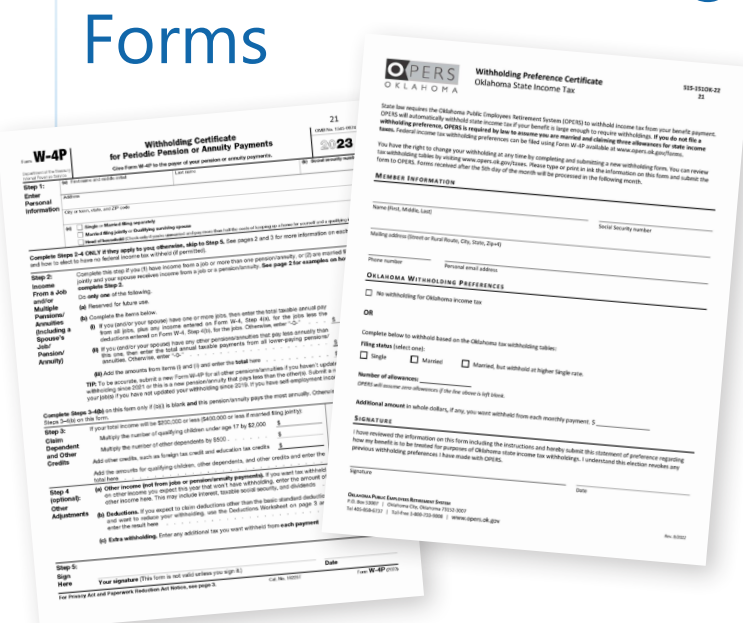


Retired Member Edition Winter 2023

New Tax Withholding Forms



OPERS tax withholding forms have changed. To comply with new federal tax regulations, OPERS will use IRS Form W-4P for federal tax withholding. The W-4P is designed to withhold an amount of federal tax from your income to match your actual tax liability. To accomplish this, your total income, including jobs and other pension or annuity income is considered when calculating the tax withholding on your OPERS benefit. For an accurate tax withholding, the IRS recommends completing a new W-4 or W-4P for your other pensions/annuities and jobs when completing

continues on page 2

Oklahoma Public Employees Retirement System

DIRECTOR'S CORNER

Joseph A. Fox, Executive Director

I am humbled and honored to lead such a wonderful organization whose mission is to provide comprehensive and financially sound retirement services to Oklahoma's public servants in a professional, efficient, and courteous manner that is transparent and accountable to its members and the public. Our dedicated and professional employees make all decisions in the best interest of you, our members.

We have been undergoing a lot of change the last couple of years as OPERS enters the decade of digital transformation. Several of our forms, including the all-important retirement application, are now digital and online. Soon, most of our forms and business processes will be digital and online. This saves everyone time and reduces errors and mistakes. The goal is to provide you more information and a more efficient retirement process. We approach every action with a member-experience focus with teams working across several departments to ensure that we support and educate our fellow state and local employees to help them achieve their retirement goals.

Once again, our outstanding financial and communications teams were nationally recognized, for the 25th consecutive year, by the Government Finance Officers Association receiving the Certificate of Achievement for Excellence in Financial Reporting for its annual financial report. Staff also received the Public Pension Standards Award by the Public Pension Coordinating Council for meeting professional

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SEE INSIDE

Oklahoma Public Employees Retirement System
POPULAR ANNUAL FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2022

ALSO IN THIS ISSUE

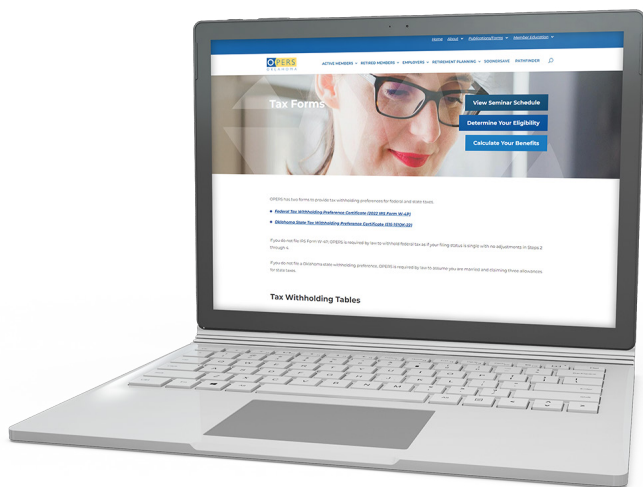
- 2 Form 1099-R in the Mail
2023 Direct Deposit Dates
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- 7 Healthful Hints: Five Reasons Walking Is the Most Recommended Exercise
Member Spotlight
- 8 Contact OPERS

New Tax Withholding Forms (Continued)

the W-4P for OPERS. This new form still allows for the options to have no taxes withheld or to withhold an additional amount.

