

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, November 18, 2015 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES:**
 - A. October 21, 2015 Regular Meeting
- 3. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Heitman
 - B. Advisory Research, Inc.
- 4. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY AND QUARTERLY REPORTS**
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT:**
 - A. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT** *The Board of Trustees may elect to make any changes to the status of any manager(on watch, alert, remove them from that status, or terminate) based on the information available at the Board meeting*
 - B. UPDATE ON INTERNATIONAL EQUITY DUE DILIGENCE MEETINGS**
 - C. DISCUSSION AND POSSIBLE ACTION TO APPROVE AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT REGARDING REAL ESTATE INVESTMENTS MANAGED BY ANTHEUS**
 - D. DISCUSSION REGARDING LORD ABBETT PERSONNEL ANNOUNCEMENT**
 - E. DISCUSSION AND POSSIBLE ACTION ON STAFF REPORT ON THE 403(B) PROGRAM SPONSORED BY OTRS INCLUDING POSSIBLE LEGISLATIVE PROPOSALS**
 - F. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT POLICY STATEMENT DRAFT**
 - G. DISCUSSION ON CHIEF INVESTMENT OFFICER REPORT**
- 6. DISCUSSION AND POSSIBLE ACTION ON EXTERNAL AUDITOR'S REPORT**
- 7. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS:**
 - A. Governance**
 - A. DISCUSSION AND POSSIBLE ACTION TO ADOPT AMENDMENT TO BOARD OF TRUSTEES POLICY MANUAL REGARDING BOARD OFFICER ELECTION NOMINATING COMMITTEE
 - B. Audit**
 - A. DISCUSSION AND POSSIBLE ACTION ON EXTERNAL INTERNAL AUDITOR'S REPORT ON EMPLOYER PORTAL AUDIT
- 8. DISCUSSION AND POSSIBLE ACTION ON PROPOSED FINDINGS OF FACTS, CONCLUSIONS OF LAW, AND RECOMMENDATION PREPARED BY HEARING OFFER FOR GRIEVANCE OF KERRI HAMILTON**

- 9. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO 25 O.S. § 307(B)(9) FOR THE PURPOSE OF ENGAGING IN DELIBERATIONS OR RENDERING A FINAL OR INTERMEDIATE DECISION IN AN INDIVIDUAL PROCEEDING PURSUANT TO ARTICLE II OF THE ADMINISTRATIVE PROCEDURES ACT REGARDING THE GRIEVANCE OF KERRI HAMILTON**
 - A. Vote to Convene into Executive Session
 - B. Vote to Return to Open Session
- 10. DISCUSSION AND POSSIBLE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**
- 11. DISCUSSION AND POSSIBLE ACTION ON AMENDMENT TO EXTERNAL AUDIT CONTRACT MEMORIALIZING THE CHANGE OF NAME FROM MCGLADREY, LLP TO RSM INTERNATIONAL**
- 12. DISCUSSION AND POSSIBLE ACTION TO RENEW EXTERNAL INTERNAL AUDIT CONTRACT WITH STINNETT AND ASSOCIATES FOR CALENDAR YEAR 2016**
- 13. DISCUSSION AND POSSIBLE ACTION TO ADOPT 2016 LEGISLATIVE PROPOSALS**
- 14. DISCUSSION AND POSSIBLE ACTION ON RECOMMENDATION TO ADOPT A WORKING DRAFT OF PROPOSED PERMANENT ADMINISTRATIVE RULES FOR THE PURPOSE OF SUBMISSION TO THE GOVERNOR AND FOR PUBLIC COMMENT: 715:1-1-13 amended; 715:1-1-8 amended; 715:10-3-1 amended; 715:10-5-4.1 amended; 715:10-5-1 amended; 715:10-5-9 amended; 715:10-5-11 amended; 715:10-7-1 amended; 715:10-9-6 amended; 715:10-11-2 amended; 715:10-13-1 amended; 715:10-13-2 amended; 715:10-13-13 amended; 715:10-15-3 amended; 715:10-15-10 amended; 715:10-15-7.2 amended; 715:10-15-10.2 amended; 715:10-17-12 amended; 715:10-15-16 amended; 715:10-25-1 amended; 715:10-25-2 amended; 715:10-25-3 amended; 715:10-25-4 amended; 715:10-25-5 amended; 715:10-15-11 amended; 715:10-5-4 amended; 715:10-17-13 amended;**
- 15. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO 25 O.S. § 307(B)(1) FOR THE PURPOSE OF DISCUSSING THE EMPLOYMENT, EVALUATION, COMPENSATION, HIRING, APPOINTMENT, PROMOTION, DEMOTION, DISCIPLINING, TERMINATION, OR RESIGNATION OF THE GENERAL COUNSEL**
 - A. Vote to Convene into Executive Session
 - B. Vote to Return to Open Session
- 16. DISCUSSION AND POSSIBLE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**
- 17. DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:**
 - A. Client Services (70 O.S. 17-105)
 - B. Human Resources
 - C. Finance
 - D. General Counsel
 - E. Executive Director
- 18. QUESTIONS AND COMMENTS FROM TRUSTEES**

