

Active Member Edition Summer 2023

Choosing the Right Beneficiary in Retirement Planning

When planning for retirement, you may be surprised by the amount of paperwork needed to properly manage your assets and financial products. One requirement includes naming beneficiaries responsible for any remaining assets and legal obligations after you pass away. But how do you choose a beneficiary? And does it really matter?



What is a beneficiary?

A beneficiary is any person or organization named to receive your property after you pass away. You should add beneficiaries to all your financial products including checking and savings accounts, life insurance, and retirement accounts. Most entities prefer account holders to name both primary and contingent beneficiaries. The primary beneficiary is directly entitled to the payment. Whereas the contingent beneficiary will only receive the payment if the primary beneficiary is not found or deceased.

How to choose a beneficiary?

Choose a beneficiary with care. This person or organization will handle your legacy. Person(s) may include spouse, children, family members, and friends. Organizations may include estates, trusts, and non-profit organizations such as charities and churches.

While your recipients might consider receiving assets and property a welcome gift, it may come with financial and legal burdens. Consider if your beneficiary can handle the tax liabilities, legal

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Oklahoma Public Employees Retirement System

DIRECTOR'S CORNER

Joseph A. Fox, Executive Director

Lately, the image of a sailing ship has been coming to me more and more frequently. This metaphor, of a ship cutting through waters both previously chartered and never before seen, is especially pertinent to us here at OPERS. The environment we're navigating, much like the sea, always changes. The waters have their annual tides and crests, but they are also unpredictable and at times, volatile, crashing upon the bows of even the sturdiest vessels. This is why our ship must be strong, to weather both the calmest waters and the stormiest oceans. It also must be filled with a crew devoted, loyal, and ready to undertake the mission ahead of them, whether it comes through sunrises or murk and fog.

The staff and I are in the unique position of being the mentioned crew on the ship of OPERS. We are a steadfast group. This puts us in the position to witness the conclusions of things, such as careers and market trends, but also the beginnings of them – such as our push into digitally transforming the way we do things.

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Understanding Your OPERS Benefit

Perhaps the most important step in preparing for retirement is knowing how your income will change once you leave work. Your OPERS benefit will make up part of your retirement paycheck. OPERS uses a three-part formula to calculate your benefit:

$$\begin{array}{l} \text{Final Average Compensation} \\ \times \text{Years of Service Credit} \\ \times \text{Computation Factor} \end{array}$$

Final Average Salary is the highest three years of salary (highest five if your entry date is on or after July 1, 2013) out of the last 10 years of participation. Salary includes your gross, full-time pay and longevities. Any pay earned from overtime, reimbursements (travel, uniforms, etc.) or tips do not count toward your final average salary.

Service Credit refers to any service in which we can give you credit. The majority of this will be participating service, elected service, or hazardous duty service. In other words, the time at your desk, in the field, whatever your job entails. We will add to that any purchased service, prior service, bonus years, military service and up to six months of unused sick leave. Your service credit will round up at six or more months if your entry date was before November 1, 2012.

Computation Factor – For most members, the standard computation factor is 2%, however elected officials, hazardous duty and those participating in Step-Up can use a different factor. Remember: if the computation factor is 2%, you will multiply by .02, not 2!

Changes in one or more of the numbers in the formula affect the amount of your benefit. Earning more increases the final average salary and working longer adds to your service credit. Likewise, through a program called Step-Up, you can increase your benefit by contributing more each pay period. Currently, the extra Step-Up contribution is 2.91% of your compensation. This rate could change in the future. With Step-Up, OPERS uses a higher factor of 2.5%, instead of 2%, to calculate your benefit! Keep in mind this higher rate applies only to the full years you participate in the program.

Some important things to note about Step-Up. Once you join the program, you cannot stop or pause the added contribution. You will keep paying into the Step-Up program even if you return to work for an OPERS agency or employer after a break in service, retiring, or taking a withdrawal. Members should give joining Step-Up serious thought, as it may not be right for everyone. There are many factors that may impact your lifestyle if you decide to join Step-Up, and we encourage all members to make the best choice for themselves and their families. If Step-Up seems right for you, make sure to ask your retirement coordinator for the enrollment form. For more information on Step-Up visit opers.ok.gov/2-5-step-up.

WHAT IS MY ENTRY DATE?

You enter the OPERS system the first of the month following starting employment. You begin earning participating service on your entry date.

Thinking of Retiring?

OPERS recommends requesting a benefit calculation to feel as prepared as possible for the changes ahead. This is the best way to know the amount you can expect to receive each month. These calculations can be easily requested through our website, opers.ok.gov/forms. You must be within two years of retirement eligibility to request a benefit calculation from an OPERS analyst.