If you have a tax withholding preference on file with OPERS, you do not need to take any action. Taxes will continue to be withheld from your benefit using the previous method. For members who retire as of January 2023 or later without a tax withholding preference on file, the IRS requires a default federal tax withholding of single and no adjustments. This may mean a higher federal tax withholding from your benefit.

OPERS has a separate form for Oklahoma state tax withholding preferences. This form uses the familiar method for calculating state tax withholdings based on filing status and number of allowances.



Withholding Forms Online

If your tax situation is changing, review your withholdings for 2023, and seek advice from your tax accountant. Tax Withholding Preference Certificates for

federal and/or state taxes are available at opers.ok.gov/tax-forms in a digital format, making it easier and faster to complete. OPERS must receive these forms before the fifth of the month for the change to be in effect prior to the last working day's deposit of that month.

FORM 1099-R IN THE MAIL

OPERS mails a Form 1099-R to every retiree at the end of January of every year. The information contained in your Form 1099-R should be used in completing your state and federal income tax return. This includes:

- 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 should allow 10-15 business days to receive your 1099-R. If you have not received your form by February 15, you may request a duplicate using the OPERS Member Information or Document Request form. You can complete the form online at opers.ok.gov/forms or call us to have it mailed to you. Your current mailing address must match our records before a duplicate 1099-R will be mailed to you.

Frequently asked questions about the 1099-R can be found at opers.ok.gov/taxes.

2023 Direct Deposit Dates

Benefits are direct deposited on the last working day of the month. If you need to change the financial institution your benefits are deposited, call the OPERS office to request a Direct Deposit Authorization form. We must receive and approve the form no later than the 5th day of the month your benefits are to deposit.

2023 DIRECT DEPOSIT DATES

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

Oklahoma Public Employees Retirement System
POPULAR ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

Dear Esteemed Member:

I am pleased to bring you the Popular Annual Financial Report for the Oklahoma Public Employees Retirement System (OPERS) for the fiscal year ended June 30, 2022. This report is a reader-friendly summary of financial information provided in the 2022 Annual Comprehensive Financial Report.

OPERS continued to meet our responsibilities during fiscal year 2022 with an absolute commitment to the highest quality service to our members and employers, which shows our dedication to accountability and transparency.

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

Sincerely,

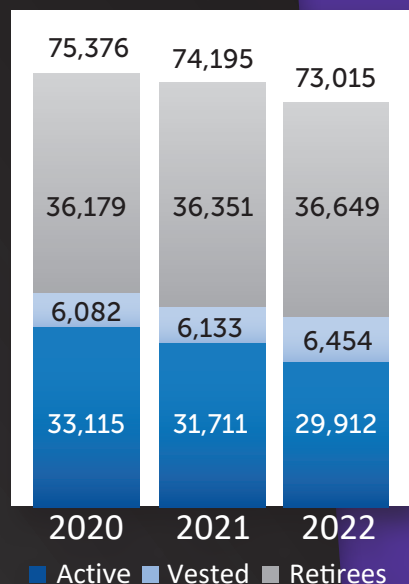
Joseph A. Fox
Executive Director



Annual Comprehensive Financial Report Online

The 2022 Popular Annual Financial Report for the Oklahoma Public Employees Retirement System (OPERS) contains summary financial information from the 2022 Annual Comprehensive Financial Report. The full report may be viewed, in its entirety online, at www.opers.ok.gov/publications.

DEMOGRAPHICS as of June 30



About OPERS

The Oklahoma Legislature established OPERS in 1964. As of June 30, 2022, the Plan consisted of 288 participating employers comprised of state, county, and local agencies. The membership includes 29,912 active members, 6,454 inactive members, and 36,649 retirees and beneficiaries. Active membership has steadily decreased since the creation the mandatory Pathfinder Defined Contribution plan for new state employees after November 1, 2015.

Net Position

The net position restricted for pension and health insurance subsidy plan (HISP) totaled slightly under \$10.4 billion at June 30, 2022 comparable to the position at June 30, 2021, declining by approximately \$2.1 billion due to a considerable decline in investment income and flows of funds, and \$10.1 billion at June 30, 2020. The net position is available for payment of monthly retirement benefits and other qualified distributions to the System's participants. US Equity and International Equity saw a significant loss in fiscal year 2022, resulting in a decrease in net investment income which led to a loss in net position restricted for pension/HISP benefits from June 30, 2021 to June 30, 2022 contrary to the prior year where there was a significant gain in net investment income of 28.0 percent from June 30, 2020 to June 30, 2021.