19. NEW BUSINESS *(Any matter not known about or which could not have been reasonably foreseen prior to the time of posting. 25 O.S. 2011, §311.)*

20. ADJOURNMENT

Note: The Board of Trustees may discuss, vote to approve, vote to disapprove, or decide not to discuss any item on the agenda.

**MEETING MINUTES
OCTOBER 21, 2015
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Bill Peacher, Chairman, at 9:00 a.m., in the Administration Board Room, 5th Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Bill Peacher, <i>Chairman</i>	Kevin Moore*
Vernon Florence, <i>Vice Chair</i>	Lance Nelson*
Judie Harris, <i>Secretary</i>	Myron Pope*
Elaine Dodd*	Billie Stephenson
Roger Gaddis	Gary Trennepohl
Jill Geiger*	Greg Winters
Phil Lewis *	

TRUSTEES ABSENT:

None

TRS STAFF PRESENT:

Tom Spencer, *Executive Director*
Julie Ezell, *General Counsel*
Dixie Moody, *Director of Client Services*
Sam Moore, *Director of Finance/CFO*
Kim Bold, *Director of Human Resources*
Debra Plog, *Manager of Employer Reporting*
Kirk Stebbins, *Chief Investment Officer*
Melissa Kempkes, *Investment Analyst*
Susan Yingling, *Executive Assistant*

OTHERS PRESENT:

Norman Cooper, *OREA*
Wayne Maxwell, *RPOE*
Greg Weaver, *Bogdahn Group*
Doug Anderson, *Bogdahn Group*
Chancen Flick, *OEA*
Ryan Falls, *Gabriel Roeder Smith & Company*
Kerry Hamilton
Joe Hamilton
Craig Riffel
Matt Stangl, *Attorney General's Office*
John Martin, *AEW Capital Management*
Cristen Conkling, *AEW Capital Management*
Andy Smith, *L&B Real Estate*
Christian Metten, *L&B Real Estate*

Mark Gerigk, *L&B Real Estate*
Katie McBride, *L&B Real Estate*

*Denotes late arrival or early departure.

ITEM 1 – ROLL CALL FOR QUORUM: Chairman Peacher called the Board meeting to order at 9:00 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Harris, Dr. Lewis, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 2 – MEETING MINUTES: A motion was made by Mr. Florence with a second made by Ms. Harris to approve the September 22, 2015 Special Board meeting minutes and the September 23, 2015 Regular Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Harris, Dr. Lewis, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

Jill Geiger arrived at 9:03 a.m.

ITEM 3 – PRESENTATION BY INVESTMENT MANAGERS: Representatives from AEW Capital Management and L&B Real Estate presented their respective investment manager report to the Board. No action was necessary.

A break was taken from 10:16 a.m. to 10:27 a.m.

ITEM 4 – INVESTMENT CONSULTANT MONTHLY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of the Bogdahn Group, gave their monthly report to the Board. No action was necessary.

ITEM 5 – INVESTMENT COMMITTEE REPORT: Mr. Florence, Chair of the Investment Committee, directed the Trustees to view the handout that recounted the recommendations from the Investment Committee meeting held on October 20, 2015.

ITEM 5A – MANAGER STATUS SUMMARY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of the Bogdahn Group, presented the Manager Status Summary Report. They said that Advisory Research remained "On Alert" for performance, and there were no changes to the report. No action was necessary.

ITEM 5B – AMENDMENT TO LIMITED PARTNERSHIP AGREEMENT REGARDING REAL ESTATE INVESTMENTS MANAGED BY ANTHEUS: Julie Ezell and Doug Anderson explained to the Trustees the reason an amendment was needed for the partnership agreement with Antheus. After some discussion, Mr. Florence said that a motion from the Investment Committee had been made by Mr. Peacher and seconded by Ms. Geiger to approve the amendment to the limited partnership agreement regarding real estate investments managed by Antheus for the purpose of allowing the use of a subscription line pending negotiation of a satisfactory contribution agreement amongst all limited partners. The motion passed by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 5C – SELECTION OF SEMIFINALISTS FROM REQUESTS FOR PROPOSALS FOR DEVELOPED AND EMERGING MARKETS (715 15 1003): Mr. Florence asked Doug Anderson to give an overview of the process behind reviewing the proposals for the searches for new investment opportunities. Doug Anderson gave a brief overview and said OTRS had received ninety-three responses

