McAnally added, "This is a critical time for OPERS as it is focusing on implementing a new defined contribution retirement plan in 2015. The agency needs strong and enduring leadership, and the board feels Joe provides that continuity."

New Handbooks Coming Soon

OPERS is currently updating the URSJJ Member Handbook. Like prior versions, the handbook is a detailed summary of plan provisions. The new version will also include new content on financial preparedness, net worth, retirement risks, and estate planning.

The enclosed *EssentialURSJJ* is a summary of plan provisions for those interested in an at-a-glance overview of the benefits of plan membership. The *EssentialURSJJ* was created to answer most of your questions on plan participation and the member handbook for more detailed information.

We'll Miss You, Tom!

Tom Spencer leaving OPERS after 11 years



OPERS bids a fond farewell to Tom Spencer, who left after serving as the executive director for 11 years to become the executive director of the Oklahoma Teachers' Retirement System.

Starting in August of 2003, Tom helped to pass meaningful pension reform legislation and guided OPERS through many important changes. Among those changes were moving away from paper and microfilmed records to an electronic document imaging system, replacing a legacy computer system with a modern pension administration system, establishing a call center to handle a growing number of inquiries from members and participating employers, and rolling out a financial literacy education program for members.

On the legislative front, Tom fought to address unfunded benefit increases during a time of weakening in the financial condition of OPERS.

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RETIREMENT 101

Three Things You Should Know About Being a Caregiver

Declining health is a reality for all of us and is a common factor in deciding to retire - either for your own health or the need to become a caregiver to someone else. More than 65 million people provide care for a chronically ill, disabled or aged family member or friend.¹ More than one quarter of retirees and pre-retirees expect to contribute toward caregiving expenses of a relative or friend.²

In this article, we highlight three important things everyone needs to know about being a caregiver.

1. Caregiving can impact your retirement

Being a caregiver often means taking time off work or leaving employment altogether. It has been estimated that more than one third of caregivers leave the workforce or reduce hours worked.³ Any breaks in service or time not earning income will impact your future retirement benefits. Any leave without pay or breaks in service will affect your OPERS benefit, which is based in part on the amount of service you have accrued at retirement. Likewise with Social Security, time out of the workforce can reduce your lifetime benefit amount.

According to a Gallup survey, 55% reported providing care for three or more years.⁴ Time not working means missed retirement contributions, lost employer matching funds, and weaker compounding interest.

2. Caregiving can impact your health

Caregivers have higher levels of stress, and providing care takes away time a person would have had to take care of themselves. Seventy-two percent of family caregivers report not going to the doctor as often as they should and 55% say they skip doctor appointments for themselves.⁵

Studies also show that caregivers have higher levels of depression and estimates show between 40-70% of caregivers have symptoms of depression.⁶

3. Caregiving disproportionately impacts women

Women provide the majority of informal care to spouses, family and friends. It is estimated that between 60-75% of caregivers are women. Although men also provide assistance, female caregivers may spend as much as 50% more time providing care than male caregivers.⁷

Time out of the workforce is also higher for women, an average of 12 years raising children and caring for an older relative or friend.⁸

Being a caregiver is a wonderful gift that enhances so many lives, but it can also be a very difficult and stressful job. There are many support services available to caregivers. For more information about being a caregiver, please visit some of the resources listed to the right.

Types of Caregiving

“Basic care” is defined as personal activities like dressing, feeding, and bathing, or what are more commonly referred to as activities of daily living (ADLs) or personal care.

“Instrumental activities of daily living” includes activities such as grocery shopping, transportation, and handling finances.

“Financial assistance” is defined as providing at least \$500 of support to a parent within the past two years.

Additional Resources

National Alliance for Caregiving
www.caregiving.org

Family Caregiver Alliance
www.caregiver.org

Caregiver Action Network
www.caregiveraction.org

Eldercare Locator
www.eldercare.gov

Administration on Aging
www.aoa.gov

Medicare Caregiver Resource Kit
www.medicare.gov/caregivers

Long-Term Care Information
www.longtermcare.gov

AARP Caregiving Resource Center
www.aarp.org/home-family/caregiving

CDC – Family Caregiving Facts
www.cdc.gov/aging/caregiving/facts.htm

WISER Women – Caregiving Education
www.wiserwomen.org

¹ www.caregiver.org/selected-caregiver-statistics

² Society of Actuaries, 2013 Risks and Process of Retirement Survey

³ The MetLife Study of Caregiving Costs to Working Caregivers, June 2011

⁴ Gallup Healthways Wellbeing Survey, Most caregivers Look After Elderly Parent; Invest a Lot of Time, July 2011

⁵ Evercare Study of Caregivers in Decline: A Close-Up Look at Health Risks of Caring for a Loved One. National Alliance for Caregiving and Evercare. 2006.

