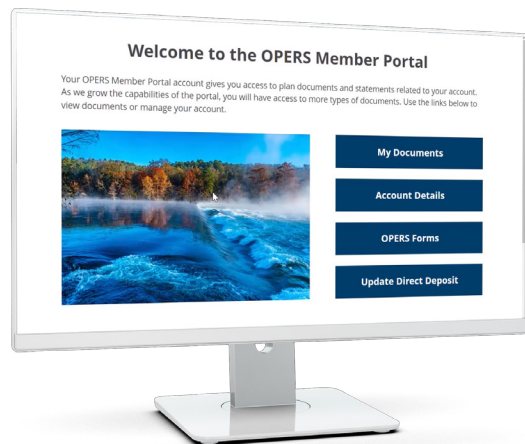


Retired Member Edition Winter 2024



Member Portal is Here

OPERS is excited to announce the launch of our Member Portal! This project enhances how we serve our members in the digital age. Through the Member Portal you can access important documents like active member statements, vested member statements, benefit notices, and 1099-Rs without waiting for a paper document in the mail. You can also download and save a document to your personal file. More features will be coming, so keep an eye out for updates.

To access the Member Portal, you'll need to click "Sign-in" on the OPERS home page (opers.ok.gov) or go to opers.ok.gov/member-portal for more information and instructional videos. Access to the Member Portal is for the original member. Joint annuitants and power of attorney need to contact OPERS to access information on the account.

Oklahoma Public Employees Retirement System

DIRECTOR'S CORNER

Joseph A. Fox, Executive Director

In 1985, about the time I was struggling through my second year of law school, an event happened at OPERS that would forever change its future; Don Kilpatrick was appointed to the OPERS Board of Trustees. Soon thereafter, he was named Chair of the Board and the retirement system's fortunes began to improve. Sadly, Mr. Kilpatrick passed away in September 2023 at the age of 84.

Mr. Kilpatrick served on the OPERS Board of Trustees for 38 years, 27 years as Chair. Mr. Kilpatrick was a champion of state employees. He recognized how important their civil service was to making government work for the people of Oklahoma. He recognized the dedication and hard work they had for jobs that some would not want. He realized the importance of providing state and local employees with a lasting income when they reached an age when they could no longer work.

Mr. Kilpatrick was the architect of the modern investment philosophy OPERS still uses today. This philosophy of a diversified investment portfolio at a low cost to taxpayers has worked well for over 30 years. This philosophy, as Don had hoped, ensures financial security for tens of thousands of past, current, and future retirees.

Because of Mr. Kilpatrick's work, OPERS is once again in a stable financial position, with an actuarial funded ratio of 100.7% as of July 1, 2023. Although active membership continues to decline due to closing the defined benefit plan to new hires after November 1,

continues on page 8

SEE INSIDE



Oklahoma Public Employees Retirement System
POPULAR ANNUAL FINANCIAL REPORT
for the Fiscal Year Ended June 30, 2023

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2024 Direct Deposit Dates
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- 7 Healthful Hints: 988 – Oklahoma's Mental
Health Lifeline
Member Spotlight
- 8 Contact OPERS

Travel Tips to Stay on Budget

Traveling can add adventure, relaxation, and fun to your retirement. However, poor planning, accidents and delays can ruin the experience. These hassles not only bring headaches, but also can increase spending from your savings. Here are a few tips to help keep your next trip on budget and memorable.



Buy basic items locally. You will pay extra to shop from a hotel, airport or other travel service store or marketplace. Often a local store can meet your needs at a lower cost. To make sure you don't miss anything, write a list of all the items to pack before you travel. If you must purchase something on your vacation, budget money to ensure it doesn't drain your finances.

Look into insurance coverage. Health issues, accidents and cancellations can happen before or while on your trip. Purchasing travel insurance protects you from paying for a vacation you did not

get to enjoy. When renting a car, you should check if your auto insurance will cover your rental. If not, car rental insurance gives you peace of mind to prevent unexpected out-of-pocket costs. Your health plan may not cover injuries or illnesses while you are traveling outside the country. Be sure to research international health insurance to compare different policies and pricing to decide if a plan is right for you.

Avoid being an obvious tourist. Tourists enjoy searching for unique items from local merchants. This can lead to happy memories as long as you remain aware of your surroundings. Check with your travel agent, hotel, resort, cruise line or from others who have traveled to your destination on places to go and rules to keep safe. Stay within protected areas and be careful that what you wear doesn't make you a target for theft or assault.