to the Request for Proposals for Developed and Emerging Markets and that the Investment Committee had narrowed that field down to seven. It was also discussed that due diligence trips to meet with the semifinalists would be conducted in the first two weeks of December. After some discussion, Mr. Florence said that a motion from the Investment Committee had been made by Dr. Trennepohl and seconded by Mr. Gaddis to approve the selection of the following seven (7) managers as semifinalists in the search for Developed and Emerging Market products: Allianz Global Advisors, Bailard, Johnston Asset Management, Strategic Global Advisors, Toqueville Asset Management, Vontobel Asset Management, and Wellington Management. The motion passed by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 5D – SELECTION OF SEMIFINALISTS FROM REQUESTS FOR PROPOSALS FOR EMERGING AND FRONTIER MARKETS (715 15 1004): Doug Anderson said that OTRS had received forty-five responses to the Request for Proposals for Emerging and Frontier Markets and that the Investment Committee had narrowed that field down to four. After some discussion, Mr. Florence said that a motion from the Investment Committee had been made by Mr. Gaddis and seconded by Mr. Peacher to approve the selection of the following four (4) managers as semifinalists in the search for Emerging and Frontier Market products: Aberdeen, Hermes, McKinley Capital, and State Street Global Advisors. The motion passed by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

Dr. Lewis left at 10:55 a.m.

ITEM 5E – CHIEF INVESTMENT OFFICER REPORT: Kirk Stebbins, Chief Investment Officer said he would be working with OTRS staff and the investment consultants to review and propose modifications to the Investment Policy Statement. The first stage in this process would be to reformat the Investment Policy Statement so that it's structure resembles the sample outline provided by the CFA Institute. After some discussion, no action was necessary.

ITEM 6 – FY 2015 ACTUARIAL VALUATION REPORT: Ryan Falls, Actuarial Consultant from Gabriel Roeder Smith & Company, gave the presentation of the June 30, 2015 Actuarial Report. After some discussion, a motion was made by Dr. Winters with a second made by Dr. Trennepohl to approve the FY 2015 Actuarial Valuation Report. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 7 – DISCUSSION AND POSSIBLE ACTION TO ADOPT AN ACTUARIAL FUNDING POLICY INCLUDING POSSIBLE AMENDMENTS TO ACTUARIAL ASSUMPTIONS OR METHODS: Tom Spencer, Executive Director, reviewed the proposed funding policy document with the Trustees. Dr. Trennepohl asked that the word "fixed" be changed to "closed." Ryan Falls confirmed that "closed" was an industry term that might be better understood. After further discussion, a motion was made by Dr. Trennepohl with a second made by Ms. Geiger to adopt the funding policy with the amendments presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 8 – DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO 25 O.S. § 307 (B)(9) FOR THE PURPOSE OF ENGAGING IN DELIBERATIONS OR RENDERING A FINAL INTERMEDIATE DECISION IN AN INDIVIDUAL PROCEEDING PURSUANT TO ARTICLE II OF THE ADMINISTRATIVE

PROCEDURES ACT REGARDING THE GRIEVANCE OF KERRI HAMILTON: Craig Riffel, attorney for Kerri Hamilton, stated Ms. Hamilton's case to the Board. Julie Ezell, General Counsel for OTRS, gave her statement to the Board.

After some discussion, a motion was made by Ms. Geiger with a second made by Ms. Stephenson to resolve into Executive Session at 12:06 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Mr. Nelson, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher. Assistant Attorney General, Matt Stangl, advised the Board during the Executive Session. Those present during Executive Session were: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Mr. Nelson, Ms. Dodd, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, Chairman Peacher, and Matt Stangl.

Myron Pope arrived during Executive Session.

After a lengthy discussion, a motion was made by Dr. Winters with a second by Ms. Geiger to return to Open Session at 12:35 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Mr. Nelson, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 9 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: A motion was made by Ms. Geiger with a second made by Dr. Trennepohl to table the issuance of findings and request an Attorney General opinion on the matter. The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Mr. Nelson, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

A break for lunch was taken from 12:40 p.m. – 1:12 p.m.

Lance Nelson left at 1:10 p.m.

