THE
ADVISOR
Quarterly Newsletter of the Oklahoma Teachers Retirement System

OKLAHOMA TEACHERS RETIREMENT SYSTEM

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Winter 2013 / Volume 5 Issue 1

Regional Retirement Planning Seminars

Over the course of the Spring 2013 semester, OTRS will host two regional retirement seminars. The first seminar will be Saturday, March 2 at the Renaissance Cox Convention Center in Oklahoma City. The second seminar will be held March 9 at the Crowne Plaza Hotel in Tulsa.

No matter your age, it is vitally important that you get a big-picture view of all financial services available to help you retire comfortably. Therefore, we are encouraging clients of all ages to attend.

Once again, the seminars will conform to a half-day format. The opening session will be an informative overview of the System. It is designed to help clients in all stages of their career understand how their retirement is funded and what benefit options are available upon retirement. This year, we will also offer "break-out" sessions. Such topics to be discussed include post-retirement employment, EESIP (or the wear away plan), service purchase billings, and how to enhance your retirement with a supplemental savings plan.

Upon registration, client's names are entered into multiple drawings for door prizes. The grand prize at the end of the day is selected from those who remain in attendance until the close of the seminar.

Registration will begin in the very near future and will once again be conducted online through our website, www.ok.gov/TRS. "Like" us on Facebook and you will be one of the first notified when registration is open. Seating capacity is limited and registration will be closed when seating limitations have been met.

For those clients who are unable to attend, a preview of the presentation is on the OTRS website as well as retirement timelines and details regarding the retirement process.

First Step to Retirement

Pre-Retirement Information Verification

To ensure your retirement experience is as easy and complete as possible, OTRS has developed a new form to initiate the process. Completing the Pre-Retirement Information Verification (PIV) form is now the first step to retirement. You may obtain this form by contacting our office and requesting one by mail, by email or you may download it from our website, www.ok.gov/TRS.

The PIV will ask you to provide information such as your name, address and requested retirement date. It also asks for your date of birth and if you want to provide for a joint annuitant. Once this completed form has been received along with all required documentation, we will proceed with preparing an estimate of your retirement benefits.

If you are considering retiring this year, the time to start the process is now by completing a PIV. Receiving required information and documentation up front will eliminate the possibility of your retirement being delayed during the retirement finalization process.

Joint-Annuitant Option

What you should know

If you chose a joint-survivor option when you retired, you will provide a continuing monthly benefit for someone after your death. This benefit will last for the rest of his or her life.

However, if your joint-survivor dies first, the option is cancelled. You cannot choose someone else to receive the benefit. Your monthly payment will "pop up" to the amount you would have received had you chosen the Maximum Option.

It is important for you to let us know if your joint-survivor dies. You can then begin receiving a larger benefit payment each month. Please notify us in writing and include a certified copy of the death certificate. We will return the certificate after processing, if requested.

Although your joint-survivor option will be cancelled, OTRS still provides a $5,000 death benefit to your designated beneficiary. Be sure to keep this designation current.

1099-R Tax Forms Mailed In January

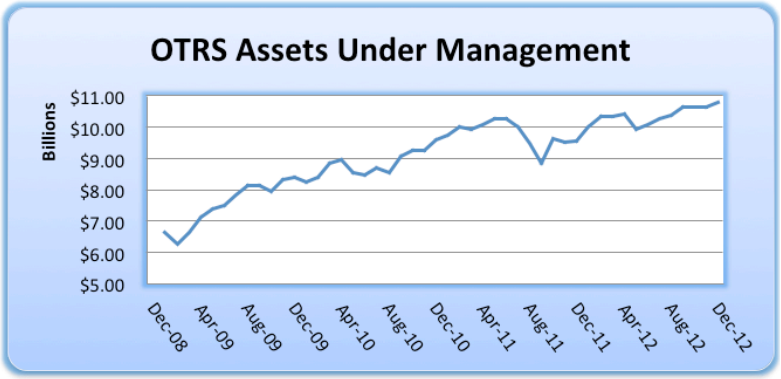
Each year, OTRS calculates the total benefits you have received and provides this and other information to you on a 1099-R tax form. This form is needed to prepare your federal and state tax returns. These tax forms are mailed to clients by January 31 of each year. If you do not receive a 1099-R by mid-February, please contact our office.

If you have questions about your individual tax situation, you will need to consult with a qualified tax professional or the Internal Revenue Service. An explanation of your 1099-R can be found on the homepage of our website www.ok.gov/TRS, under Announcements.

You can change the amount of tax taken out of your monthly benefit payment anytime. A tax advisor can help you see whether you need to adjust your monthly withholding to better reflect the amount of taxes you will likely owe. You can also use the IRS' withholding calculator at www.irs.gov in the "Individuals" section.

4th Quarter Investment Recap

The strength of the global equity markets in the fourth quarter of 2012 provided a boost to the total assets of the System. The OTRS domestic equity portfolio had a 1.83% return and the international equity portfolio had a 5.73% return in the 4th quarter of 2012. Additionally, good performance in the high yield fixed income and real estate spaces helped the System earn a total return of 2.29% in the fourth quarter of 2012.



Despite macro level turbulence throughout 2012, the Teachers Retirement System returned an impressive 14.75% for the year, beating the benchmark by more than 1.80%. The diversified asset allocation of OTRS investments yielded more than $1.3 Billion in asset growth in 2012.

Since inception, the System has produced a 9.2% annualized rate of return. OTRS management will remain focused on the fundamentals of investing in order to achieve long-term total return goals.

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

Printed by University Printing Services and issued by Oklahoma Teachers Retirement System. 143,500 copies were printed at a cost of $10,000.00. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Service Performance

Back on Track

By James R. Wilbanks, Ph.D.
Executive Director
Oklahoma Teachers Retirement System

On January 3, 2012, OTRS converted to a new client accounting system. As with any system conversion, we incurred many unforeseen obstacles and we were not able to provide an acceptable level of service. By September, over 1,400 clients were waiting to receive retirement benefit information.

At that time, a consultant was hired to help us review our current processes and procedures. Extensive examination revealed the methods in place did not coincide with the design of the new system, and it was time for widespread changes.

Beginning in October, new processes and procedures were developed and implemented. As a result, the backlog is completely diminished. Our service response time to client requests is within 72 hours.

We are keenly aware that we are operating in an ever-changing environment, and learning to adapt is key to our future success. We will continually seek ways to exceed your service expectations.