You have worked hard for your retirement. With mindful traveling, you can ensure your savings are well-spent on creating unforgettable experiences.

OPERS + GovDelivery

OPERS has a new email delivery system. Make sure when you see our emails you add the address to your safe senders list. We will be sending emails from **OPERS-Oklahoma@public.govdelivery.com**. And, don't forget to always update your personal email address if it changes to ensure you receive all OPERS-related information to your inbox. You can make updates at opers.ok.gov/email.

2024 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.

2024 DIRECT DEPOSIT DATES

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

Oklahoma Public Employees Retirement System
POPULAR ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2023

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, 2023. This report is a reader-friendly summary of financial information provided in the 2023 Annual Comprehensive Financial Report.

OPERS continued to meet our responsibilities during fiscal year 2023 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

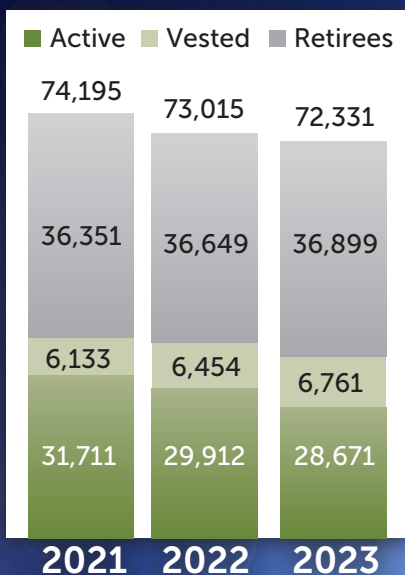


Annual Comprehensive Financial Report Online

The 2023 Popular Annual Financial Report for the Oklahoma Public Employees Retirement System (OPERS) contains summary financial information from the 2023 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, 2023, the Plan consisted of 289 participating employers comprised of state, county, and local agencies. The membership includes 28,671 active members, 6,761 inactive members, and 36,899 retirees and beneficiaries. Active membership has steadily decreased since the creation of 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 \$11.2 billion at June 30, 2023 comparable to the position at June 30, 2022 of \$10.4 billion and \$12.5 billion at June 30, 2021. The increase of \$0.8 billion from the prior year was due to an increase in investment income and flows of funds. 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 gain in fiscal year 2023, resulting in an increase in net investment income which led to a gain in net position restricted for pension/HISP benefits from June 30, 2022 to June 30, 2023 contrary to the prior year where there was a significant loss of a negative 14.5% rate of return from June 30, 2021 to June 30, 2022.

CONDENSED SCHEDULES OF FIDUCIARY NET POSITION

(\$ millions)

	2023			2022			2021		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Assets:									
Cash and cash equivalents	\$ 112.2	\$ 8.6	\$ 120.8	\$ 172.4	\$ 8.9	\$ 181.3	\$ 511.7	\$ 11.6	\$ 523.3
Receivables	334.3	13.3	347.6	317.2	12.7	329.9	543.5	20.8	564.3
Investments	10,810.1	436.2	11,246.3	10,092.0	407.8	10,499.8	12,064.2	466.3	12,530.5
Securities lending collateral	334.6	13.5	348.1	463.1	18.7	481.8	580.4	22.4	602.8
Other assets	0.7	-	0.7	0.4	-	0.4	0.8	0.1	0.9
Total assets	11,591.9	471.6	12,063.5	11,045.1	448.1	11,493.2	13,700.6	521.2	14,221.8
Liabilities:									
Other liabilities	541.4	21.9	563.3	594.5	24.0	618.5	1052.5	40.7	1093.2
Securities lending collateral	334.6	13.5	348.1	463.1	18.7	481.8	580.4	22.4	602.8
Total liabilities	876.0	35.4	911.4	1,057.6	42.7	1,100.3	1,632.9	63.1	1,696.0
Ending fiduciary net position	\$10,715.9	\$436.2	\$11,152.1	\$9,987.5	\$405.4	\$10,392.9	\$ 12,067.7	\$458.1	\$12,525.8

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION

(\$ millions)