The following is a description of the 2023 legislation affecting members of retirement systems administered by the Oklahoma Public Employees Retirement System (OPERS). More information on current and historical legislation can be found at opers.ok.gov/legislation.

Senate Bill 446

*(Sen. John Montgomery & Rep. Mark Lepak)
Effective November 1, 2023*

Currently, OPERS only allows the purchase of prior (occurred prior to employment with an URSJJ employer) or participating service (occurred during employment with an OPERS employer). This amendment allows the purchase of "in-between" service, which is service that doesn't meet the statutory definition of prior or participating. For example, a member who worked for an OPERS employer, left to work for a private employer and then came back to work for an OPERS employer. If that member had military time during their private employment, that is considered "in-between" service. The purchase of military service is at actuarial cost.

Senate Bill 447

*(Sen. John Montgomery & Rep. Mark Lepak)
Effective November 1, 2023*

OPERS sometimes discovers delinquent service costs after a member has withdrawn their service, usually as a result of an audit. OPERS is obligated to collect the employer and employee contributions from the delinquent employer to fund the system. This amendment clarifies that when an employer pays delinquent service after a member has withdrawn service, the member will remain in a withdrawn status and not be reinstated to an active member status.



Military Service Purchase

Legislation over the last two years has expanded the option to purchase military service credit to all active-duty military service. Military service credit may be purchased at actuarial cost, which represents the amount required to fund an increase in future lifetime benefits. To estimate the cost of purchasing military service credit, use our online calculator at opers.ok.gov/military-service.



Stay in the Know

OPERS continues going digital to help you get information faster. We will soon be launching email subscriptions and an online member portal. To be one of the first to know, make sure OPERS has your email address. Be sure to give us your personal email address, so we can stay connected after you retire or leave OPERS covered employment. Go to opers.ok.gov/email.

Getting to Know Oklahoma

Fun fact: Our beautiful state has twelve distinct ecological regions! That's more than any state per mile by a wide margin. Those of us who call Oklahoma home know how unique the places are around us, but few have explored each regions' offerings. This list is great for "staycation" ideas, a retirement bucket list, or getting to know our state in a deeper way.

Western High Plains - Located in Oklahoma's panhandle. The terrain is smooth and dry, with the Plains receiving less rain than the state's other ecoregions. Aspiring cowboys can find plenty to do here, from saddling up and setting up camp to visiting the United States' largest prairie dog towns. Boise City will be your checkpoint here, but the real wonder is in the nature all around you!



Southwestern Tablelands - Encompass parts of the panhandle and northwestern Oklahoma. Here, you can hike up to Oklahoma's highest point at Black Mesa, or take a dune buggy ride through Beaver Dunes Park. There's also the beautiful Guymon Game Reserve and the towns of Kenton, Guymon, and Cheyenne, to name a few to visit.

Central Great Plains - Oklahoma's largest ecoregion. It covers most of the western half of the state. Enjoy some thrills at Little Sahara State Park or the Wichita Mountains National Wildlife Refuge. History buffs will also enjoy the National Route 66 Museum in Elk City.

Tallgrass Prairie - A once vast ecoregion now confined to Oklahoma and Kansas. A driving tour through the Nature Conservancy's Tallgrass Prairie Preserve or a scenic cabin stay at Osage Hills State Park are both highly recommended.

Crosstimbers - The transition area from prairie to mountains. Here you can find the Oklahoma's Bed and Breakfast Capital of Guthrie, the forested Chickasaw National Recreation Area, and Frank Lloyd Wright's only skyscraper in Bartlesville.



East Central Texas Plains - Characterized by one of the rarest plant communities on earth – the oak savannah. If that's not a selling point, perhaps Lake Texoma and a trip to Fort Washita's Historic Site and the Three Valleys Museums might be.

Caves and Prairie - This region is where grassland and forest meet! Check out The Lodge at Sequoyah State Park or the Five Civilized Tribes Museum to see where culture and natural beauty meet, too.

Ozark Highlands - This ecoregion is one of Oklahoma's most popular. With the Grand Lake O' The Cherokees or a gentle trip down the Illinois River at your fingertips, we understand why.

Ozark Forest - Also known as the Boston Mountains, this ecoregion features activities such as trout fishing in the Lower Illinois River and camping stays at Lake Tenkiller State Park.

Hardwood Forest - This region, also known as the Arkansas Valley, blends the historical with the natural. From Spiro Mounds Archaeological Center and Robbers Cave State Park, there's no shortage of things to discover.

