

retiringRIGHT

URSJJ

URSJJ Edition Winter 2022

Taxes and Your Retirement Benefit

Tax season is here and now is the time to start gathering your important tax papers.

Every year, URSJJ mails each retiree a Form 1099-R at the end of January. This form shows: 1) the gross amount of your retirement benefit for the previous calendar year; 2) the amount of state and federal income tax withheld from your retirement benefit; and, 3) the federal taxable amount of your retirement benefit for the year. You will need this information to complete your state and federal income tax return.

You should allow 10-15 business days for delivery of your 1099-R. If you have not received your form by February 15th you may request a copy with the Member Information or Document Request form. You can complete and submit the form online at www.opers.ok.gov/forms or call us to have it mailed to you. Your mailing address must match our records before a 1099-R will be mailed to you.

More information about taxes and the Form 1099-R can be found on the OPERS website at www.opers.ok.gov/taxes.

Your monthly benefit amount may change in 2022

URSJJ retirement benefits are considered taxable income. The tax rates applied to your benefit are based on withholding tables provided by the IRS and the Oklahoma Tax Commission. Changes to the tax withholding table may change the amount of taxes taken out of your deposit.

If your tax situation is changing, you should review your withholdings for 2022. You should seek advice from your tax accountant and submit a new *Tax Withholding Preference Certificate* if needed. This form can be found at www.opers.ok.gov/taxes. The form must be received by URSJJ before the 5th of the month for the change to be in effect for the deposit that month.

2022 Retiree Health Insurance Rates (Employees Group Insurance Division)

If you have retiree health insurance premiums through the Employees Group Insurance Division (EGID) deducted from your URSJJ benefit, be aware that EGID has adopted a change in 2022 health insurance premium rates. For more information on the 2022 rate changes, visit the EGID website at www.oklahoma.gov/omes/services/employees-group-insurance-division.html. URSJJ cannot answer questions related to 2022 rate changes or coverage. If you have specific questions about your coverage, please contact EGID at 1-800-752-9475.

Uniform Retirement System for Justices and Judges

DIRECTOR'S CORNER

Joseph A. Fox, Executive Director

As the calendar rolls into 2022, I am happy to report your Retirement System continues to be in outstanding financial condition; perhaps the most robust in the System's history. As you will see in this newsletter, the numbers are impressive. The System is over 100% funded on an actuarial basis and the Plan assets were at an all-time high as of July 1, 2021. The equity markets have continued to deliver attractive returns since July, so Plan assets have surged past the new highs achieved during the fiscal year. But capital markets are volatile, and we remain cautious and know we cannot get ahead of ourselves. We have only reached these levels through the commitment of our strong Board of Trustees and staff, with their steadfast focus on our long-term investment philosophy.

There is an abundance of good information to be found in our Comprehensive Annual Financial Reports and the Actuarial Valuation Reports for FY2021 and would encourage you to take a look. This year's theme, "Together – Apart" is appropriate for our new normal. Even though we have been apart, the OPERS staff has worked together to continue to provide consistent and excellent service to our members.

For the twenty-third consecutive year, our staff has been nationally recognized by the Government Finance Officers Association and was awarded the Certificate of Achievement for Excellence in Financial Reporting

continues on page 8

ALSO IN THIS ISSUE

- 2 Healthful Hints: Fresh Air Does the Body Good
- 3 2021 Popular Annual Financial Report
- 7 Retirement 101: Retirement FAQ Checklist
- 8 Contact URSJJ

SEE INSIDE

TOGETHER

Uniform Retirement System for Justices and Judges
POPULAR ANNUAL FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2021

Healthful Hints: Fresh Air Does the Body Good

There is nothing like stepping outdoors and filling your lungs full of fresh, clean air. It gives an invigorating feeling and sense of calm. Fresh air also boosts your health and energy level.

Why is getting fresh air better?

With each breath we slowly deplete oxygen from the air indoors. Our bodies must then spend more energy getting the oxygen we need. When you trade stale, recycled air for fresh outdoor air, your body works less, giving you back more energy. Both your mind and body feel refreshed.

Another benefit is an increase of serotonin, one of the feel-good hormones. As the oxygen level rises in your brain so does production of serotonin. Taking in a deep breath of oxygen-saturated fresh air can literally make you feel happier and healthier. The functioning of your bodily organs, and the health and repair of cells and tissue depend on oxygen. The quality of air you inhale has an impact on your healing and recovery from illness.

