

retiring RIGHT

URSJJ

URSJJ Edition Winter 2023

New Tax Withholding Forms

Uniform Retirement System for Justices and Judges

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 active and retired judges along with state and local employees to help them achieve their retirement goals.

Once again, our outstanding financial and communications teams were nationally recognized, for the 24th consecutive year, by the Government Finance Officers Association receiving the Certificate of Achievement for Excellence in Financial Reporting for its annual financial report. These awards are

continues on page 2

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Tax withholding forms have changed. To comply with new federal tax regulations, URSJJ 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 URSJJ 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 the W-4P for URSJJ. This new form still allows for the options to have no taxes withheld or to withhold an additional amount.

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Uniform Retirement System for Justices and Judges
POPULAR ANNUAL FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2022

New Tax Forms (Continued)

If you have a tax withholding preference on file with URSJJ, 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.

URSJJ 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.

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/taxes in a digital format, making it easier and faster to complete. URSJJ 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.

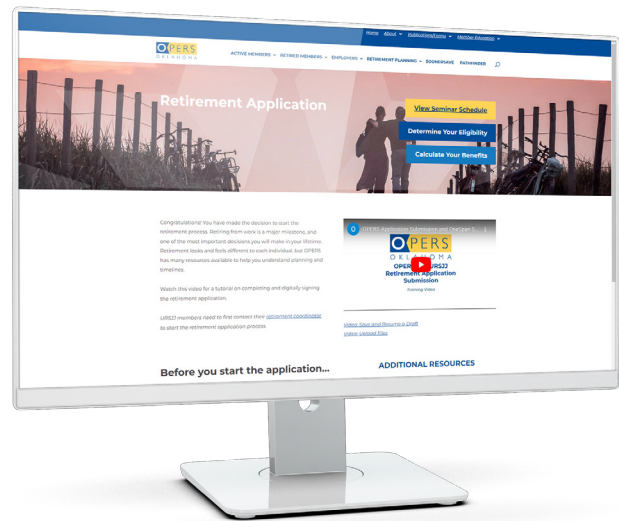
FORM 1099-R IN THE MAIL

URSJJ 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 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.



URSJJ Retirement Application Now Online

The URSJJ retirement process has gone digital. The digital process is easier, faster and reduces the chance for errors. When you are ready to retire, you will still need to contact the retirement coordinator for your court system to start the process. Your retirement coordinator will provide you with the information and link to complete your application.

The digital application guides members to complete forms accurately the first time. Most applicants complete the application in about 15 to 30 minutes. You also have the option to save your progress and finish later.

After submitting your application, you must verify your electronic signature. We partner with OneSpan to authenticate digital signatures. Check your inbox for an email from OneSpan. Follow the instructions and click the link in the email. Once verified, you will receive a second email confirming your retirement application was sent to URSJJ.

For more information on the process visit www.opers.ok.gov/retire.

2023 Direct Deposit Dates

January 31
February 28
March 31
April 28
May 31
June 30

July 31
August 31
September 29
October 31
November 30
December 29

Uniform Retirement System for Justices and Judges
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 Uniform Retirement System for Justices and Judges (URSJJ) 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.

URSJJ 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 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

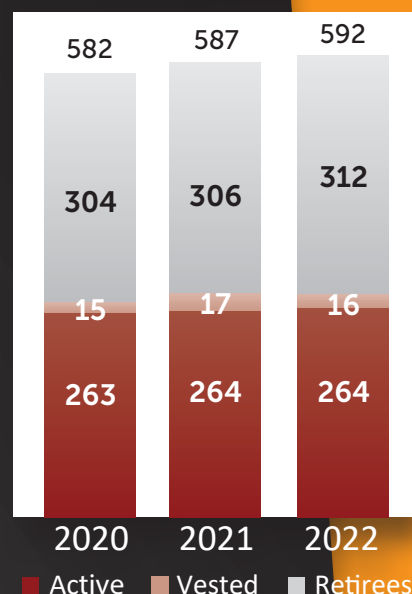


Annual Comprehensive Financial Report Online

The 2022 Popular Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) 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 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, 2022, the Plan's membership includes 264 active members, 16 inactive members, and 312 retirees and beneficiaries.