ITEM 10 – COMMITTEE REPORTS:

ITEM 10Ai – GOVERNANCE: Dr. Trennepohl, Chair of the Governance Committee, reviewed the handout covering the changes to the Board of Trustees Policy Manual including the Trustee Education Policy and the Travel Expense Policy. After some discussion, a motion was made by Dr. Winters with a second made by Ms. Geiger to accept the changes to the Board of Trustees Policy Manual. The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 10B – AUDIT: Mr. Gaddis, Chair of the Audit Committee, said that management and staff continued to work on issues brought up in previous audit reports. He said the audit of the Employer Portal would be discussed at a future meeting. He expressed frustration with McGladrey LLP and said they had not responded to requests for information or updates. After some discussion, no action was necessary.

ITEM 11 – DISCUSSION AND POSSIBLE ACTION ON ELIGIBILITY OF AND NOTIFICATION TO REGIRED EDUCATORS' ASSOCIATIONS REGARDING APPOINTMENT OF NON-VOTING TRUSTEE: Ms. Ezell, General Counsel, reminded the Board of a statute that allowed for a non-voting Trustee appointed by an organization representing retired educators to sit on the Board for one calendar year at a time. She said that currently there were two such eligible organizations, those being Oklahoma Retired Educators and Retired Professional Oklahoma Educators. Ms. Ezell indicated it was time to notify the second organization of their eligibility to appoint a non-voting Trustee. After a brief discussion, a motion was made by Dr. Pope with a second made by Mr.

Florence to notify Retired Professional Oklahoma Educators (RPOE) that they were eligible to appoint a non-voting Trustee for calendar year 2016. The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 12 – DISCUSSION AND POSSIBLE ACTION ON AMENDMENT TO EXTERNAL AUDIT CONTRACT MEMORIALIZING THE CHANGE OF NAME FROM MCGLADREY LLP TO RSM: Due to the lack of correspondence from McGladrey LLP to confirm the new name, no action was taken on this item.

ITEM 13 – DISCUSSION AND POSSIBLE ACTION ON REVIEW OF 2015 BOARD RETREAT AND AMENDMENTS TO OTRS STRATEGIC PLAN: Ms. Ezell directed the Trustees to the Board packet and reviewed what had taken place at the Board Retreat. She noted that one of the items of feedback was regarding the lack of a clear funding policy. She said that item had been resolved and now a funding policy was in place.

Mr. Spencer then reviewed the changes to the current Strategic Plan which was also contained in the Board packet. Several Trustees offered suggestions for clarifying language which were noted by Mr. Spencer. Mr. Spencer reviewed the action plan as well. Dr. Trennepohl suggested that more information about cyber security be added. After some discussion, a motion was made by Ms. Geiger with a second made by Dr. Trennepohl to approve changes to the OTRS Strategic Plan. The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 14 – DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO 25 O.S. SECTION 307(B)(4) FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE BOARD OF TRUSTEES AND ITS ATTORNEY CONCERNING A PENDING INVESTIGATION, CLAIM, OR ACTION RELATED TO RETIREE PAYMENTS IF THE PUBLIC BODY, WITH THE ADVICE OF ITS ATTORNEY, DETERMINES THAT DISCLOSURE WILL SERIOUSLY IMPAIR THE ABILITY OF THE PUBLIC BODY TO PROCESS THE CLAIM OR CONDUCT A PENDING INVESTIGATION, LITIGATION, OR PROCEEDING IN THE PUBLIC INTEREST: A motion was made by Ms. Geiger with a second made by Mr. Florence to resolve into Executive Session at 1:55 p.m. The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher. Those present during Executive Session were: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, Chairman Peacher, Tom Spencer, and Julie Ezell.

Elaine Dodd and Kevin Moore left during Executive Session

After a lengthy discussion, a motion was made by Dr. Pope with a second made by Mr. Florence to return to Open Session. The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 15 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: There was no action taken.

ITEM 16 – DISCUSSION AND POSSIBLE ACTION ON PROPOSED SCHEDULE FOR 2016 BOARD OF TRUSTEES MEETINGS: Mr. Spencer reviewed a handout with the Board that listed the proposed schedule for the 2016 calendar year. Dr. Trennepohl asked that the December meeting be

moved to December 14 from December 21 to accommodate those who might be out for Christmas. After some discussion, a motion was made by Mr. Florence with a second made by Dr. Winters to approve the 2016 Board of Trustees meeting schedule as follows:

January 27, 2016
February 24, 2016
March 23, 2016
April 27, 2016
May 25, 2016
June 29, 2016
July 27, 2016
August 24, 2016
September 21, 2016
October 26, 2016
November 16, 2016
December 14, 2016

The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 17 – DISCUSSION AND POSSIBLE ACTION ON POSSIBLE LEGISLATIVE PROPOSALS: Mr. Spencer reviewed a handout regarding possible legislative proposals. He said he hoped to have a final vote at the November 2015 meeting regarding any legislation changes the Board wanted to pursue. After some discussion, no action was necessary.