Can we just make indoor air better?

Indoor air is often more polluted than the air outside. Dust mites, mold and harmful chemicals emitted from household products contaminate our air and collect on surfaces and fabrics. Using a HEPA air purifier may remove these impurities and help prevent or reduce allergies and illness. But you are still left with stale, low oxygen air. Improving indoor air quality comes from ventilating with clean outdoor air in combination with a quality filter. Keep in mind more people sharing a space requires a greater air exchange rate to be effective.

What is the best fresh air?

The easiest and best option is simply going outdoors. Plus, if you spend that time in a green or blue space, you will gain additional benefits. Multiple studies have shown being out in nature helps with physical relaxation, lowering blood pressure and stress. During a workday, stepping out for a fresh air break provides rest for your eyes from staring at a computer screen. On a sunny day, you can also take in some Vitamin D.

Taking advantage of this low effort boost to your well being doesn't require relocating your office or living space to your backyard. Just 20 minutes of being outdoors is enough to boost your vitality levels. Next time you reach a mental block or feel sluggish, take a short break outside. This will relax your mind from intense thinking and re-spark creativity and productivity. You will find yourself re-energized, focused and ready to tackle your day again.



As the weather warms up, hiking is a great way to get outdoors with the bonus of exercise. Popular spots with trails for all levels of hiking in Oklahoma include:

- **Beavers Bend State Park**, *Broken Bow*
- **Natural Falls State Park**, *Colcord*
- **Wichita Mountains Wildlife Refuge**, *Lawton*
- **Turkey Mountain**, *Tulsa*
- **Martin Park Nature Center**, *Oklahoma City*
- **Robbers Cave State Park**, *Wilburton*
- **Greenleaf State Park**, *Braggs*
- **McGee Creek Natural Scenic Recreation Area**, *Atoka*
- **Roman Nose State Park**, *Watonga*
- **Chickasaw National Recreation Area**, *Sulphur*

Feeling more adventurous? Try these more demanding trails with a rewarding view:

- **Cathedral Mountain Trail at Gloss Mountain State Park**, *Fairview*
- **Elk Mountain Summit Trail at Wichita Mountains Wildlife Refuge**, *Lawton*
- **Black Mesa Summit Trail at Black Mesa State Park**, *Kenton*

Search "hiking" at www.travelok.com for other ideas.

Uniform Retirement System for Judges and Justices

POPULAR ANNUAL FINANCIAL REPORT

for the Fiscal Year Ended June 30, 2021

TOGETHER

Dear Esteemed Member:

I am 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, 2021. This report is a reader-friendly summary of financial information provided in the 2021 Comprehensive Annual Financial Report.

This report represents a financial summary of a year that despite being APART, we continued to remain focused on what brings us TOGETHER: *providing a secure retirement benefit for a lifetime*. Our dedication to providing continuous, sound retirement services during unprecedented times reflects our staff's commitment to our members.

This report represents what is best about the URSJJ and its members. My gratitude goes to those who have worked purposefully and intentionally to prepare this report for our members and employers.

Sincerely,

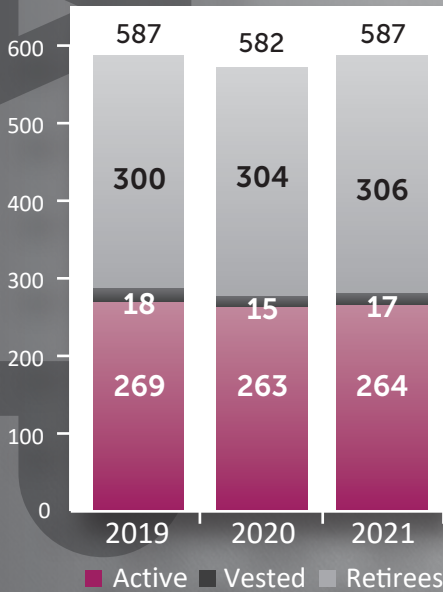
Joseph A. Fox
Executive Director



Comprehensive Annual Financial Report Online

The 2021 Popular Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) contains summary financial information from the 2021 Comprehensive Annual Financial Report. The full report may be viewed, in its entirety online, at www.opers.ok.gov/publications.

