

## Active Member Edition Winter 2022

### Digital Forms Available on OPERS Website

OPERS has taken another step into the digital world. We have made several of our most popular forms available as online digital forms. You can now complete certain requests and forms without making a phone call, printing a form, or using a stamp. Best of all you can access the forms 24 hours a day.

Digital forms are easy to use. You complete required fields, add an electronic signature, and click submit. You must provide a valid email address for OPERS to receive the form. Next you will confirm your email address and digital signature by checking your email and following the steps. Once you verify your electronic signature, the form enters our normal workflows.

Digital forms provide new features and benefits. For example, the Change of Address form will check the mailing address against the United States Postal Service cutting down on errors. Also, OPERS will now send confirmation letters to both the old and new addresses for added security.

Digital forms currently available on our website ([www.opers.ok.gov/forms](http://www.opers.ok.gov/forms)) include:

- **Benefit and Service Calculations**
- **Application for Military Service**
- **Change of Address**
- **Transport Service Out Request: Oklahoma Teachers' Retirement System**
- **Member Information or Document Request**
- **Divorce Benefit Valuation Request**
- **Application for Vested Benefits**
- **Withholding Preference Certificate**

Making use of new technology allows us to change our processes to save time and money and deliver better service to our members. We began updating to online forms a few months ago, and will continue considering other forms for the digital format.

## Oklahoma Public Employees Retirement System

### 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 almost 60-year history. As you will see in this newsletter, the numbers are impressive. The System is nearly 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-fourth 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 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.

*continues on page 8*

SEE INSIDE

# TOGETHER

Oklahoma Public Employees Retirement System  
**POPULAR ANNUAL FINANCIAL REPORT**  
for the Fiscal Year Ended June 30, 2021

## ALSO IN THIS ISSUE

- 2 Retirement 101: Retirement FAQ Checklist/ Register for a Pre-Retirement Webinar**
- 3 2021 Popular Annual Financial Report**
- 7 Healthful Hints: Fresh Air Does the Body Good**
- 8 Contact OPERS**

# Retirement FAQ Checklist

## RETIREMENT 101:

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.

### When can I retire with OPERS?

You become eligible for retirement based on certain age and service requirements. Retirement benefits are based on meeting normal (full) retirement eligibility requirements. If you choose early retirement, your benefit will be permanently reduced based on your age at retirement. For more information about eligibility visit our website at [www.opers.ok.gov/retirement-eligibility](http://www.opers.ok.gov/retirement-eligibility).

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

Your employer's retirement coordinator will provide you with a retirement packet and all the forms needed to complete your retirement. You can find your retirement coordinator's information on our website at [www.opers.ok.gov/coordinator-listing](http://www.opers.ok.gov/coordinator-listing).

### Are there deadlines for completing applications?

Yes. Your completed application is due no later than 60 days before your retirement date. We have those dates listed on our website at [www.opers.ok.gov/dates-and-deadlines](http://www.opers.ok.gov/dates-and-deadlines).

### 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 OPERS 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 OPERS benefit at [www.opers.ok.gov/benefit-estimator](http://www.opers.ok.gov/benefit-estimator).

### 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?

### 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](http://www.oklahoma.gov/omes).

## Nearing Retirement? Make Plans to Register for a Pre-Retirement Webinar

If retiring is on the horizon for you, make OPERS' Pre-Retirement Webinar a part of your plan. You can attend from home, at the office, or anywhere with internet access. These webinars offer important information as you near retirement, whether that is a couple years away or right around the corner.

In these webinars you will learn how to:

- Calculate your benefit
- Determine your retirement date
- Submit vital documents and which ones to submit
- Complete the Retirement Application
- Complete other requirements necessary for retirement

Registering for a webinar is as easy as going to the OPERS website and completing the online form. You can select the best date for you, and we offer morning and afternoon sessions.