ITEM 18 – DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:

ITEM 18A – CLIENT SERVICES REPORT: Dixie Moody, Director of Client Services, gave a brief presentation to the Board. After some discussion, a motion was made by Dr. Trennepohl with a second made by Ms. Geiger to approve the monthly retirement report. The motion carried by a unanimous voice vote. Trustees responding were as follows: The motion carried with a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Moore, Dr. Pope, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

ITEM 18B – HUMAN RESOURCES REPORT: Kim Bold, Director of Human Resources, gave her report to the Board. No action was necessary.

ITEM 18C – FINANCE REPORT: Debra Plog, Manager of Employer Reporting, presented the Employer Reporting report to the Board. Sam Moore, Director of Finance/CFO, presented the Finance Report to the Board. No action was necessary.

ITEM 18D – GENERAL COUNSEL REPORT: Julie Ezell, General Counsel, presented the legal report to the Board. She informed the Board that administrative law judge had issued findings in the other outstanding grievance and that the Board of Trustees would likely be considering the grievance at the November or December meeting. No action was necessary.

ITEM 18E – EXECUTIVE DIRECTOR REPORT: Tom Spencer, Executive Director, presented his report to the Board. He said an RFP had been sent out to over 50 firms for Legislative Assistance to represent TRS interests at the Capitol in the upcoming legislative session. He reviewed the status of the internal and external audits with the Board. He said the external audit was taking longer than usual, but

that he expected to have the final audit report by the November meeting. He reviewed the status of some information technology projects OTRS was working on. After a brief discussion, no action was necessary.

ITEM 19 – QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from Trustees.

ITEM 20 – NEW BUSINESS: There was no new business from the Board.

ITEM 21 – ADJOURNMENT: There being no further business, a motion was made by Ms. Geiger with a second made by Ms. Stephenson to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Stephenson, Dr. Trennepohl, Dr. Winters and Chairman Peacher.

| The meeting was adjourned at 2:50 p.m.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Bill Peacher, *Chairman*

ATTEST:

BY: _____
Judie Harris, *Secretary*

Market Overview (Domestic Equity vs. Domestic Fixed)

- For the month, large cap domestic equities outperformed domestic fixed income with the Russell 1000 Index returning 8.09% versus 0.02% for the Barclays Aggregate Index.
- For the year, the Russell 1000 Index is outperforming the Barclays Aggregate Index with a return of 2.43% vs. 1.14%, respectively.

Broad Equity Market Overview

- Large cap domestic equities were the best equity performers for the month with the Russell 1000 Index returning 8.09%.
- International equities underperformed large cap domestic equities for the month (by -0.65%) with the ACWI ex USA Index returning 7.44%.
- For the month, small cap domestic equities underperformed both large cap domestic equities (by -2.46%) and international equities (by -1.81%) with the Russell 2000 Index returning 5.63%.
- On a year-to-date basis, large cap domestic equities are the best performing equity asset class with the Russell 1000 returning 2.43%.
- International equities are trailing large cap domestic equities for the year (by -4.25%) with the ACWI ex USA Index returning -1.82%.
- For the year, small cap domestic equities are trailing both large cap domestic equities (by -4.96%) and international equities (by -0.71%) with the Russell 2000 Index returning -2.53%.

Broad Fixed Market Overview

- For the month, global fixed ex US securities outperformed domestic fixed securities, with the Global Agg ex US returning 0.32%.
- Domestic fixed trailed global fixed ex US (by -0.30%) for the month with the BC Agg returning 0.02%.
- For the year, domestic fixed securities are outperforming global fixed ex US securities with the BC Agg returning 1.14%.
- Year-to-date, global fixed ex US securities are trailing domestic fixed securities by -5.66% with the Global Agg ex US returning -4.52%.