DEMOGRAPHICS as of June 30



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, 2021, the Plan's membership includes 264 active members, 17 inactive members, and 306 retirees and beneficiaries.

Net Position

The net position restricted for pension and health insurance subsidy plan (HISP) totaled \$433.5 million at June 30, 2021, compared to \$350.9 million at June 30, 2020 and \$347.5 million at June 30, 2019. The net position restricted for pension/HISP benefits is available for payment of monthly retirement benefits and other qualified distributions to the System's participants. The increase of \$82.6 million and increase of \$3.4 million of the respective years have resulted primarily from the changes in the fair value of the System's investments.

CONDENSED SCHEDULES OF FIDUCIARY NET POSITION

(\$ millions)

	2021			2020			2019		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Assets:									
Cash and cash equivalents	\$ 17.7	\$ 0.1	\$ 17.8	\$ 9.7	\$ 0.1	\$ 9.8	\$ 4.3	\$ -	\$ 4.3
Receivables	18.8	0.2	19.0	8.9	0.1	9.0	10.3	0.1	10.4
Investments	430.6	4.4	435.0	344.8	3.4	348.2	342.2	3.3	345.5
Securities lending collateral	15.7	0.2	15.9	17.5	0.2	17.7	12.4	0.1	12.5
Total assets	482.8	4.9	487.7	380.9	3.8	384.7	369.2	3.5	372.7
Liabilities:									
Other liabilities	37.9	0.4	38.3	15.9	0.2	16.1	12.6	0.1	12.7
Securities lending collateral	15.7	0.2	15.9	17.5	0.2	17.7	12.4	0.1	12.5
Total liabilities	53.6	0.6	54.2	33.4	0.4	33.8	25.0	0.2	25.2
Ending fiduciary net position	\$ 492.2	\$ 4.3	\$ 433.5	\$ 347.5	\$ 3.4	\$ 350.9	\$ 344.2	\$ 3.3	\$ 347.5

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)

	2021			2020			2019		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	\$ 2.9	\$ -	\$ 2.9	\$ 2.8	\$ -	\$ 2.8	\$ 2.7	\$ -	\$ 2.7
State and local agency contributions	7.6	0.3	7.9	7.4	0.2	7.6	7.1	0.2	7.3
Net investment income	94.5	0.8	95.3	15.5	0.1	15.6	20.1	0.2	20.3
Total additions	105.0	1.1	106.1	25.7	0.3	26.0	29.9	0.4	30.3
Retirement, death and survivor benefits	23.0	0.2	23.2	22.0	0.2	22.2	20.4	0.2	20.6
Refunds and withdrawals	0.1	-	0.1	0.2	-	0.2	-	-	-
Administrative expenses	0.2	-	0.2	0.2	-	0.2	0.2	-	0.2
Total deductions	23.3	0.2	23.5	22.4	0.2	22.6	20.6	0.2	20.8
Net increase in fiduciary net position	81.7	0.9	82.6	3.3	0.1	3.4	9.3	0.2	9.5
Beginning of year	347.5	3.4	350.9	344.2	3.3	347.5	334.9	3.1	338.0
End of year	\$ 429.2	\$ 4.3	\$ 433.5	\$ 347.5	\$ 3.4	\$ 350.9	\$ 344.2	\$ 3.3	\$ 347.5

Changes in Fiduciary Net Position

For the year ended June 30, 2021, fiduciary net position increased \$82.6 million, or 23.5 percent. Total assets increased by \$103.0 million, or 26.8 percent, due to an increase of 24.9 percent in investments, an increase of 111.1 percent in receivables and an increase of 81.6 percent in cash and cash equivalents. The System achieved a rate of return of 27.7 percent compared to the prior year of 4.6 percent resulting in most of the increase in fiduciary net position. Total liabilities increased 60.4 percent primarily due to an 137.9 percent increase in pending purchases of securities. For fiscal year 2021, we saw a slight decrease in securities lending collateral by 10 percent.

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, 2021, total deductions increased \$0.9 million, or 4.1 percent, from the prior year. Retirement, death, and survivor benefits increased \$1.0 million, or 4.7 percent, and the average benefit increased 0.5 percent compared to the prior year due to a 0.7 percent increase in the number of retirees. Refunds and withdrawals decreased 54.1 percent 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 decreased 0.6 percent when compared to the prior year.