CONDENSED SCHEDULES OF FIDUCIARY NET POSITION

(\$ millions)

	2022			2021			2020		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Assets:									
Cash and cash equivalents	\$ 172.4	\$ 8.9	\$ 181.3	\$ 511.7	\$ 11.6	\$ 523.3	\$ 299.2	\$ 9.4	\$ 308.6
Receivables	317.2	12.7	329.9	543.5	20.8	564.3	258.8	9.9	268.7
Investments	10,092.0	407.8	10,499.8	12,064.2	466.3	12,530.5	9,632.5	374.1	10,006.6
Securities lending collateral	463.1	18.7	481.8	580.4	22.4	602.8	411.2	16.0	427.2
Other assets	0.4	-	0.4	0.8	0.1	0.9	1.0	0.1	1.1
Total assets	11,045.1	448.1	11,493.2	13,700.6	521.2	14,221.8	10,602.7	409.5	11,012.2
Liabilities:									
Other liabilities	594.5	24.0	618.5	1052.5	40.7	1093.2	469.0	18.2	487.2
Securities lending collateral	463.1	18.7	481.8	580.4	22.4	602.8	411.2	16.0	427.2
Total liabilities	1,057.6	42.7	1,100.3	1,632.9	63.1	1,696.0	880.2	34.2	914.4
Ending fiduciary net position	\$9,987.5	\$405.4	\$10,392.9	\$12,067.7	\$458.1	\$12,525.8	\$9,722.5	\$375.3	\$10,097.8

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)

	2022			2021			2020		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	\$ 66.4	\$ -	\$ 66.4	\$ 66.2	\$ -	\$ 66.2	\$ 67.8	\$ -	\$ 67.8
State and local agency contributions	283.2	16.6	299.8	275.3	17.7	293.0	274.9	19.2	294.1
Net investment income (loss)	(1,736.6)	(51.9)	(1788.5)	2,681.3	83.0	2,764.3	435.3	14.5	449.8
Total additions	(1,387.0)	(35.3)	(1,422.3)	3,022.8	100.7	3,123.5	778.0	33.7	811.7
Retirement, death and survivor benefits	675.6	17.2	692.8	661.6	17.7	679.3	628.7	18.1	646.8
Refunds and withdrawals	11.9	-	11.9	10.7	-	10.7	14.4	-	14.4
Administrative expenses	5.7	0.2	5.9	5.3	0.2	5.5	5.5	0.2	5.7
Total deductions	693.2	17.4	710.6	677.6	17.9	695.5	648.6	18.3	666.9
Net increase in fiduciary net position	(2,080.2)	(52.7)	(2,132.9)	2,345.2	82.8	2,428.0	129.4	15.4	144.8
Beginning of year	12,067.7	458.1	12,525.8	9,722.5	375.3	10,097.8	9,593.1	359.9	9,953.0
End of year	\$ 9,987.5	\$ 405.4	\$10,392.9	\$12,067.7	\$ 458.1	\$12,525.8	\$ 9,722.5	\$ 375.3	\$10,097.8

Changes in Fiduciary Net Position

OPERS is funded through a combination of member contributions, employer contributions and investment earnings. For the year ended June 30, 2022, fiduciary net position decreased by \$2,132.9 million, or 17.0 percent, from June 30, 2021. Total assets decreased \$2,728.6 million, or 19.2 percent, due to a 16.2 percent decrease in investments change in fair value and 20.1 percent decrease in Securities lending collateral. The System achieved a rate of return of -14.5 percent which is considerably lower than the prior year of 28.0 percent. Total liabilities decreased \$595.7 million, or 35.1 percent, due to a 43.4 percent decrease in pending purchases of securities.

Deductions to fiduciary net position are incurred primarily for the purpose for which OPERS was created, namely the payment of benefits to retirees. For the year ended June 30, 2022, total deductions increased \$15.1 million, or 2.2 percent, from the prior year. Retirement, death, and survivor benefits increased \$13.5 million, or 2.0 percent, due to a 0.8 percent increase in the number of retirees at year end and a 1.4 percent increase in the average benefit. Refunds and withdrawals increased \$1.2 million, or 10.9 percent, from prior year followed by a 7.6 percent increase in administrative costs.

Benefits Paid to Members

Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member on or after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90). Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.