Ouachita Mountains - Crowds flock to this area in southeast Oklahoma for its lovely fall foliage. However, you can enjoy the Talimena National Scenic Byway and the Ouachita National Forest in all seasons.

Cypress Swamps & Forests - You can experience this region, also known as the South-Central Plains, through the lens of small-town charm and water recreation. From Hugo Lake Park to the Little River Wildlife Refuge, one can see everything from mallards to alligators.



Online Security – Tips for Keeping Yourself Safe

With online scams evolving on a day-to-day basis, keeping yourself and your information safe online is more important than ever. Here are four ways you can take your internet safety seriously.

When in doubt, check it out

If something offered online seems too good to be true, it probably is. A quick Google search or a visit to the IRS' list of scams ([irs.gov/newsroom](https://www.irs.gov/newsroom)) can save you a world of trouble, and maybe even money.

Most government entities communicate through secure email or mail

If an email has a variety of typos, strange requests, or the like, report it as spam and delete it from your inbox. Student loan repayment agencies with no other identifying information may offer you grace, cash, or total repayment, but these companies often have no backing financial status and are solely out for your personal information.



Handle online shopping smartly

It is safer to use a credit card than a debit card online. Liabilities are often limited by credit issuers, too. Try not to enter your banking details in lieu of card details, even if it seems like the easiest option. When using a website look for the "s" at the end of "https" — this stands for security in the web address and can help with finding a secure website.

Register your account

Safeguard your money and savings by registering your online account with every institution you have a financial account. This also includes any entity you may have a retirement benefit, savings or insurance. Even if you prefer to take care of business in person, registering online secures your account with a password and makes it more difficult for bad actors to gain access.

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ATTEND A PRE-RETIREMENT SEMINAR

Thinking about retiring within the next few years? Attend an OPERS Pre-Retirement seminar to make sure you have the information you need to be ready. We host seminars both in-person and online. We are also excited to announce an in-person date in the Tulsa area. Register online at opers.ok.gov.

Fall 2023 Seminars & Webinars

IN-PERSON - OKLAHOMA CITY

Wednesday, July 12	9:30 a.m.
Tuesday, August 8	1:00 p.m.
Wednesday, September 13	9:30 a.m.
Tuesday, October 10	1:00 p.m.
Wednesday, November 8	9:30 a.m.

IN-PERSON - TULSA

Wednesday, August 30	1:00 p.m.
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WEBINAR

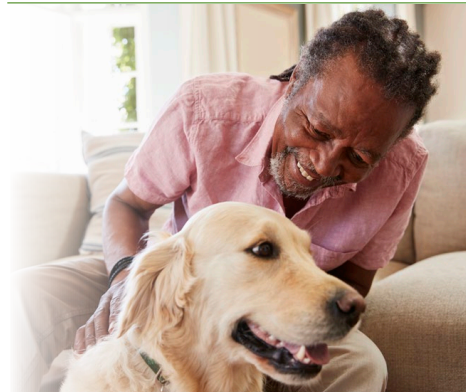
Thursday, July 27	9:30 a.m.
Wednesday, August 23	1:00 p.m.
Thursday, September 28	9:30 a.m.
Wednesday, October 25	9:30 a.m.
Tuesday, November 28	1:00 p.m.
Wednesday, December 13	9:30 a.m.

Staying Social in Retirement

One of the benefits of being part of a workplace is the social circle you create. Spending 40 hours a week or more with coworkers allows you to build personal relationships alongside your professional relationships. However, when we retire, those relationships might be reduced or severed due to changes in schedule or location. Having a plan to keep or expand your social circle in retirement is as important as your travel and activity plans. Here are four suggestions to stay social in retirement.

Volunteer or find a new job

Many people think of working in a new industry or volunteering to keep the mind busy and body moving. There is an added benefit of staying in contact with others. You can build lasting relationships with a new sector of coworkers and customers.

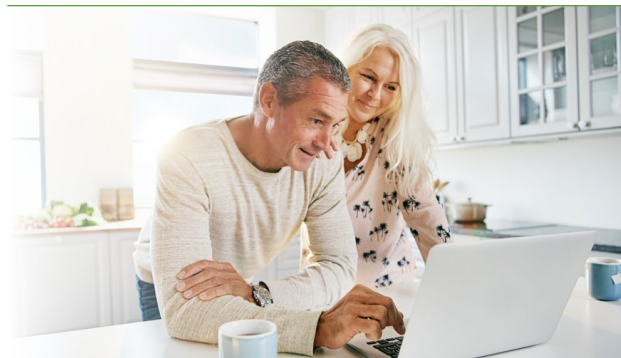


Find a furry friend

Frontiers in Psychology's article titled "Human-Animal Interaction in Older Adults" found that pet owners over 50 years old had greater cardiovascular health, lowered depression and anxiety, less loneliness, and greater physical activity due to interaction with their animal. Choosing the best pet that suits your activity level and personality is crucial. You may also consider senior pets. They don't need behavior training like younger pets and are calmer to handle. Plus, it's great to have a buddy who wants to take it easy in their later years.