Net Position

The net position restricted for pension and health insurance subsidy plan (HISP) totaled \$357.6 million at June 30, 2022, compared to \$433.5 million at June 30, 2021 and \$350.9 million at June 30, 2020. 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 decrease of \$75.9 million and increase of \$82.6 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)

	2022			2021			2020		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Assets:									
Cash and cash equivalents	\$ 5.0	\$ 0.1	\$ 5.1	\$ 17.7	\$ 0.1	\$ 17.8	\$ 9.7	\$ 0.1	\$ 9.8
Receivables	10.4	0.1	10.5	18.8	0.2	19.0	8.9	0.1	9.0
Investments	359.2	3.8	363.0	430.6	4.4	435.0	344.8	3.4	348.2
Securities lending collateral	14.9	0.2	15.1	15.7	0.2	15.9	17.5	0.2	17.7
Total assets	389.5	4.2	393.7	482.8	4.9	487.7	380.9	3.8	384.7
Liabilities:									
Other liabilities	20.8	0.2	21.0	37.9	0.4	38.3	15.9	0.2	16.1
Securities lending collateral	14.9	0.2	15.1	15.7	0.2	15.9	17.5	0.2	17.7
Total liabilities	35.7	0.4	36.1	53.6	0.6	54.2	33.4	0.4	33.8
Ending fiduciary net position	\$353.8	\$3.8	\$357.6	\$492.2	\$4.3	\$433.5	\$347.5	\$3.4	\$350.9

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)

	2022			2021			2020		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	\$ 2.9	\$ -	\$ 2.9	\$ 2.9	\$ -	\$ 2.9	\$ 2.8	\$ -	\$ 2.8
State and local agency contributions	7.7	0.2	7.9	7.6	0.3	7.9	7.4	0.2	7.6
Net investment income (loss)	(62.2)	(0.5)	(62.7)	94.5	0.8	95.3	15.5	0.1	15.6
Total additions	(51.6)	(0.3)	(51.9)	105.0	1.1	106.1	25.7	0.3	26.0
Retirement, death and survivor benefits	23.5	0.2	23.7	23.0	0.2	23.2	22.0	0.2	22.2
Refunds and withdrawals	0.1	-	0.1	0.1	-	0.1	0.2	-	0.2
Administrative expenses	0.2	-	0.2	0.2	-	0.2	0.2	-	0.2
Total deductions	23.8	0.2	24.0	23.3	0.2	23.5	22.4	0.2	22.6
Net increase in fiduciary net position	(75.4)	(0.5)	(75.9)	81.7	0.9	82.6	.3	0.1	3.4
Beginning of year	429.2	4.3	433.5	347.5	3.4	350.9	344.2	3.3	347.5
End of year	\$353.8	\$3.8	\$357.6	\$429.2	\$4.3	\$433.5	\$347.5	\$3.4	\$350.9

Changes in Fiduciary Net Position

For the year ended June 30, 2022, fiduciary net position decreased \$75.9 million, or 17.5 percent. Total assets decreased by \$94.0 million, or 19.3 percent, due to a decrease of 16.6 percent in investments, a decrease of 44.7 percent in receivables and a decrease of 71.3 percent in cash and cash equivalents. The System achieved a rate of return of -14.8 percent compared to the prior year of 27.7 percent resulting in most of the decrease in fiduciary net position. Total liabilities decreased 33.4 percent primarily due to a 45.2 percent decrease in pending purchases of securities. For fiscal year 2022, we saw a slight decrease in securities lending collateral by 5.0 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, 2022, total deductions increased \$0.4 million, or 1.8 percent, from the prior year. Retirement, death, and survivor benefits increased \$0.5 million, or 2.2 percent, and the average benefit increased 0.7 percent compared to the prior year due to a 2.0 percent increase in the number of retirees. Refunds and withdrawals decreased 72.9 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 increased 10.3 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