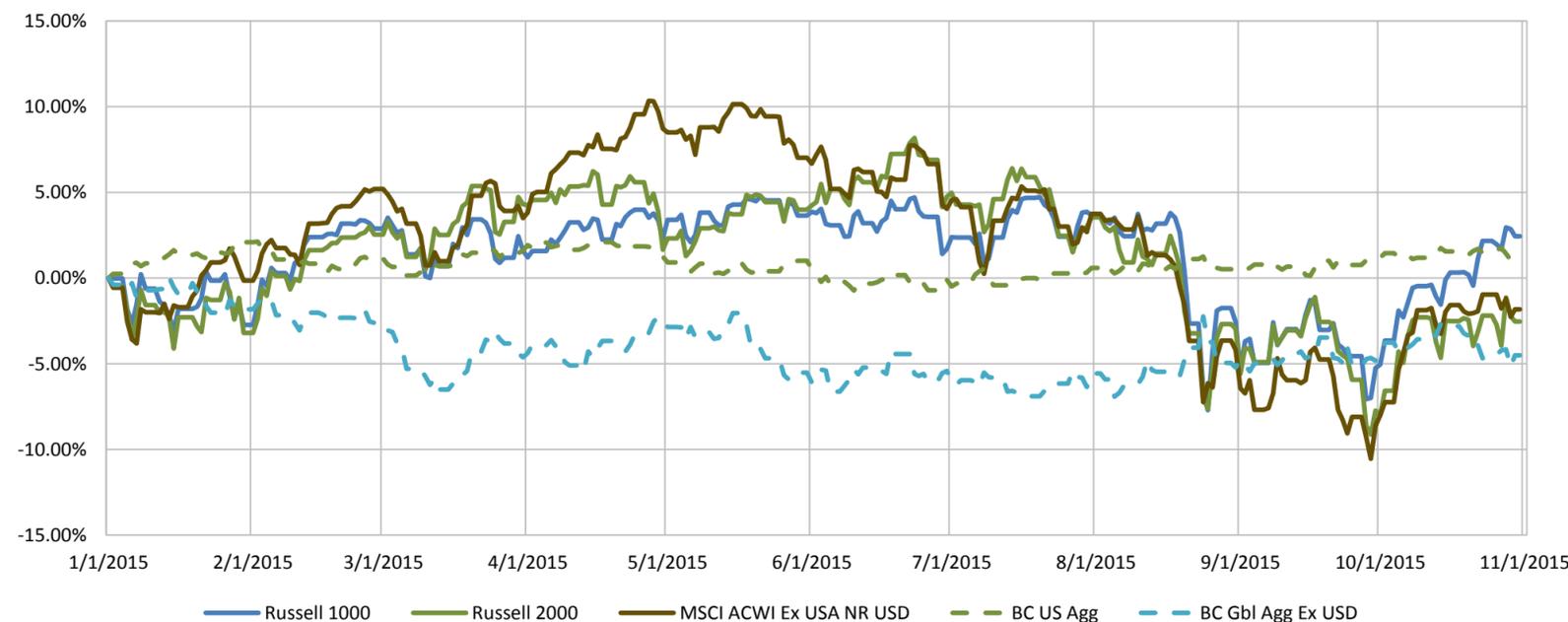
Equity Sector Performance For The Month

- The top three performing sectors for large cap domestic equities were:
Energy (return 13.17%), Materials (return 10.19%) and Information Technology (return 6.07%)
- The bottom three performing sectors for large cap domestic equities were:
Financials (return 3.44%), Utilities (return 3.62%) and Health Care (return 3.95%)
- The top three performing sectors for small cap domestic equities were:
Energy (return 19.03%), Materials (return 14.45%) and Industrials (return 7.55%)
- The bottom three performing sectors for small cap domestic equities were:
Health Care (return 3.04%), Consumer Discretionary (return 3.65%) and Financials (return 3.89%)
- The top three performing sectors for international equities were:
Energy (return 10.49%), Information Technology (return 9.60%) and Consumer Discretionary (return 8.80%)
- The bottom three performing sectors for international equities were:
Health Care (return 3.86%), Utilities (return 6.11%) and Consumer Staples (return 6.61%)

Fixed Income Sector Performance For The Month

- The sector performance for domestic fixed income in order of best performing to worst was:
Corporate (return 0.47%), MBS (return 0.05%) and Treasury (return -0.35%)
- The sector performance for Global ex US fixed income in order of best performing to worst was:
Corporate (return 0.67%), Treasury (return 0.31%) and MBS (return -0.62%)

2015 Market Daily Index Total Return Performance



2015 Market Monthly Index Total Return Performance

	1/31/15	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15	7/31/15	8/31/15	9/30/15	10/31/15	11/30/15	12/31/15	YTD
Russell 1000	-2.75%	5.78%	-1.25%	0.71%	1.31%	-1.88%	1.93%	-6.02%	-2.74%	8.09%			2.43%
Russell 2000	-3.22%	5.94%	1.74%	-2.55%	2.28%	0.75%	-1.16%	-6.28%	-4.91%	5.63%			-2.53%
MSCI AC World Index EX USA	-0.15%	5.35%	-1.62%	5.05%	-1.56%	-2.79%	-0.28%	-7.64%	-4.64%	7.44%			-1.82%
BC Agg	2.10%	-0.94%	0.46%	-0.36%	-0.24%	-1.09%	0.70%	-0.14%	0.68%	0.02%			1.14%
BC Global Agg ex USD	-1.84%	-0.78%	-2.08%	2.17%	-3.02%	0.09%	-0.14%	0.35%	0.43%	0.32%			-4.52%