### DATES FOR 2022

Date	Time	Registration Opens
February 23, 2022	1:00 p.m.	December 27, 2021
March 15, 2022	9:30 a.m.	January 17, 2022
April 7, 2022	1:00 p.m.	February 7, 2022
April 27, 2022	9:30 a.m.	February 28, 2022
May 17, 2022	1:00 p.m.	March 21, 2022
June 9, 2022	9:30 a.m.	April 11, 2022
June 27, 2022	1:00 p.m.	May 2, 2022

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

Oklahoma Public Employees Retirement System

**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 Oklahoma Public Employees Retirement System (OPERS) 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 OPERS and its members. My gratitude goes to those who have worked purposefully and intentionally to prepare this report for our members and employers.

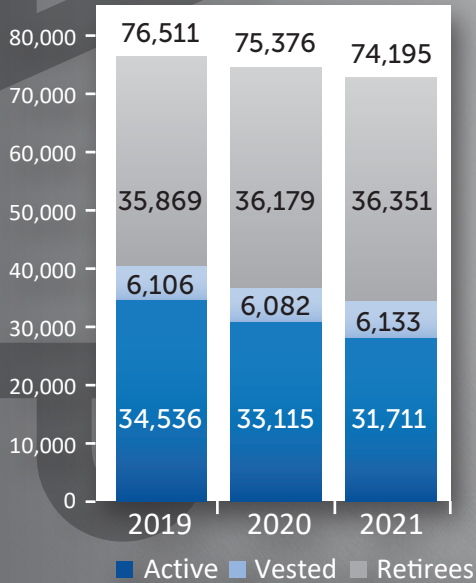
Sincerely,  
Joseph A. Fox  
Executive Director



**Comprehensive Annual Financial Report Online**

The 2021 Popular Annual Financial Report for the Oklahoma Public Employees Retirement System (OPERS) 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](http://www.opers.ok.gov/publications).

## DEMOGRAPHICS as of June 30



## About OPERS

The Oklahoma Legislature established OPERS in 1964. As of June 30, 2021, the Plan consisted of 287 participating employers comprised of state, county, and local agencies. The membership includes 31,711 active members, 6,133 inactive members, and 36,351 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 over \$12.5 billion at June 30, 2021 comparable to the position at June 30, 2020, improving by approximately \$2.5 billion due to investment income and flows of funds, and \$9.9 billion at June 30, 2019. 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 performed significantly well during fiscal year 2021, resulting in an increase in net investment income which led to an increase in net position restricted for pension/HISP benefits from June 30, 2020 to June 30, 2021 contrary to the prior year where Fixed Income made the most impact from June 30, 2019 to June 30, 2020.

### CONDENSED SCHEDULES OF FIDUCIARY NET POSITION

(\$ millions)

	2021			2020			2019		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
<b>Assets:</b>									
Cash and cash equivalents	\$ 511.7	\$ 11.6	\$ 523.3	\$ 299.2	\$ 9.4	\$ 308.6	\$ 127.3	\$ 6.9	\$ 134.2
Receivables	543.5	20.8	564.3	258.8	9.9	268.7	322.1	11.9	334.0
Investments	12,064.2	466.3	12,530.5	9,632.5	374.1	10,006.6	9,489.1	354.0	9,843.1
Securities lending collateral	580.4	22.4	602.8	411.2	16.0	427.2	462.9	17.3	480.2
Other assets	0.8	0.1	0.9	1.0	0.1	1.1	1.0	-	1.0
<b>Total assets</b>	<b>13,700.6</b>	<b>521.2</b>	<b>14,221.8</b>	<b>10,602.7</b>	<b>409.5</b>	<b>11,012.2</b>	<b>10,402.4</b>	<b>390.1</b>	<b>10,792.5</b>
<b>Liabilities:</b>									
Other liabilities	1052.5	40.7	1093.2	469.0	18.2	487.2	346.4	12.9	359.3
Securities lending collateral	580.4	22.4	602.8	411.2	16.0	427.2	462.9	17.3	480.2
<b>Total liabilities</b>	<b>1,632.9</b>	<b>63.1</b>	<b>1,696.0</b>	<b>880.2</b>	<b>34.2</b>	<b>914.4</b>	<b>809.3</b>	<b>30.2</b>	<b>839.5</b>
<b>Ending fiduciary net position</b>	<b>\$12,067.7</b>	<b>\$458.1</b>	<b>\$ 12,525.8</b>	<b>\$ 9,722.5</b>	<b>\$375.3</b>	<b>\$ 10,097.8</b>	<b>\$ 9,593.1</b>	<b>\$359.9</b>	<b>\$ 9,953.0</b>

### CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)

	2021			2020			2019		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	\$ 66.2	\$ -	\$ 66.2	\$ 67.8	\$ -	\$ 67.8	\$ 66.6	\$ -	\$ 66.6
State and local agency contributions	275.3	17.7	293.0	274.9	19.2	294.1	263.7	18.8	282.5
Net investment income	2,681.3	83.0	2,764.3	435.3	14.5	449.8	544.2	18.8	563.0
<b>Total additions</b>	<b>3,022.8</b>	<b>100.7</b>	<b>3,123.5</b>	<b>778.0</b>	<b>33.7</b>	<b>811.7</b>	<b>874.5</b>	<b>37.6</b>	<b>912.1</b>
Retirement, death and survivor benefits	661.6	17.7	679.3	628.7	18.1	646.8	621.4	18.6	640.0
Refunds and withdrawals	10.7	-	10.7	14.4	-	14.4	15.4	-	15.4
Administrative expenses	5.3	0.2	5.5	5.5	0.2	5.7	5.6	0.2	5.8
<b>Total deductions</b>	<b>677.6</b>	<b>17.9</b>	<b>695.5</b>	<b>648.6</b>	<b>18.3</b>	<b>666.9</b>	<b>642.4</b>	<b>18.8</b>	<b>661.2</b>
<b>Net increase in fiduciary net position</b>	<b>2,345.2</b>	<b>82.8</b>	<b>2,428.0</b>	<b>129.4</b>	<b>15.4</b>	<b>144.8</b>	<b>232.1</b>	<b>18.8</b>	<b>250.9</b>
<b>Beginning of year</b>	<b>9,722.5</b>	<b>375.3</b>	<b>10,097.8</b>	<b>9,593.1</b>	<b>359.9</b>	<b>9,953.0</b>	<b>9,361.0</b>	<b>341.1</b>	<b>9,702.1</b>
<b>End of year</b>	<b>\$12,067.7</b>	<b>\$458.1</b>	<b>\$ 12,525.8</b>	<b>\$ 9,722.5</b>	<b>\$ 375.3</b>	<b>\$ 10,097.8</b>	<b>\$ 9,593.1</b>	<b>\$ 359.9</b>	<b>\$ 9,953.0</b>

## 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, 2021, fiduciary net position increased by \$2,428.0 million, or 24.0 percent, from June 30, 2020. Total assets increased \$3,209.6 million, or 29.1 percent, due to a 25.2 percent increase in investments change in fair value and 41.1 percent increase in Securities lending collateral. The System achieved a rate of return of 28.0 percent which is considerably higher than the prior year of 4.7 percent. Total liabilities increased \$781.6 million, or 85.5 percent, due to a 124.4 percent increase 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, 2021, total deductions increased \$28.6 million, or 4.3 percent, from the prior year. Retirement, death, and survivor benefits increased \$32.5 million, or 5.0 percent, due to a 0.5 percent increase in the number of retirees at year end and a 1.4 percent increase in the average benefit. Refunds and withdrawals decreased \$3.7 million, or 25.7 percent, from prior year followed by a 4.4 percent decrease 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

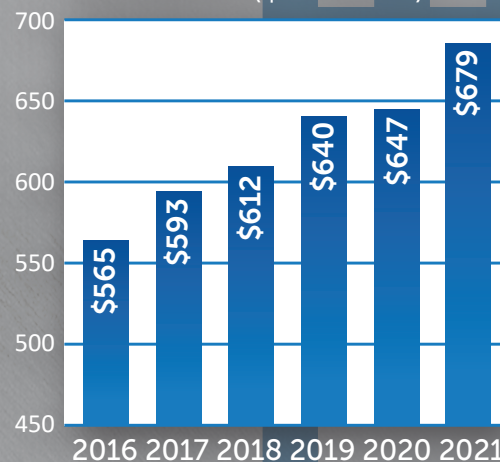
The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. OPERS' funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2021 increase in the System's managed investments is reflective of the increase in domestic and international income markets for the year. The System's overall return for the year ended June 30, 2021 was 28.0 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 2021, investments provided a 28 percent rate of return. The annualized rate of return for OPERS was 12.5 percent over the last three years and 11.7 percent over the last five years. The allocation of the investment portfolio, as of June 30, 2021, is shown in the **Asset Mix** chart.

