

## Retirement and the “Gig” Economy

There is good news for retirees who want to work in retirement. With the help of technology, gig employment is expected to be a significant share of the economy within the next decade. These flexible jobs allow workers to set their hours and realize the retirement dream of “Do what I want when I want.” Here are some ideas to get started in the gig economy.

### Variety of ‘app’ortunities

Although apps for driving or food delivery services are most familiar, there are hundreds of apps for other types of gig work. Any task people would rather not complete themselves, such as assembly, yard work, errands, or housework, can be monetized. Even traditional gig jobs like tutoring, babysitting or pet sitting, now have an app.

### Make your property work for you

Apps and websites also make it easy to participate in the *sharing economy*. You can share a room or your whole home, operating as a B&B. Requiring less work, you can create an income stream by sharing cars, trucks, RVs, bikes, and other equipment. Also, this can keep these properties affordable in retirement.

### Freelance with the familiar

Maybe you love your work but need a change in pace or reduced hours. Consider offering your wealth of knowledge as a consultant or contract worker. Again, apps and websites make it easier to find and manage opportunities. Freelancing can be a great way to continue a similar routine without the stresses, responsibilities and performance expectations of a typical 9-to-5.

### Do what brings you joy

If extra cash is a low priority, find something that brings you joy. Staying active and social provides physical and mental benefits, such as keeping the brain sharp.

The term “gig” is a slang word meaning “a job for a specified period of time”. This sector of the economy consists of part-time workers, independent contractors, freelance workers, seasonal employees, and other lines of temporary work.

Enjoy concerts? Look for event staffer opportunities. Zoos and museums always need docents. Turn your crafts into a business. Find meaning in community work or volunteering. These are all great ways to feel productive and a part of something without being tied down to a job.

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## OPERS Welcomes New Deputy Executive Director

Paul Thompson has been named the OPERS Deputy Executive Director. “Paul brings a wealth of experience and knowledge



to this position, and we are thrilled to have him in this leadership role,” says Joe Fox, OPERS Executive Director.

As the agency moves forward in advancing more efficient operations, improving underlying technology and practices, applying best practices to protect your investments, and providing easy access to information

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# RETIREMENT 101

## Tax Planning in Retirement

The *Withholding Preference Certificate* has been updated to give you more control in how taxes are withheld from your retirement benefit. The new form will allow you to select a different tax withholding preference for federal and Oklahoma state taxes.

You can update your withholding preference anytime by completing a new form. Forms must be received and accepted by the 5th day of the month to be in effect for the deposit on the last working day of the same month.

### Completing the form

The *Withholding Preference Certificate* allows you the option to withhold no taxes or to withhold based on the tax withholding tables. You must complete the separate sections for federal and Oklahoma state taxes.

#### Option 1

To have no federal or state taxes withheld, check the appropriate box. You might consider this option on state taxes if you are no longer a resident in the state of Oklahoma. State taxes withheld on your OPERS benefit will be remitted to the Oklahoma Tax Commission and not the taxing authority of your state of residence. If you elect to have zero taxes withheld, do not complete anything else in this section, including the marital status and allowance.

#### Option 2

**Marital Status** - To elect to withhold based on the withholding tables, you will select your marital status to determine whether taxes will be withheld based on the higher single tax bracket or lower married filing jointly tax bracket. Check the "single" box if you are not married, divorced or widowed. Married individuals will choose between "married" or "married, but withhold at a higher single rate."

**Allowances** - You will need to enter your number of allowances, which are used to reduce your withholding. The more allowances you claim; the less taxes will be withheld from your benefit. Entering '0' allowances will have the most taxes withheld based on the tax withholding table. Each allowance claimed will decrease the amount of taxes withheld. To accurately determine your number of allowances, use the IRS worksheets included with the form. You may also consider using the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App), especially if you have a more complicated tax situation.

**Additional Dollar Amount** - You can request to withhold an additional dollar amount above the amount withheld based on the tax withholding tables. The IRS worksheets or online calculator may give you an amount to enter here. You may also consider entering an amount to cover taxes on other income not subject to withholding.