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

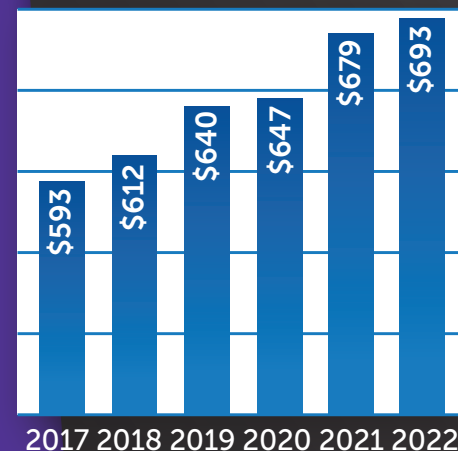
The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. OPERS' funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2022 decrease in the System's managed investments is reflective of the decrease in domestic and international income markets for the year. The System's overall return for the year ended June 30, 2022 was a loss of 14.5 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 OPERS has exposure. At fiscal year end, the investment portfolio of OPERS was actively managed by three fixed income managers, six domestic equity managers and two international equity managers. OPERS' investment portfolio also consisted of passively managed index funds, including one fixed income index fund, two domestic equity index fund and two international equity index funds.

For fiscal year 2022, investments provided a loss of 14.5 percent. The annualized rate of return for OPERS was 4.6 percent over the last three years and 5.7 percent over the last five years. The allocation of the investment portfolio, as of June 30, 2022, is shown in the Asset Mix chart.

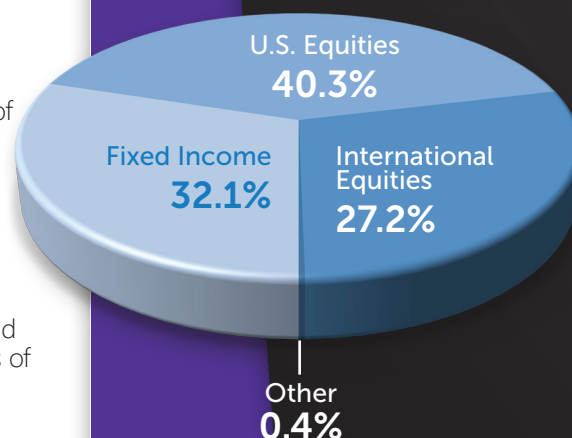
SCHEDULE OF BENEFIT PAYMENTS (\$ millions)



RATE OF RETURN

Year Ended June 30,	Total
2022	(14.5) %
2021	28.0
2020	4.7
2019	6.1
2018	8.4
2017	12.8

2022 ASSET MIX



Funding

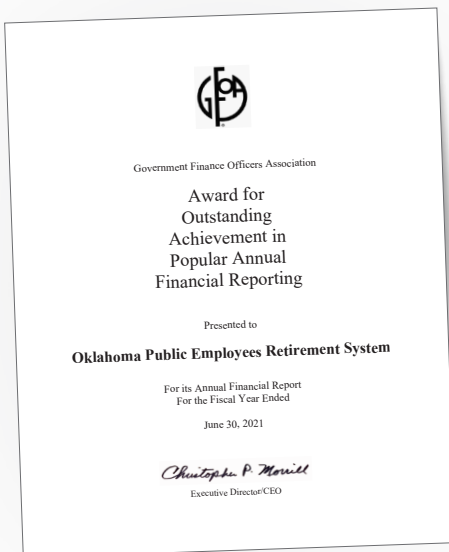
A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for OPERS is to meet long-term benefit promises through contributions that 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 OPERS as of July 1, 2022 amounted to \$11.1 billion and \$11.3 billion respectively.

The OPERS funded status increased to 101.5 percent at July 1, 2022. In 2011, the funded ratio significantly increased to 80.7 percent due to the removal of the cost-of-living adjustment (COLA) assumption. The Funded Ratio chart shows the change in funded status over the past six fiscal years.

OPERS 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 Oklahoma Public Employees Retirement System for its Popular Annual Financial Report for the fiscal year ended June 30, 2021. 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.

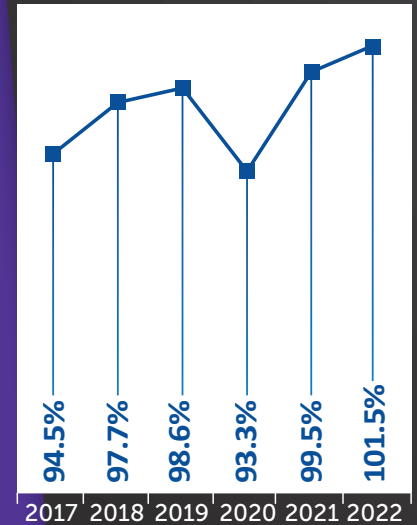
To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. OPERS has received the award for the last 15 consecutive years. We believe our current report continues to conform to the award requirements, and we are submitting it to GFOA.