	2023			2022			2021		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	\$ 68.7	\$ -	\$ 68.7	\$ 66.4	\$ -	\$ 66.4	\$ 66.2	\$ -	\$ 66.2
State and local agency contributions	296.2	16.8	313.0	283.2	16.6	299.8	275.3	17.7	293.0
Net investment income (loss)	1,071.7	31.0	1,102.7	(1,736.6)	(51.9)	(1788.5)	2,681.3	83.0	2,764.3
Total additions	1,436.6	47.8	1,484.4	(1,387.0)	(35.3)	(1,422.3)	3,022.8	100.7	3,123.5
Retirement, death and survivor benefits	688.6	16.8	705.4	675.6	17.2	692.8	661.6	17.7	679.3
Refunds and withdrawals	13.1	-	13.1	11.9	-	11.9	10.7	-	10.7
Administrative expenses	6.5	0.2	6.7	5.7	0.2	5.9	5.3	0.2	5.5
Total deductions	708.2	17.0	725.2	693.2	17.4	710.6	677.6	17.9	695.5
Net increase in fiduciary net position	728.4	30.8	759.2	(2,080.2)	(52.7)	(2,132.9)	2,345.2	82.8	2,428.0
Beginning 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
End of year	\$10,715.9	\$436.2	\$11,152.1	\$ 9,987.5	\$ 405.4	\$10,392.9	\$12,067.7	\$ 458.1	\$12,525.8

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, 2023, fiduciary net position increased by \$759.2 million, or 7.3%, from June 30, 2022. Total assets increased \$570.3 million, or 5.0%, due to a 7.1% increase in investments change in fair value and 5.0% increase in total assets. The System achieved a rate of return of 10.9% which is considerably higher than the prior year of -14.5%. Total liabilities decreased \$188.9 million, or 17.2%, due to an 8.9% 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, 2023, total deductions increased \$14.6 million, or 2.1%, from the prior year. Retirement, death, and survivor benefits increased \$12.6 million, or 1.8%, due to a 0.7% increase in the number of retirees at year end and a 1.3% increase in the average benefit. Refunds and withdrawals increased \$1.3 million, or 10.5%, from prior year followed by a 13.1% 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

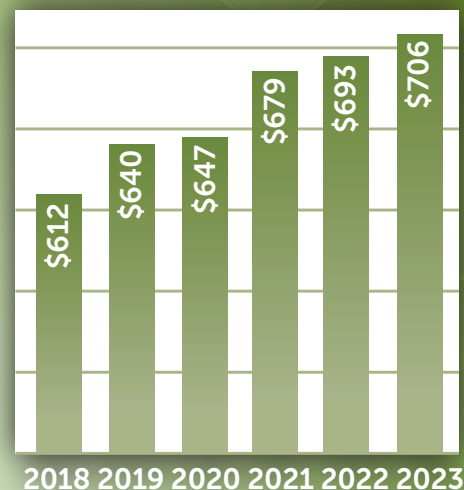
The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. OPERS' funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2023 increase 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, 2023 was 10.9%. 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 funds and two international equity index funds.

For fiscal year 2023, investments provided a gain of 10.9 percent. The annualized rate of return for OPERS was 6.7 percent over the last three years and 6.2 percent over the last five years. The allocation of the investment portfolio, as of June 30, 2023, is shown in the **Asset Mix** chart.

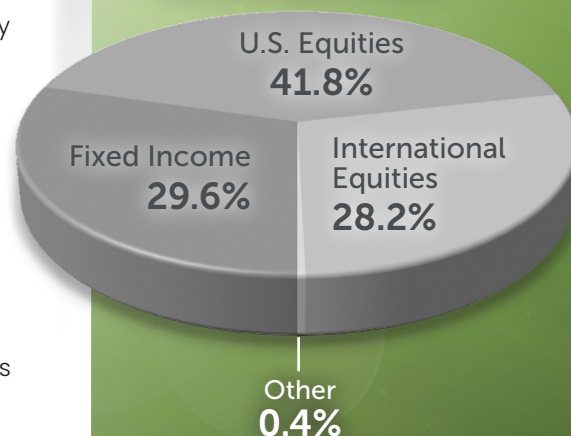
SCHEDULE OF BENEFIT PAYMENTS (\$ millions)



RATE OF RETURN

Year Ended June 30,	Total
2023	10.9 %
2022	(14.5)
2021	28.0
2020	4.7
2019	6.1
2018	8.4