### Taxes on Multiple Income Sources

Taxes in retirement require planning as you may receive income from different sources (e.g., OPERS, Social Security, personal savings or work) which may have different tax treatments. A good understanding of your income and tax treatments will help you better plan for your tax needs.

| OPERS<br>OKLAHOMA   |  | Withholding Preference Certificate<br>Federal and Oklahoma State Income Tax   |                              | 515-151-19<br>21 |
|---|--|---|------------------------------|------------------|
| <small>Federal and state law requires the Oklahoma Public Employees Retirement System (OPERS) to withhold income tax from your benefit payment. If you do not file a withholding preference, OPERS is required by law to assume you are married and claiming three allowances for both federal and state withholding. OPERS will automatically withhold federal and state income tax if your benefit is large enough to require withholdings. You have the right to change your withholding at any time by completing and submitting a new withholding form. For more complete instructions regarding your withholding options, consult the instructions and worksheets provided with this form or the IRS' Form W-4P which is available at <a href="http://www.irs.gov">www.irs.gov</a>. Please type or print in ink the information on this form, separate from the instructions, and submit the form to OPERS. Forms received after the 5th day of the month will be processed in the following month.</small> |  |   |                              |                  |
| <b>MEMBER INFORMATION</b>   |  |   |                              |                  |
| Name (First, Middle, Last) _____  |  |   | Social Security number _____ |                  |
| Mailing address (Street or Rural Route, City, State, Zip+4) _____   |  |   |                              |                  |
| Phone number _____  |  |   | Email address _____          |                  |
| <b>FEDERAL WITHHOLDING</b>  |  |   |                              |                  |
| Choose from one of the following options for your federal withholding.  |  |   |                              |                  |
| <b>No Federal Taxes</b>   |  | <b>Federal Withholding</b>  |                              |                  |
| <input type="checkbox"/>  |  | OR  |                              |                  |
| Check here if you do not want any federal income tax withheld from your pension.  |  | Complete this section if you want to withhold based on the federal tax withholding tables:  |                              |                  |
|   |  | Marital status (select one): <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. |                              |                  |
|   |  | Enter number of allowances: _____   |                              |                  |
|   |  | OPERS will assume zero allowances if the above line is left blank.  |                              |                  |
|   |  | Additional amount, if any, you want withheld from each monthly payment. \$ _____  |                              |                  |
| <b>(OKLAHOMA) STATE WITHHOLDING</b>   |  |   |                              |                  |
| Choose from one of the following options for your state withholding.  |  |   |                              |                  |
| <b>No State Taxes</b>   |  | <b>Oklahoma State Withholding</b>   |                              |                  |
| <input type="checkbox"/>  |  | OR  |                              |                  |
| Check here if you do not want any Oklahoma income tax withheld from your pension.   |  | Complete this section if you want to withhold based on the Oklahoma tax withholding tables:   |                              |                  |
|   |  | Marital status (select one): <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. |                              |                  |
|   |  | Enter number of allowances: _____   |                              |                  |
|   |  | OPERS will assume zero allowances if the above line is left blank.  |                              |                  |
|   |  | Additional amount, if any, you want withheld from each monthly payment. \$ _____  |                              |                  |
| <b>SIGNATURE</b>  |  |   |                              |                  |
| I have reviewed the information on this form including the instructions and worksheets and hereby submit this statement of preference regarding how my benefit is to be treated for purposes of federal and state income tax withholdings. I understand this election revokes any previous withholding preferences I have made with OPERS.  |  |   |                              |                  |
| Signature _____   |  |   | Date _____                   |                  |
| <small>OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM<br/>P.O. Box 53007   Oklahoma City, Oklahoma 73152-3007<br/>Tel 405-858-6737   Toll-free 1-800-733-9008   <a href="http://www.opers.ok.gov">www.opers.ok.gov</a></small>   |  |   |                              |                  |
| <small>Rev. 03/2019</small>   |  |   |                              |                  |

Your OPERS benefit and withdrawals from qualified accounts like SoonerSave, traditional IRAs, or 401ks are taxed as ordinary income. Depending on your income, up to 85% of your Social Security benefit may be considered taxable income. Money properly withdrawn from Roth IRAs, HSAs, municipal bonds, capital gains and certain insurance policies may be taken tax-free or at a lower tax rate.