In addition, OPERS was awarded the Public Pension Standards Award by the Public Pension Coordinating Council, a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement. This is the 12th consecutive award OPERS has received in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

FUNDED RATIO

as of July 1



Five Reasons Walking Is the Most Recommended Exercise

Almost every list of ways to stay active include walking. Whether you aim for 10,000 steps or 30 minutes a day, you will reap the benefits. Here are five reasons you should make walking a lifetime habit.

1. Walk Anywhere at Low-Cost

Walking is a low-impact, low-cost exercise anyone can do without the need of gym equipment or fitness memberships. Many people choose to walk outdoors to benefit from sunlight providing Vitamin D and breathing fresh air. Going indoors reduces the risk of injuries walking on uneven terrain. In addition, some fitness programs specialize in walking in place as an alternative to adding daily steps.

2. Meet Your Social Needs

There are many ways to make the exercise enjoyable and boost mental health. Bring a buddy (another person or your dog) or join a walking group as a social activity. Walking alone while listening to your favorite music or podcast can be a great way to decompress.

3. Slow the Effects of Aging

While walking is recommended for all able-bodied people, it is especially important as we get older and reduce physical activities. Even a 30 minute daily walk helps manage weight, prevent muscle loss, and strengthen bones.

4. Increase Brain Health

Harvard Medical School reported multiple studies showing the positive impact walking has on the brain. It releases chemicals that support brain health, grow new blood vessels in the brain, and increase survival of new brain cells. This helps protect memory and cognitive functions and increase mental sharpness as we age.

5. Support is Everywhere

Tools to support your walking journey include specialized footwear and clothing, smartphone apps, and drinking containers. If you like gear and gadgets, look to add trekking poles and fitness trackers to your routine. Even cities and towns throughout the United States encourage walking by increasing sidewalks, parks, and trails.

Getting Started

Before starting any exercise routine, consult your health provider. A fitness trainer or physical therapist can teach proper technique and form. A specialist, such as a sports medicine doctor or podiatrist, can assess your feet's structure and recommend the best shoe, insole, or other accessories. Plus, they can customize a program to help you achieve your exercise goals.

If you're ready to start walking, get moving today!

MEMBER SPOTLIGHT

We would love to hear about your experience with retirement and planning as an OPERS member. You could be featured in a future Member Spotlight. Go to opers.ok.gov/member-spotlight.

Name: Marvin (retired five years)

What does retirement mean to you? Having freedom to plan and achieve new goals and activities. Retirement is exciting but also frightening for fear of the unknown.

What advice would you give another member considering retirement?

Get involved. No matter what it is. You will have time on your hands, so, get involved by volunteering, pursuing a hobby, traveling, or whatever you enjoy doing and have fun doing it.

What is something you did not expect about retirement? How boring daytime TV is.

What is something new you have accomplished in retirement? I've done more woodworking. I make small things like plaques that I sell at a consignment shop or give away. I don't make any money, but I enjoy doing it.

What is on your retirement bucket list? I'd like to travel, but right now health issues and the price of gasoline are preventing that.





OKLAHOMA

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Article Idea? Comments?

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

DIRECTOR'S CORNER

continued from page 1

standards for plan funding and administration for the 12th consecutive year. These awards are important and show the professional dedication our staff exercises in protecting your investment.

Your retirement system remains in a stable financial condition. Despite the volatile equity markets this past year, the OPERS plan reached an all-time high actuarial funded ratio of 101.5% as of July 1, 2022. We can only reach these levels through the continued commitment of our Board of Trustees and staff, with their steadfast focus on our long-term investment philosophy.

I encourage each of you to stay informed about OPERS by visiting our website and keeping up to date on legislative issues involving your retirement. With an informed and involved membership and the support of our truly dedicated trustees and staff, OPERS is well positioned to meet any challenges ahead. Your system is strong, and I am committed to making sure it stays that way.

This publication, printed by the University of Oklahoma Printing Services, is issued by the Oklahoma Public Employees Retirement System (OPERS) as authorized by its Executive Director. Thirty-six thousand six hundred (36,600) copies have been prepared and distributed at a cost of \$9,516.00. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.