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

Investments

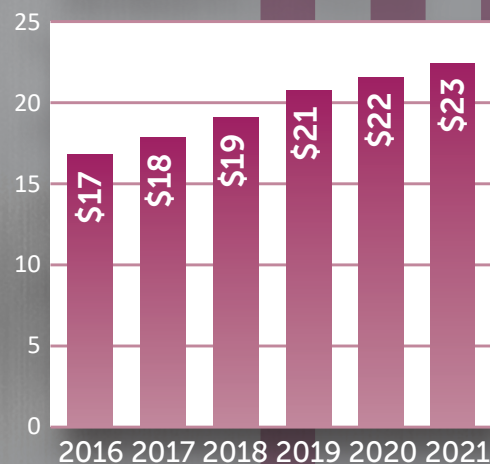
The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. URSJJ's funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2021 increase in the System's managed investments is due mainly in the increase in fixed income investments, U.S. equities and international equities. The System's overall return for the year ended June 30, 2021 was 27.7 percent. The **Rate of Return** table reflects overall investment returns over the past six fiscal years.

The Board has established an investment policy and guidelines that identify asset allocation as the key determinant of return and diversification, both by and within asset classes, as the primary risk control element. Passive fund portfolios are considered suitable investment strategies, especially in highly efficient markets.

The Board engages outside investment managers to manage the various asset classes where URSJJ has exposure. At fiscal year end, the investment portfolio of URSJJ was actively managed by three fixed income managers and passively managed by another investment manager with holdings in one fixed income index fund, two domestic equity index funds and one international equity index fund.

For fiscal year 2021, investments provided a 27.7 percent rate of return. The annualized rate of return for URSJJ was 12.4 percent over the last three years and 11.6 percent over the last five years. At June 30, 2021, the allocation of the investment portfolio is shown in the **Asset Mix** chart.

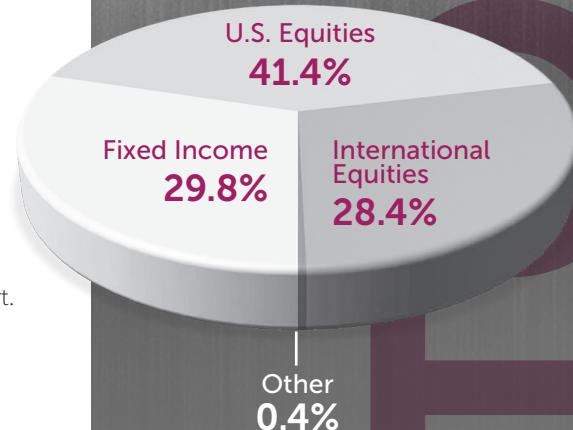
SCHEDULE OF BENEFIT PAYMENTS (\$ millions)



RATE OF RETURN

Year Ended June 30,	Total
2021	27.7 %
2020	4.6
2019	6.2
2018	8.4
2017	12.7
2016	0.6

2021 ASSET MIX



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 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, 2021 amounted to \$341.9 million and \$380.4 million, respectively.

The URSJJ funded status increased to 111.3 percent at July 1, 2021. This is a significant rebound from the 81.3 percent at July 1, 2010. Historically, the URSJJ has been well-funded with the funded status reaching as high as 148.2 percent at June 30, 2002. The Funded Ratio chart shows the change in funded status over the past six fiscal years.

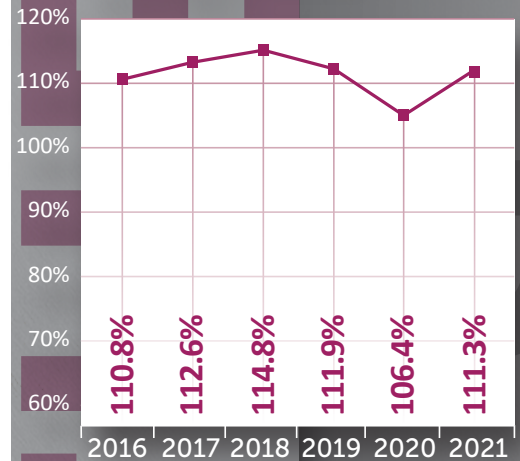
URSJJ Awarded for Excellence in Financial Reporting

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, 2020. 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. This is the eighth year the URSJJ has received this award.

