THE
ADVISOR
Quarterly Newsletter of the Oklahoma Teachers Retirement System

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TRS LEGISLATION 2016

Only one bill passed during the 2016 Legislation Session that directly affects the Teachers' Retirement System. HB 2263 was a request bill from TRS that has items that are good for TRS members and will help TRS administer the Plan better. It is effective November 1, 2016. Here are some of the highlights of the bill:

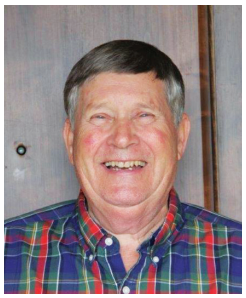
1. It creates a statutory Retirement Application with a 60-day deadline. The deadline can be waived for good cause.
2. Employer's must provide TRS with a "Final Certification" on retiring members with information such as unreported payroll and sick leave balances.
3. Trustees of "Special Needs Trusts" may be named as beneficiaries of benefits or other assets. Such trusts are typically set up for disabled family members. Current law doesn't permits trusts to be named.
4. The amount TRS can pay beneficiaries of deceased members without requiring a probate case to be filed is being increased from $5,000 to $25,000.
5. New provisions dealing with the Medical Board that hears disability retirement applications were passed. The TRS Board can establish more than one medical board composed of out-of-state physicians. TRS is looking at possibly outsourcing some of its disability benefit administration.
6. TRS can permit the Pension Commission (an oversight body) to directly access information on TRS investment holdings rather than submit quarterly reports. This is actually the current practice for all state retirement system.
7. Several amendments were made to the reporting duties of participating employers. The first puts the current "annual report" into statute and requires the report to contain correct compensation, service credit and contributions from the prior fiscal year. All employers must cooperate with TRS in providing payroll data and any other records that pertain to a client's participation in TRS, as well as cooperating with TRS auditors.
8. Current law requires TRS to assess late penalties on employers who pay their contributions late. An amendment in the bill gives discretion to the TRS Board to waive late fees "for good cause shown."

TRS Welcomes New Board Members

Shareé Madsen is the Business and Computers instructor at Northwest Technology Center, Fairview campus. Shareé received her Bachelor of Science in Business Education from Northwestern Oklahoma State University and earned a Master of Science in Management from Friends University. Shareé has 14 years of experience in the educational field and has had the opportunity to work in both public education as well as CareerTech.

Shareé is a member of Oklahoma Association of Career and Technology Education and National Association of Career and Technology Education. In addition, she is serving as an Oklahoma Career and Technology Education Accreditation Examiner and is on many local educational committees as well as being the social media specialist for the Fairview campus.

Shareé resides in northwest Oklahoma with her husband, Craig. They have one daughter, Blake, and two sons, Lane and Cade.



Bill Bentley is an Oklahoma retired Public School Superintendent. He previously served as a teacher/coach, Junior High and High School Principal. Mr. Bentley was employed 13 years as a FBI Special Agent. He currently teaches part time for Southern Nazarene University.

Bill received a Bachelor of Science from Northern Arizona University and a Master's in Education Management from the University of Minnesota. He has completed additional graduate work at Oklahoma State and the University of Oklahoma.

Mr. Bentley has served on the Board of Directors for Professional Oklahoma Educators since 1996. He is active in his church and he and his wife Judy have three grown children. Judy is a retired elementary teacher and they reside in the country north of Lindsay, Oklahoma.

Christa Leamon Hughes began her teaching career in 1978 at Cherokee Public Schools in northwest Oklahoma and retired from teaching at Cherokee in 2014. She is a graduate of Northwestern Oklahoma State University, where she has also taught education courses as an adjunct instructor. She is the past president of Epsilon Sigma Alpha.

She and her husband, Dean, live in Carmen where he is a farmer and rancher. Christa enjoys her five grandchildren and spending time at Grand Lake.

Fall 2016 Seminar Series

The Oklahoma Teachers Retirement System will be hosting six Pre-Retirement Planning seminars this fall. The dates and venues are as follows:

August 27th – Great Plains Technology Center, Lawton

September 24th – East Central University, Ada

October 1st – Oklahoma City (2 sessions), Francis Tuttle Technology Center, Rockwell Campus

October 22nd – Tulsa (2 sessions), Tulsa Technology Center, Lemley Campus

Pre-registration is required, and you may do so at *www.ok.gov/trs/calendar*. We hope to see you there!