⁶ www.caregiver.org/caregiver-health

⁷ www.caregiver.org/women-and-caregiving-facts-and-figures

⁸ Social Security Administration. (2002, February). Women and Social Security (Fact Sheet)

EssentialURSJJ

Uniform Retirement System for Justices & Judges



The Uniform Retirement System for Justices and Judges (URSJJ) is a retirement plan administered by the Oklahoma Public Employees Retirement System (OPERS) Board of Trustees for Justices and judges of the Supreme Court, Court of Criminal Appeals, Worker's Compensation Court, Court of Civil Appeals, and District Court. URSJJ is qualified under Section 401(a) of the Internal Revenue Code to provide you a lifetime retirement benefit when you meet the eligibility requirements described below.

You participate in URSJJ 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 URSJJ 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 URSJJ 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. URSJJ 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

Membership in URSJJ begins immediately upon appointment or election to the bench.

Current contribution rates are 8% for the member and 13.0% for the employer.

Contributions

The employer contribution rate will increase by 1.5% at the beginning of each fiscal year until it reaches 22.0% in FY 2019. For more details on the contribution rates, 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. In URSJJ, you must have eight years of credited service as a Justice or judge to be eligible to vest.

Eligibility for Normal Retirement Benefits

If you became a member of URSJJ before January 1, 2012:

- **Age 60** – You can begin receiving full, unreduced retirement benefits when you are at least age 60 with 10 years of service as a Justice or judge; or
- **Age 65** – You can begin receiving full, unreduced retirement benefits when you are at least age 65 with eight years of service as a Justice or judge; 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 of URSJJ on or after January 1, 2012:

- **Age 62** – You can begin receiving full, unreduced retirement benefits when you are at least age 62 with 10 years of service as a Justice or judge; or
- **Age 67** – You can begin receiving full, unreduced retirement benefits when you are at least age 67 with eight years of service as a Justice or judge.



Uniform Retirement System for Justices & Judges

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

1-800-733-9008 • www.opers.ok.gov

Eligibility for Disability Benefits

If you must terminate participation in URSJJ due to significant health problems resulting in permanent disability, you may be entitled to disability benefits if you are age 55 or older and have 15 or more continuous years of judicial service and retirement by reason of physical disability is ordered by the Court on the Judiciary.

Calculating Your Retirement Benefits

Your gross annual retirement benefit is calculated by multiplying your:

- **Final Average Salary¹** – The average of your compensation during your highest three years.
- **Total Service Credit** – The years and full months you have participated in URSJJ, including any purchased and prior service. Total service is rounded up or down to the nearest full year.
- **Computation Factor of 0.04 (or 4%)**

Post-Retirement Employment

If you are elected or appointed to any judicial or other office covered by URSJJ after retirement, your retirement compensation will be suspended while you hold that office. You will participate in the system while reemployed; however, upon leaving office, your retirement compensation will be reinstated.

Post-retirement employment in any other capacity does not limit or suspend you from receiving your URSJJ retirement benefits.

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 URSJJ to retain membership and any service credit previously earned.** Upon re-employment with a URSJJ 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 URSJJ.** 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 URSJJ. No accumulated interest or increased value is paid on the withdrawn money.

Member Communications

URSJJ provides a number of member communications, including (among others):

- Publications and notices, including member handbooks, newsletters, and annual statements of account to active and vested members.
- Informational seminars on financial and retirement planning, and
- Web site at www.opers.ok.gov.

¹ In the past, certain salary caps applied. Therefore, if any of the highest three 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.

Healthful

How Nutrition and Exercise May Help Prevent the Flu

The Centers for Disease Control estimates one in five Americans get the flu each year. The best defense against the flu is getting vaccinated, but that alone is not a guarantee of avoiding influenza. Flu prevention is often discussed in terms of washing hands thoroughly, covering your mouth and nose when coughing and sneezing, or getting an adequate amount of sleep each night. While all are important, other important components of flu prevention are nutrition and exercise.

Nutrition is important in supporting your immune system, and takes on even greater significance during cold and flu season. Inadequate diets low in protein, too low in calories (less than 1,200 daily), or containing too many processed or fast foods will lack nutrients necessary to maintain a healthy immune system.