Build a deeper relationship with family

If you're fortunate enough to stay in contact with immediate and extended family, retirement is a great time to build those relationships. You have the freedom to spend quality time with family without the limit of returning to work on Monday morning or a planned vacation time. Reacquaint yourself with your significant other, babysit grandchildren, or get to know your children in their adult years. You'll create a brand-new relationship with your family.



Join an online chat group or create a social media account

Joining an online group or connecting with people via social media allows you to keep connections with family and friends, even over long distances, without having to meet in person. It's important to be aware of scammers posing as friends and to set boundaries with friends and/or family who post negative comments or information.

Choosing the Right Beneficiary

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responsibilities, and/or creditors. It is important to check your paperwork on who and what qualifies to receive your benefits and obligations.

What if I don't name a beneficiary?

Not naming a beneficiary may result in legal proceedings such as probate court or lawsuits. This could prevent or stall the payment. Also, this may increase stress and negativity on loved ones who expected or did not expect to receive the distribution.

How do I start?

If you're asked to name a beneficiary, choose the right person(s) that you believe will carry on your finances. Ensure they understand the financial and legal responsibilities needed. Each year, set a date to review your paperwork. Make updates when contact information changes or you decide someone else should receive the benefit. That way, you stay in control of your legacy for years to come.

OPERS Death Benefits

The benefit your beneficiaries receive from OPERS depends on your membership status at the time of your death.

ACTIVE MEMBERS: OPERS will offer your surviving spouse Option B survivor benefits if you were eligible to vest or retire. Otherwise, your beneficiaries will receive a lump sum payout of your accumulated employee contributions.

RETIRED MEMBERS: When you pass away as a retired member, your monthly retirement benefit may continue, change, or end, depending on the type of benefit you chose at retirement.

In addition, your beneficiaries will receive one or more of a \$5,000 death benefit, excess accumulated contributions and your final monthly benefit payment.

Visit opers.ok.gov/death-benefits to learn more.

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: Travis (retired six years)

What is something you did not expect about retirement?

How much fun a second career was going to be. I have always enjoyed change and this was the best experience.

How does retirement compare to how you imagined it to be?

It's quiet much of the time. My new work can be physically demanding and that is an incentive to remain physically fit.

What is one piece of advice you would give another member considering retirement?

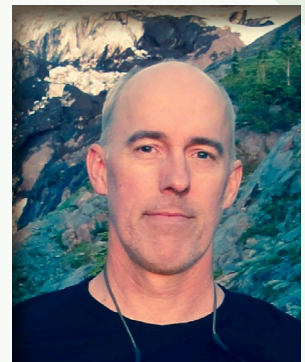
Plan a second career and go for it. You will enjoy life if you have new goals. Find new pursuits and stay busy learning.

What is something new you have accomplished in retirement?

I've become an outdoor educator after enrolling in a National Outdoor Leadership month long backpacking/training course. I'm a Wilderness First Responder and love working with young people. I also write for an adventure magazine and I'm learning how to "wrench" on my 1981 Land Cruiser.

What is on your retirement bucket list?

Adventure! I've packrafted the ANWR and the South Fork of the Flathead. I've hiked the Grand Canyon rim to rim and climbed several 14ers. I try to snow ski monthly in the winter and I'm planning some 4WD trips with new friends. And I enjoy working in Colorado in the summers.





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Article Idea? Comments?

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

DIRECTOR'S CORNER

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Our crew works together to ensure smooth delivery of promised retirement benefits to our members. With extra effort the past several months we have put plans into action that will enhance the services we provide. There are exciting things on the horizon. Projects we have long dreamed about, launching a member portal as an example, once felt like reaching a faraway land are finally within view of becoming reality.

Our ship sails steadfastly onward. We have seen you through times of crisis, and times of abundance, and that will not change, even though the waters may muddy or take us on routes unfamiliar to us. The OPERS staff is continually working hard and doing everything in our power to make sure our members have a secure and lasting retirement. Our commitment to our members has never wavered. In the face of uncertainty and change like the recent pandemic, we have even grown to become more member focused.

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. Twenty nine thousand five hundred (29,500) copies have been prepared and distributed at a cost of \$7,817.50. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

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