You will need to complete a withholding preference certificate, W-4 or W-4P for each source of income you receive in retirement. The IRS suggests your overall withholding will be most accurate if you allocate all of your withholding allowances to the highest paying income source and then claim zero on the remaining incomes.

At least once a year, review your situation or work with a tax advisor to create a tax plan. Taking money from the right balance of income sources could reduce your marginal tax rate and the taxable amount of your Social Security benefit.

#### Resources

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

[www.irs.gov](http://www.irs.gov)

[www.ok.gov/tax](http://www.ok.gov/tax)

[www.ssa.gov](http://www.ssa.gov)

## Legislative Update

### COLA Being Studied for 2020

The 2019 regular session of the Oklahoma Legislature adjourned without passing any legislation which directly impacts members of OPERS. However, HB 2304 and HB 2485 were both referred to the legislative actuary as required by the Oklahoma Pension Legislation Actuarial Analysis Act. This means the bills will be studied over the interim and could be voted on by the legislature in 2020. The major provisions of the two bills propose a cost of living adjustment (COLA) for retirees.

**HB 2304** proposes a two percent (2%) COLA for members who were retired as of December 31, 2018, and still receiving a benefit as of January 1, 2020.

**HB 2485** proposes a four percent (4%) COLA for members who were retired as of December 31, 2018, and still receiving a benefit as of January 1, 2020.

For more information on interim studies, visit the websites below.

- [www.okhouse.gov](http://www.okhouse.gov)
- [www.oksenate.gov](http://www.oksenate.gov)



# Updating Your Direct Deposit

Retired members receive their monthly payments via direct deposit on the last working day of each month. You may change your direct deposit information at any time by completing a *Direct Deposit Authorization* form. You may request a form by calling (405) 858-6737 or (800) 733-9008. Beneficiary forms and change of address forms may be obtained from the website or by calling.

The completed *Direct Deposit Authorization* form is due by the 5th of the month for your payment to be direct deposited into your account for that month. We recommend not closing the old account until your monthly benefit has cleared the new account. Once a new direct deposit form is received, any returned checks will be reissued along with the current monthly benefit at the end of the month.

## 2019 DIRECT DEPOSIT DATES

July 31

August 30

September 30

October 31

November 27

December 31

## Retirement and the “Gig” Economy

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### Time to do something different

A dream job may not pay enough to support you during your working years. In retirement as supplemental income, it's a perfect opportunity. Encore careers can be a way to reinvent yourself. Need to learn new skills? Many schools offer discounted programs and senior tuition waivers. If a degree isn't necessary, you may even audit classes for free.

### Patchwork of jobs

Demand for services can be volatile or periodic. Piece together a few different options filling in gaps when one business declines or a season has ended. This strategy generates steadier income and variety to maintain interest. Seasonal jobs like tax preparation, retail work, or stints at National Parks, State Parks and resorts break during off seasons allowing you to enjoy travel without the crowds.

### Account for the Tax Impact

Tax time may be a little more complicated. Be sure to keep good records as you may not receive 1099s for all the income you have earned. Gig and freelance income is still taxable, and may also require self-employment tax. Consider boosting your tax withholdings through income sources that withhold or make estimated tax payments to avoid tax penalties.

### Resources:

IRS Sharing Economy Tax Center:

[www.irs.gov/businesses/small-businesses-self-employed/sharing-economy-tax-center](http://www.irs.gov/businesses/small-businesses-self-employed/sharing-economy-tax-center)

OPERS Returning to Work: [www.opers.ok.gov/returning-to-work](http://www.opers.ok.gov/returning-to-work)

List of Gig Economy Job Apps:

[www.hurdlr.com/blog/on-demand-economy-gigs](http://www.hurdlr.com/blog/on-demand-economy-gigs)

## If work brings you back into the OPERS system, keep in mind the following rules:

1. You may not return to work for the same employer you retired from for a period of one year.
2. You may return to work for another OPERS participating employer after the first month of retirement.
3. Your OPERS benefit may be subject to earnings limitations.

For more information, please visit

[www.opers.ok.gov/returning-to-work](http://www.opers.ok.gov/returning-to-work).