2023 ASSET MIX



Funding

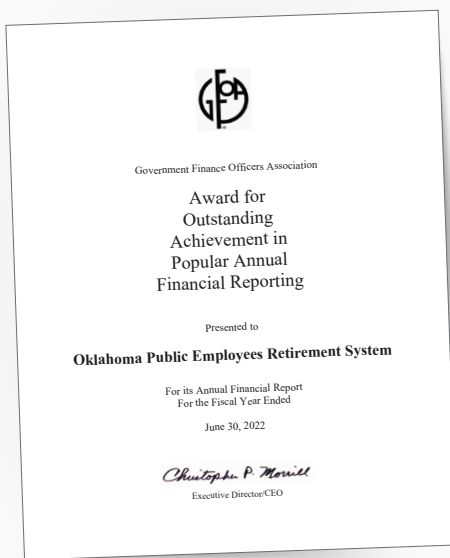
A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for OPERS is to meet long-term benefit promises through contributions that 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, 2023 amounted to \$11.5 billion and \$11.6 billion respectively.

The OPERS funded status decreased to 100.7% percent at July 1, 2023. In 2011, the funded ration 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, 2022. 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 16 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 13th 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



988 – Oklahoma’s Mental Health Lifeline

Mental health is an important part of living a quality, healthy life – something that OPERS wants for all our members. Knowing where to turn can be hard if you or someone you love is struggling with mental health issues. The 988 Mental Health Lifeline has made it easy to get help.

Did you know:

- Many retired Oklahomans find themselves fighting through the retirement blues. Work gives us a sense of purpose and fills our days with routine and structure. Luckily, there are things we can do beyond work to make the next chapter as fulfilling as the last. If you are anticipating, or living through, the challenging social or emotional impacts of retirement and want to talk, you can call/text/chat 988 for support.
- Social isolation can make us vulnerable to mental and physical health issues. Fostering satisfying, genuine relationships keeps us healthier and happier. Even making a connection with a person

at the post office or coffee shop can also move the needle. If you dread the thought of connecting due to depression or anxiety reach out to 988.

- Older adults have one of the highest rates of suicide. If you are feeling hopeless or having thoughts of suicide, please think 988. Life can be challenging, especially as our bodies and health change. You Matter. 988 is here to help.

Oklahoma’s Mental Health Lifeline connects you directly with trained behavioral health professionals, 24/7/365. Learn more:

<https://988oklahoma.com/what-is-988>.

This article was written in partnership with our friends at Oklahoma Department of Mental Health and Substance Abuse Services.



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: Deborah (retired seven years)

What did you not expect about retirement? What a full and wonderful life awaits a person in retirement. It was worth 40 years of hard work to reach this type of freedom, fun and peace.

How does retirement compare to how you imagined it to be? Even better than I could have hoped. Never a dull day, but if I want a lazy day, I can take it anytime. My days are full of volunteering, travel, appointments made during the day, church activity. Oh, and sleeping late!

What is one piece of advice you would give another member considering retirement? Do it as soon as you can. Also, get out and stay busy. Most of all, enjoy the time! We earned it!

What is something new you have accomplished in retirement? Been able to be financially independent, committed myself more to my faith thru church activities, and begun a wonderful new relationship with a glorious retiree with whom I believe I'll spend the last part of this wonderful life, and which would not have been possible had it not been for this retirement.

What is on your retirement bucket list? Travel, travel, travel. Learning to play the violin and ukulele, follow and attend Irish and bluegrass music and all kinds of music festivals, continuing to help others through volunteerism, and continue to be happy, content, and grateful for everything God has blessed me.





OKLAHOMA

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www.opers.ok.gov

Article Idea? Comments?

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

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-seven thousand two hundred (37,200) copies have been prepared and distributed at a cost of \$10,006.80. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Mailed January 2024

DIRECTOR'S CORNER *continued from page 1*

2015, contributions continue at a steady stream to make sure the fund remains solid. The number of retirees has climbed because retirees are living longer, and the baby boomers continue to retire in large numbers. The average annual retirement benefit has also risen due to longer employment service and higher salaries. All these trends are expected and will continue.

As you will read in this newsletter, we are excited to launch our long-awaited Member Portal which will provide our members with access to their account information. The initial launch will provide limited information, but more will be added.

Mr. Kilpatrick was a pioneer and innovative leader of the OPERS Board of Trustees, and he was proud of the financial stability the retirement system has achieved. I am sure he would remind me that our work is never done, and we must continue to provide a diversified investment portfolio at the lowest cost possible so we can continue to fund retirement benefits for our thousands of current and future retirees. That is our mission. Well done Mr. Kilpatrick. Your OPERS family will miss you.