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

FUNDED RATIO
as of July 1



Retirement FAQ Checklist

Maybe you haven't thought much about retirement or retirement is just around the corner and you're wondering what are the next steps. No matter where you are in your career, the time to think about retirement is now. It's important to be prepared when you decide to take the big step into retirement.

Following is a checklist that can help you stay on track and make your retirement a time of relaxation and doing what you enjoy most.

How do I know if I am financially ready to retire?

While there is a no one-size-fits-all answer there are things that can help in the decision-making process. Being financially ready is a major consideration. Talking to a financial planner to coordinate your URSJJ retirement benefit with your overall retirement plan may help you with that decision. You will need to also consider things such as having an emergency savings, cost and types of insurance, and other retirement savings. Know how much you'll need and when you will need it. Learn how we calculate your URSJJ benefit in the Essential URSJJ at www.opers.ok.gov/publications.

How do I know if I am emotionally ready to retire?

Getting ready for retirement isn't just about finances; it's about being emotionally ready, too. Make a list of pros and cons and ask yourself: do you enjoy your job or not so much; will not working make you feel less needed; do you have a social network to communicate with; or, have you been dreaming of new opportunities?

When can I retire with URSJJ?

You become eligible for retirement based on certain age and service requirements. Retirement benefits are based on meeting normal (full) retirement eligibility requirements. For more information about eligibility visit our website at www.opers.ok.gov/retirement-eligibility.

What forms do I need to complete for retirement and where do I get those?

URSJJ will provide you with all the forms needed to complete your retirement. Give us a call when you are ready. You should also contact the Court Administrator to see if you need to file anything apart from the URSJJ application.

Are there deadlines for completing applications?

Retirement dates can only be the first day of any given month. Your completed application should be submitted before this date. We recommend at least one month prior.

What about health insurance?

You will need to enroll in Medicare a few months before you turn age 65. If you are still working and have creditable coverage at age 65, it is important to put your Medicare on hold during your enrollment period to avoid penalties later. If you are enrolled in the Employees Group Insurance while working, you will have the option to keep those plans. Employees Group Insurance Division has a retirement insurance checklist on their website. Search "retirement insurance checklist" at www.oklahoma.gov/omes.checklist.html.

2022 Direct Deposit Dates

As an URSJJ retiree, you will receive your benefit the last working day of the month by direct deposit.

You may change where your benefit is direct deposited by completing a new Direct Deposit Authorization form. Call the office at (800) 733-9008 to request this form.

Forms are due the 5th of the month for your payment to be direct deposited into your account for that month. We recommend leaving the old account open until your benefit has cleared the new account. When we receive the form, any returned checks will be reissued along with the current monthly benefit at the end of the month.

February 28
March 31
April 29
May 31
June 30
July 29
August 31
September 30
October 31
November 30
December 30

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



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

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

Article Idea? Comments?

We want to hear from you!
newsletter@opers.ok.gov

DIRECTOR'S CORNER

continued from page 1

for its annual financial report. Staff also received the Public Pension Standards Award by the Public Pension Coordinating Council for meeting professional standards for plan funding and administration. These awards are important and show the professional dedication our staff exercises in protecting your investment.

Member experience is a top priority and our goal this year is to make the retirement process as smooth and efficient as possible for our retiring members. In these changing times, together and apart, we will continue to enhance and improve the services we provide. To help us achieve these goals, we have new faces and changing roles. Sarah Ashmore has joined OPERS filling the new position of Director of Benefits Administration, and Kristi Ice was promoted to General Counsel and Legislative Director.

We are the safe keepers of pensions for tens of thousands of Oklahomans and we take our jobs seriously. We seek to secure the best investments and services for our membership, and do everything possible to help our members prepare for and enjoy a successful retirement. I hope everyone has a healthy and safe year.

This publication, printed by the University of Oklahoma Printing Services, is issued by the Uniform Retirement System for Justices and Judges (URSJJ) as authorized by its Executive Director. Six hundred twenty-five (625) copies have been prepared and distributed at a cost of \$107.50. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.