Equity Sector Performance

	Month-To-Date			Year-To-Date		
	Russell 1000	Russell 2000	ACWI ex USA	Russell 1000	Russell 2000	ACWI ex USA
Energy	13.17%	19.03%	10.49%	-11.49%	-21.50%	-13.31%
Materials	10.19%	14.45%	8.69%	-7.82%	-14.65%	-13.15%
Industrials	6.01%	7.55%	8.49%	-4.08%	-8.71%	0.01%
Consumer Discretionary	4.66%	3.65%	8.80%	7.38%	-4.28%	2.97%
Consumer Staples	4.19%	4.45%	6.61%	2.94%	-1.68%	7.91%
Health Care	3.95%	3.04%	3.86%	2.40%	1.37%	6.29%
Financials	3.44%	3.89%	6.65%	-2.69%	0.37%	-4.61%
Information Technology	6.07%	7.26%	9.60%	2.96%	3.41%	-0.46%
Telecommunication Services	4.40%	5.79%	7.24%	0.93%	-1.55%	-0.02%
Utilities	3.62%	5.98%	6.11%	-3.47%	-0.71%	-4.93%

Fixed Sector & Quality Performance

	Month-To-Date		Year-To-Date	
	BC Agg.	Global ex USD	BC Agg.	Global ex USD
Treasury	-0.35%	0.31%	1.43%	-3.90%
MBS	0.05%	-0.62%	1.70%	-6.72%
Corporate	0.47%	0.67%	0.21%	-6.78%
Aaa	-0.18%	0.09%	1.54%	-7.41%
Aa	0.19%	0.62%	1.35%	-4.64%
A	0.30%	-0.04%	0.95%	-1.99%
Baa	0.83%	0.91%	-0.91%	-6.21%

Manager Profile - Heitman, LLC



Asset Class:	Core Real Estate
Status:	In Compliance
Portfolio Size:	\$248,436,294
Inception Date:	5/1/2011
Quarterly Management Fee:	0.74%
Quarterly \$ Amount Paid by OTRS:	\$457,852
Actual Allocation:	1.81%
Location:	Chicago, Illinois
Structure:	50% employee-owned, 50% Old Mutual Owned
Portfolio Management Team:	Blaise Keane, Portfolio Manager

Notes:

The Fund seeks to deliver its investors a combination of current income return and moderate appreciation (approximately two-third income and one-third capital appreciation). In acquiring assets for the fund, Heitman adheres to the following principles: buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong attributes such as proximity to amenities, complementary land uses and transportation networks that are well constructed to appeal to tenants over long periods of time.

Represented by: Alan Purser, Senior Vice President Client Service and Marketing

Founded: 1966

Return Profile	Trailing Two Year Return	Trailing One Year Return
Heitman	12.8	12.9
<i>NFI-ODCE</i>	<i>12.6</i>	<i>13.4</i>

Risk Characteristics	Number of Holdings
Heitman	78

*Return profile and risk characteristics as of 6/30/2015. Performance shown Net of Fees.

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Manager Profile - ARI MLP



Asset Class:	Master Limited Partnership
Status:	In Compliance
Portfolio Size:	\$253,394,154
Inception Date:	2/28/2011
Initial Funding:	\$245,000,000
Subsequent Funding:	\$0
Annual Management Fee:	0.50%
Fees Paid 12 Month Trailing:	\$1,486,155
Location:	St. Louis, Missouri
Structure:	Division of Piper Jaffrey
Portfolio Management Team:	James J Cunnane, Jr, CFA, Managing Director, Chief Investment Officer Quinn T Kiley, Managing Director, Senior Portfolio Manager

Notes:

ARI uses a top-down strategic style to drive long-term strategy. Views are developed for portfolio themes and individual industries. The second step of the investment process is intensive modeling/valuation of individual MLPs. ARI believes their combination of thorough topdown strategic mindset, rigorous valuation modeling and fundamental research yields portfolios with high probability of outperforming their benchmark.