TRS: Providing Security During Retirement and Beyond

Benjamin Franklin is often quoted as saying, "In this world nothing can be said to be certain, except death and taxes." Here at TRS we also hope that the death and survivor benefits we provide upon our members' deaths can offer some certainty and predictability for their loved ones.

In addition to our multiple retirement options that provide monthly benefits to a spouse or joint annuitant upon the death of a retired member, the member's designated beneficiary or beneficiaries is entitled to receive a $5,000 death benefit payment from TRS. The beneficiary can be a person, multiple people, or a trust. If a member's retirement option provides for a spouse or a joint annuitant to receive monthly TRS benefits after the member's death, the $5,000 death beneficiary may be the joint annuitant, but does not have to be.

When actively working and contributing members die, their designated beneficiaries are entitled to an $18,000 death benefit payment from TRS. Just as with the $5,000 death benefit, the beneficiary can be one or multiple people, or a trust. If at the time of his or her death the active member had ten (10) or more years of service credit and the member has only one designated beneficiary, that beneficiary may choose to receive the retirement benefit the retired member would have been eligible to receive under an Option 2 retirement in lieu of the $18,000 death benefit. To qualify for this option, the designated beneficiary must have been named as the primary beneficiary at the time of the member's death and the beneficiary must be either the member's spouse or someone who is not more than 10 years younger than the member.

One added benefit to both the $5,000 and $18,000 death benefit payments is that they can be disclaimed by the beneficiary and directly assigned to a funeral home designated by the member prior to his or her death. The beneficiary is eligible to make the election to pay the death benefit to the designated funeral home after the death of the member. This process is called a Qualified Disclaimer and requires the member to have already designated a specific funeral home in writing in the event the beneficiary of the death benefit disclaims the benefit. Properly executed, the Qualified Disclaimer shields the beneficiary from any tax liability related to the payment of the death benefit and provides for certain payment of funeral expenses. Beneficiary designations and disclaimers must be on file with TRS prior to the death of the TRS member.

Lastly, TRS laws also provide that if any member eligible to receive a death benefit dies without designating a beneficiary for his or her death benefit, or designates his or her estate as the beneficiary, that TRS may pay the benefit up to $25,000 to the estate without the necessity of the filing of a probate action in the district courts. This procedure is called a probate waiver and is governed by specific rules that TRS will provide complete information on should the need arise.

DIRECTOR'S CORNER

Retirement Income Security: It's Our Mission

Tom Spencer, Executive Director

Every modern day organization has a "mission statement." As someone who has read dozens of mission statements, I've seen some doozies. While I do not profess to be an expert, I think I can spot the good ones versus those written by people who think more is always better. Here is the mission statement of the Teachers' Retirement System.

"We collect, protect and grow assets to provide a secure retirement income for public education employees."

Our mission statement is short and simple. The work we do every day to fulfill our mission is anything but simple. Our work makes it possible to provide a secure retirement to our members. If you are fortunate enough to be a public educator in Oklahoma who "vests" and lives long enough to draw a TRS pension, your retirement income is very secure. The amount you receive is not based on the whims of the market. Active members of TRS are earning a little higher pension for each year they work.

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Oklahoma Teachers Retirement System

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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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Continued from previous page

Retirement Income Security: It's Our Mission

The balance of your contributions and what your employer has paid in may be interesting to look at, but those balances have nothing to do with the amount of lifetime income our members receive when they retire. You may have friends or family members who have a 401(k) or IRA as their only retirement savings. Having such an account is certainly better than having no retirement savings at all. However they have no guarantee of income in retirement and they have no idea if their fund balances will be there when they most need that money and when they will be at their most vulnerable.

According to a study published by the National Institute on Retirement Security, forty million working age households (45%) had absolutely **no** retirement assets. They had no IRA, 401(k) and no pension. See, "The Continuing Retirement Savings Crisis" (NIRS, March 2015). This is an astonishing and alarming statistic. Even though one's Social Security benefits were never intended to be the sole retirement income for Americans, that's exactly what it will be for nearly half of American working age households.

I know that public educators who are near retirement are keenly aware of how important their pension benefit is. I only hope that those just entering the education workforce or who are in the early years of their career have some notion of how important a benefit that will be for them. Perhaps we all need to better communicate to our newer educators how a TRS pension will help them enjoy a secure retirement.