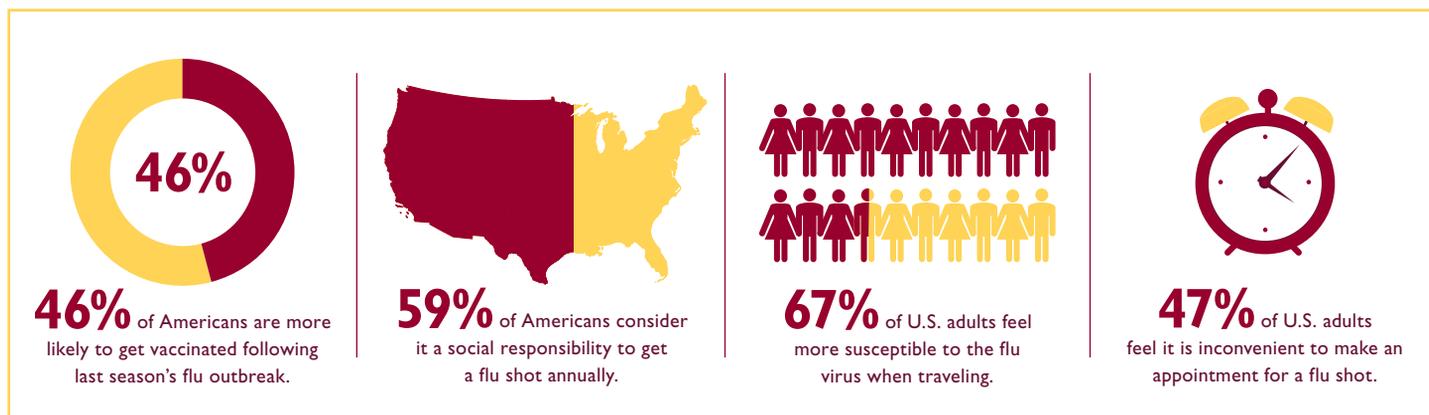
Diets plentiful in fruits, vegetables, whole grains, lean protein, low-fat dairy, and healthy fats are high in antioxidants and phytonutrients. Antioxidants reduce the risk of stroke and enhance immune defense, lowering the risk of cancer and infection. Phytonutrients have been proven to increase immunity and speed the healing process. For optimal benefits, aim for seven servings of fruits and vegetables and at least three servings of whole grains per day.

Working probiotics into your diet may also be beneficial. Probiotics are microorganisms which add healthy bacteria to the intestinal tract. This healthy bacterium keeps the gut and intestinal tract low in disease-causing germs. A healthy gastrointestinal tract can bolster the body's defense and help resist flu viruses. Yogurts with active cultures that are also fortified with vitamin D are good sources of probiotics. Over-the-counter supplements are also available.

A strong diet includes proper fluid intake. Dehydration may increase the chance of catching the flu, as outdoor air is drier in cold weather as well as in our heated homes. Staying hydrated in winter keeps mucous membranes soft and moist, preventing tiny cracks that allow viruses and bacteria to enter. The Institute of Medicine determined the adequate intake of total beverages a day is roughly 13 cups (3 liters) for men and 9 cups (2.2 liters) for women.

A regular exercise routine can also be valuable in warding off the flu. A 30 to 60-minute walk is considered moderate exercise. Be aware that exercising too much can weaken the immune system. Try walking, biking, swimming, or even dancing to stay active during the winter months. Consistently exercising can provide a powerful boost to the immune system.

The rewards of a sensible nutrition plan and a consistent exercise regimen are especially advantageous during flu season. For more flu facts, tips, and information, please visit www.flu.gov.



This survey was conducted by Harris Interactive on behalf of CVS pharmacy from June 18-20, 2013 among 2,084 adults, age 18 and older.

The Director's Corner We'll Miss You, Tom!

(Continued from page 1)

He received approval from the OPERS Board of Trustees to advocate for the Oklahoma Pension Legislation Actuarial Analysis Act, which enacted a financially prudent means for the Legislature to consider pension legislation. The Board also backed numerous pieces of legislation Tom suggested to improve funding and close costly loopholes. The actuarial funded ratio for OPERS has been over 80% for four straight years and the System has collected slightly more than actuarially required contribution rate in each of those years.

"I am tremendously proud of the reform we achieved that strengthened the OPERS pension system. But I am the most proud of leaving OPERS better off than I found it, and the enormously talented staff that I have helped build. They are great people and I will miss them very much. In addition, I would have had no success without a series of dedicated and supportive trustees to work for."

When Tom took over in 2003, OPERS had about \$4.6 billion in assets. Today, the System has in excess of \$8 billion in assets and serves 43,000 active members, 32,000 benefit recipients, and 300 participating employers. He leaves OPERS as only the fifth person to lead the agency in its 50-year history.

For more on Tom's career in public service, read the full article at www.opers.ok.gov.

Contact URSJJ

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Uniform Retirement System for Justices and Judges

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(405) 858-6737

Outside Local Calling Area:

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Website:

www.opers.ok.gov

This publication, printed by Mercury Press Inc., is issued by the Uniform Retirement System for Justices and Judges (URSJJ) as authorized by its Executive Director. Six hundred (600) copies have been prepared and distributed at a cost of \$137.40. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Mailed November 2014.

PRSRSTD
U.S. POSTAGE
PAID
OKLAHOMA
CITY OK
PERMIT NO.
2712



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Oklahoma City, OK 73152-3007