THE ADVISOR
Quarterly Newsletter of the Oklahoma Teachers Retirement System

Oklahoma Teachers Retirement System

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Interim Executive Director

Tom Spencer

Teachers' Retirement System Board Hires Interim Executive Director, And Executive Search Firm To Find Permanent Director

At a meeting on March 26, 2014, the OTRS Board of Trustees approved an agreement to temporarily share the services of Tom Spencer. Spencer is the Executive Director of the Oklahoma Public Employees Retirement System (OPERS).

Under the agreement, Spencer will serve as interim director of the Oklahoma Teachers' Retirement System (OTRS) as the Board undertakes a national search for a permanent director. The four month agreement provides for Spencer to spend 50% to 80% of his time at OTRS. The OPERS Board approved of the arrangement on March 27, 2014. OPERS Chairman DeWayne McAnally said, "Our Board felt it was the right thing to do to help a sister state agency while it seeks new leadership." Spencer added, "I look forward to working with the OTRS Board and their staff until they find a new director."

At the April 16, 2014 meeting the Teachers' Retirement System Board of Trustees selected executive search firm Hudepohl & Associates from Dublin, Ohio, to help conduct a national search for its next Executive Director. The Board selected the firm after conducting a competitive proposal process. There were two proposals received.

"We have started a national search for a permanent executive director and have selected a nationally recognized firm to assist the Board of Trustees in the process," said OTRS Board Chairman James Dickson. "That process could take several months," Dickson added. "Tom Spencer will serve in an interim capacity until the process is complete."

2014 Legislative Update

Passage of HB 2740 Prompts Promulgation

As a result of the passage of HB2740, a statewide organization representing retired educators can now appoint one (1) non-voting Trustee to the Board of Oklahoma Teachers Retirement System (OTRS).

Because of the possibility that more than one statewide organization representing retired educators exists, OTRS is proposing an emergency rule to outline a procedure to determine which organization is eligible to make the Trustee appointment.

This rule was presented and considered by the Board at the May 21, 2014 Board meeting. Comments on the rule were heard and recommendations for implementation were made. A copy of the emergency rule can be found on our website at www.ok.gov/trs.

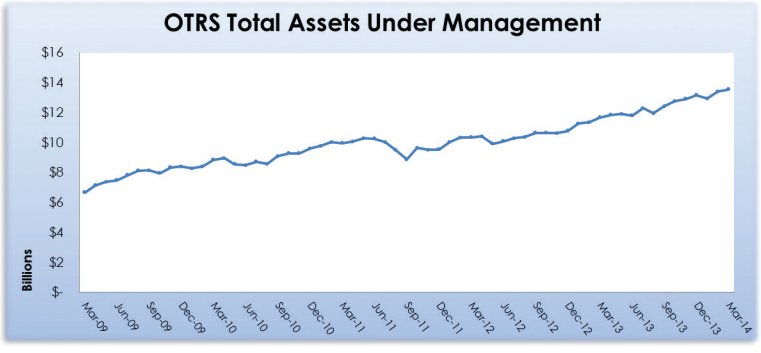
HB 2611 Changes Definition of Annual Compensation for OSU-CHS Members

HB 2611 was signed into law by Governor Fallin on April 22, 2014. This bill amended statute 70 O.S. 2011, Section 17-101 to include employees who work for the Oklahoma State University Center for Health Sciences (OSU-CHS).

Compensation earned for clinical related activity, otherwise known as the Professional Practice Plan, will be excluded from regular annual compensation for retirement contribution purposes. Previously, only the University of Oklahoma Health Sciences Center (OUHSC) Professional Practice Plan was listed under the statute.

3rd Quarter Investment Recap

At the beginning of the third quarter, the domestic equity market gave back some of the prior quarter's gains as data turned mixed and investors took profits. The bond market responded positively to falling equity prices. As investors moved out of stocks, many moved to bonds, driving prices higher and yields lower. Due to a well-balanced asset allocation, the System saw returns of 2.8% for the quarter.



Assets grew phenomenally over the past twelve months, yielding $1.65 billion in gains. Nearly every asset class outperformed their comparitive benchmark, helping OTRS realize an annual return of 17.1% for fiscal year 2014. Most importantly, the average annual return for the total portfolio since inception is an incredible 9.5%, which is well in excess of our target return of 8%.

Considering Post-Retirement Employment?

If you are considering post-retirement employment within the public education system in Oklahoma, you need to be aware of the requirements and restrictions set by our current statutes, as outlined below:

- You must have a 60 day break between your employment and date of re-hire
- Retirees under age 62 and retired fewer than 36 months may earn the lesser of $15,000 or one-half of their final average salary
- Retirees age 62 and older and retired fewer than 36 months may earn the lesser of $30,000 or one-half of their final average salary
- The earnings limits are prorated based on a calendar year. Earning more than the stated limits will reduce your monthly retirement benefit, dollar for dollar.

Once you have been retired for 36 months, OTRS does not limit the amount you may earn in post-retirement employment within Oklahoma public education. There are no restrictions on post-retirement employment with an employer who does not participate in OTRS regardless of your age, or date of retirement.

The Oklahoma Teachers Retirement System understands how important it is for you to receive timely information about your retirement and pension plan. And we want you to stay up to date on the latest OTRS news and developments. "Liking" us on Facebook is the one of the easiest ways we can provide timely and accurate information to YOU.

Social media applications, such as Facebook, have allowed us to expand our avenues of communications with our valued members and clients. This interactive format gives you the opportunity to not only get quick updates to events and developments, it also provides an additional platform for you to ask questions and share ideas.

If you are already following us, please encourage your friends and colleagues "Like" our page at facebook.com/OkTRS.

Oklahoma Teachers Retirement System

Post Office Box 53524
Oklahoma City OK 73152-3524

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Have Questions? Need Help?

Here's how you can get in touch with us:

In person: Oliver Hodge Building, 5th Floor, 2500 N. Lincoln Blvd., Oklahoma City
On the phone: 1-877-738-6365 or 405-521-2387
On the web: www.ok.gov/TRS or facebook.com/okTRS

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A Message from the Chairman

By James R. Dickson
Chairman
Oklahoma Teachers Retirement System

The last few months have been very busy and productive for Oklahoma Teachers Retirement System. Recently, OTRS and Oklahoma Public Employee Retirement System entered into a unique arrangement that allows Tom Spencer to serve as the Interim Executive Director for OTRS while continuing the serve as Executive Director of OPERS. Tom's knowledge on public pensions and his experience within state government has already proven to be extremely helpful.

In addition, the OTRS Board continues to make very good progress in conducting a search for a permanent Executive Director. The OTRS Search Committee is working with a very experienced executive search firm to identify excellent candidates for this important leadership position.

Providing you and all OTRS members with excellent service is our top priority. Recently, a new "voice over internet protocol" system was installed to help improve our ability to service clients via telephone contact. We are continuing to explore other client contact areas for improvements.

As the current fiscal year comes to a close, many of our members will be considering or starting their retirement. Please know that the OTRS Board and staff are dedicated to ensuring that this transition will be smooth.

Thank you for your continued confidence in OTRS!