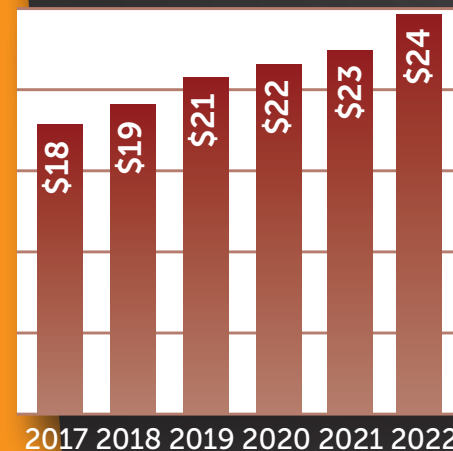
The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. URSJJ's funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2022 decrease in the System's managed investments is due mainly in the decrease in international market, U.S. equities and fixed income. The System's overall return for the year ended June 30, 2022 was -14.8 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 risk. Diversification, both by and within asset classes, is the primary risk control element. Passive funds are considered to be 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 2022, investments provided a loss of 14.8 percent. The annualized rate of return for URSJJ as of June 30, 2022 was 4.4 percent over the last three years and 5.5 percent over the last five years. At June 30, 2022, the allocation of the investment portfolio is shown in the Asset Mix chart.

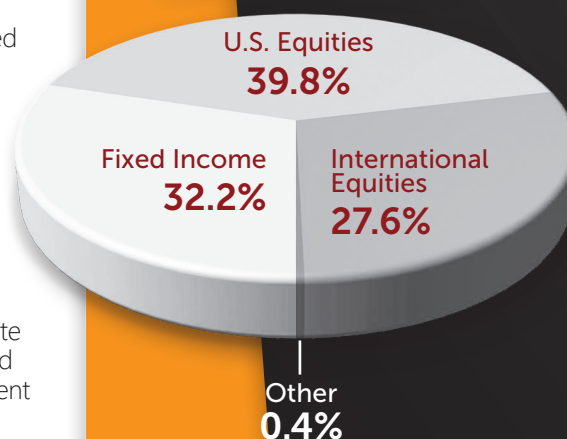
SCHEDULE OF BENEFIT PAYMENTS (\$ millions)



RATE OF RETURN

Year Ended June 30,	Total
2022	(14.8) %
2021	27.7
2020	4.6
2019	6.2
2018	8.4
2017	12.7

2022 ASSET MIX



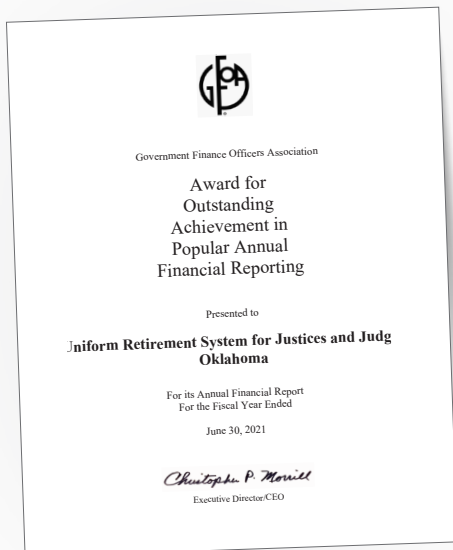
Funding

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 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, 2022 amounted to \$351.8 million and \$390.0 million, respectively.

The URSJJ funded status decreased slightly to 110.9 percent at July 1, 2022. This is still 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.

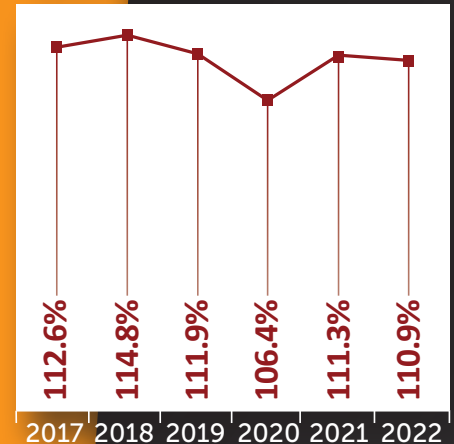
URSJJ Awarded for Excellence in Financial Reporting

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, 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. We believe our current report continues to conform to the award requirements, and we are submitting it to GFOA. This is the ninth year the URSJJ has received this award. The GFOA is a nonprofit professional association serving approximately 20,000 government finance professionals with offices in Chicago, IL, and Washington, D.C.

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. 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.





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Article Idea? Comments?

We want to hear from you!
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DIRECTOR'S CORNER

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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 URSJJ plan remained well-funded with an actuarial funded ratio of 110.9% 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/URSJJ 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 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 \$162.50. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.