# Healthful *hints*

## Six Ways to Combat the Effects of Screen Time

The need to limit screen time is all over the news, but research often centers on toddlers, school-aged children and teenagers. What about adults? According to a recent Nielsen report, American adults age 18 and older spend more than 11 hours each day using electronics. On average, adults check their phone every 10 minutes. Prolonged screen use may result in many issues, including eye strain, muscle aches, carpal tunnel syndrome, stress, sleep issues, weight gain, and metabolic syndrome.

Experts hesitate to offer screen time recommendations for adults because many careers require hours of daily screen time. Adults should not overlook the importance of self-regulating screen time throughout the day. These six tips can help reduce risks associated with prolonged screen time.



### 1. Stand and Stretch

Working in front of a screen can strain the eyes and muscles in your back and neck. Make sure you take breaks and look away. Stand up, stretch and walk around. Learn a few “chair yoga” moves and practice those throughout the day. Paying attention to your posture throughout the day, whether sitting or standing, can help to reduce some of the strains of screen time.

### 2. Leverage Technology

If you find it challenging to disengage from your screen, let technology help. Set alarms to remind you to take breaks. Download one of the many available apps that limit screen time. You can also use high-tech solutions to combat inactivity and weight gain. Fitness trackers worn on the body, like Fitbits, encourage you to get up and be active instead of sitting in front of a screen.

### 3. Be Present

According to a study by the Braun Research Center, we are more likely to think of our phones upon waking than our significant others. Phones and other devices have become so integrated into virtually every aspect of our daily routine that we are often more plugged into our electronics than into those around us. We can find ourselves feeling disengaged and alone, while we are simultaneously more connected than ever. Forego the screens and focus on the people, things, and events around you. Making eye contact, initiating a conversation, or extending an act of kindness are all ways to stay connected to the world around us.

### 4. Don't Eat in Front of a Screen

Being distracted or not paying attention while eating a meal has been linked to increased calorie intake and eating at more frequent intervals. The American Journal of Clinical Nutrition suggests the application of “mindful eating.” Small changes such as eating at a designated spot, taking small bites and chewing well, and eating with your non-dominant hand will contribute to the mindful eating experience.

### 5. Keep Screens Out of the Bedroom

Avoid using any backlit screen in the hour right before bedtime, as they emit light that may interrupt your quality of sleep. Many experts advise keeping devices like phones, tablets, and TVs out of the bedroom entirely. Charging devices in another room will eliminate the temptation to scroll screens instead of sleeping.

### 6. Overcome Boredom

Boredom often plays a role in how much time we place ourselves in front of a screen. Scrolling through social media, pinning to favorite boards, or reading the latest headlines is commonplace when we find ourselves with downtime. Boredom is a perfect opportunity to limit screen time; tackle a project you have been putting off, engage in a hobby, or take a device-free walk. These actions will prevent mindlessly wasting time with screens and may help you feel productive and rejuvenated.





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## New Deputy Executive Director

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about retirement, Paul will be an invaluable leader making sure these projects are on track and completed.

Paul has over 20 years of experience working in the public sector in higher education and state government. Paul is in his second stint with OPERS, having started with OPERS in 2006 as a systems analyst charged with modernizing several outdated technology systems. He returned to OPERS in 2015 as the director of information technology.

Paul has a Bachelor of Science in Religion from Liberty University, a Master of Education from the University of Oklahoma, and a Master of Public Administration from the University of Oklahoma. He has 15 years of experience in management and leadership positions. Paul has focused his career on project management, strategic planning, employee development, and organizational design and change management.

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### REMINDER: Update Your Beneficiary

It is important to review beneficiary forms often and make changes as necessary. Beneficiary forms may be updated at any time. OPERS will honor the most recent beneficiary form on file. Visit our website at [www.opers.ok.gov/forms](http://www.opers.ok.gov/forms).

## Contact OPERS

### Mailing Address:

Oklahoma Public Employees Retirement System  
Post Office Box 53007  
Oklahoma City, Oklahoma 73152-3007

### Local Phone:

(405) 858-6737

### Outside Local Calling Area:

(800) 733-9008

### Website:

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

### Article Idea? Comments?

**We want to hear from you!**

[newsletter@opers.ok.gov](mailto:newsletter@opers.ok.gov)

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