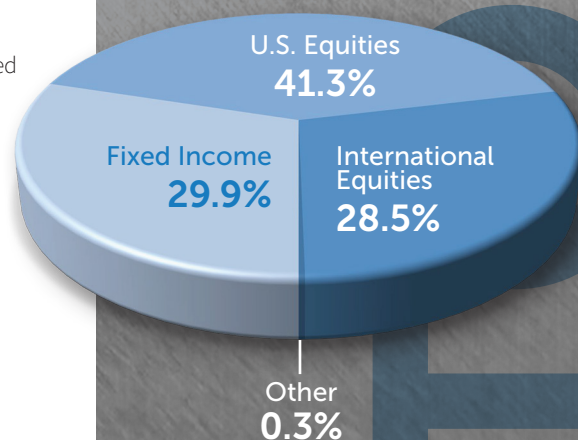
### SCHEDULE OF BENEFIT PAYMENTS (\$ millions)



### RATE OF RETURN

Year Ended June 30,	Total
2021	28.0 %
2020	4.7
2019	6.1
2018	8.4
2017	12.8
2016	0.3

### 2021 ASSET MIX



## Funding

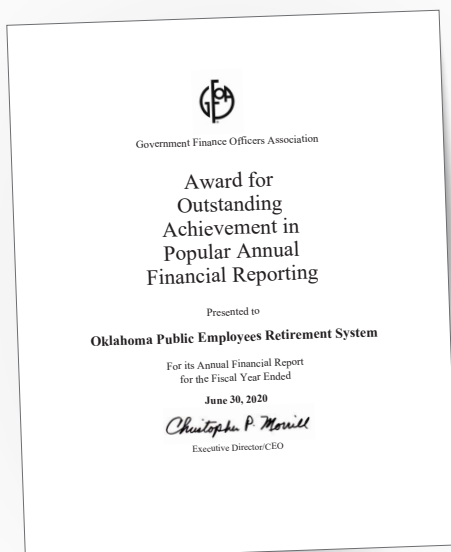
A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for OPERS is to meet long-term benefit promises through contributions that 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, 2021 amounted to \$11.0 billion and \$11.0 billion respectively.

The OPERS funded status increased to 99.5 percent at July 1, 2021. 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

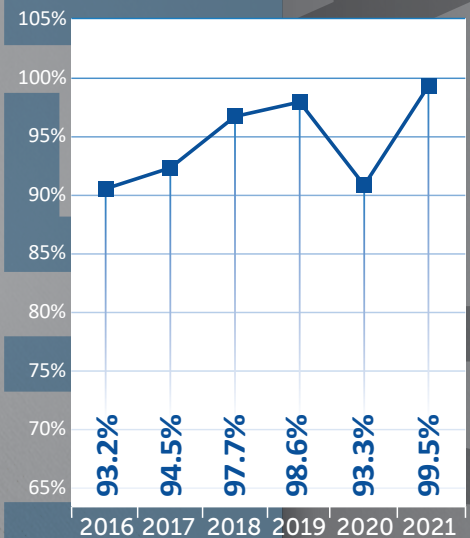
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Oklahoma Public Employees Retirement System for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The 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. OPERS has received the award for the last 14 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 11th 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



---

# 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](http://www.travelok.com) for other ideas.

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



## 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)

## DIRECTOR'S CORNER

*continued from page 1*

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 Oklahoma Public Employees Retirement System (OPERS) as authorized by its Executive Director. Thirty-two thousand five hundred (32,500) copies have been prepared and distributed at a cost of \$5,590.00. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.