Represented by:	James J Cunnane, Jr, CFA, Managing Director, Chief Investment Officer Quinn T Kiley, Managing Director, Senior Portfolio Manager
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Founded: 1974

Return Profile	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
ARI MLP	-	-	6.1	-17.8	-16.1	9.8
<i>AlerianMLP</i>	-	-	<i>-0.8</i>	<i>-30.1</i>	<i>-11.7</i>	<i>9.7</i>

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio
ARI MLP	34	\$6.0 billion	6.6%	18.0
<i>Alerian MLP</i>	<i>50</i>	<i>\$10.6 billion</i>	<i>6.6%</i>	<i>22.3</i>

Contact Information:

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Monthly Asset Allocation Review (Preliminary)



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,647,803,907	19.3%	17.0%	2.3%	Excess allocation bound for Private Equity and Real Estate.
Mid Cap	2,061,718,187	15.0%	13.0%	2.0%	
Small Cap	1,420,516,714	10.4%	10.0%	0.4%	
Total Domestic Equity	6,130,038,808	44.7%	40.0%	4.7%	
Large Cap International Equity	1,354,701,963	9.9%	11.5%	-1.6%	International equity allocation currently under review.
Small Cap International Equity	843,380,677	6.2%	6.0%	0.2%	
Total International Equity	2,198,082,640	16.0%	17.5%	-1.5%	
Core Fixed Income	2,160,311,043	15.8%	17.5%	-1.7%	
High Yield Fixed Income	779,742,486	5.7%	6.0%	-0.3%	Capital calls progressing. New portfolio structure underway.
MLPs	852,303,762	6.2%	7.0%	-0.8%	
Private Equity	593,618,282	4.3%	5.0%	-0.7%	
Real Estate	833,920,029	6.1%	7.0%	-0.9%	
Opportunistic Assets	162,040,680	1.2%	0.0%	1.2%	
Total Non-Core Assets	3,221,625,239	23.5%	25.0%	-1.5%	
Cash	162,717	0.0%	0.0%	0.0%	
Composite	13,710,220,447	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary (Preliminary)

As of October 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	13,710,220,447	12/1/1991	23.9	9.4	7.7	10.0	11.0	0.5	-0.2	-3.5	4.9
Total Fund (Net of Fees)				9.0	7.4	9.6	10.6	0.1	-5.2	-3.6	4.8
<i>Allocation Index</i>				9.1	6.7	9.0	9.4	0.4	-0.2	-2.2	4.9
<i>Actuarial Assumption</i>					8.0	8.0	8.0	8.0	6.2	1.9	0.6
Total Domestic Equity	6,130,038,808 44.7%	4/1/1990	25.6	10.7	8.1	13.5	16.4	1.9	-0.7	-3.9	6.0
<i>S&P 500</i>				9.6	7.8	14.3	16.2	5.2	2.7	-0.6	8.4
Total All Cap Equity	979,393,108 7.1%	9/1/2006	9.2	7.2	-	13.0	15.2	2.4	-0.4	-2.4	6.9
<i>Russell 3000</i>				7.6	-	14.1	16.1	4.5	2.0	-1.6	7.9
Total Large Cap Active Equity	1,180,700,690 8.6%	1/1/1995	20.8	10.3	7.4	14.7	17.0	3.0	-0.2	-3.1	7.0
<i>S&P 500</i>				9.6	7.8	14.3	16.2	5.2	2.7	-0.6	8.4
Total Mid Cap Equity	2,061,718,187 15.0%	11/1/1998	17.0	10.1	9.9	14.6	18.0	2.6	-0.1	-4.5	5.7
<i>Russell Mid Cap</i>				9.3	8.8	13.9	16.6	2.8	0.0	-3.0	6.2
Total Small Cap Equity	1,420,516,714 10.4%	2/1/1998	17.8	9.0	7.9	11.0	15.2	-1.0	-2.7	-5.9	4.6
<i>Russell 2000</i>				7.1	7.5	12.1	13.9	0.3	-2.5	-5.9	5.6
Total International Equity	2,198,082,640 16.0%	2/1/1998	17.8	8.5	5.3	5.5	8.5	2.0	3.9	-4.3	6.8
<i>MSCI ACWI ex-US</i>				5.2	4.6	3.1	5.1	-4.3	-1.4	-5.3	7.5
Large Cap International Equity	1,354,701,963 9.9%	2/1/1998	17.8	3.0	-	5.8	7.7	-0.9	1.2	-5.5	7.5
<i>MSCI ACWI ex-US</i>				0.9	-	3.1	5.1	-4.3	-1.4	-5.3	7.5
Small Cap International Equity	843,380,677 6.2%	12/1/2011	16.9	14.2	-	-	11.8	7.0	8.8	-2.3	5.6
<i>MSCI EAFE Small Cap</i>				12.6	-	-	12.4	8.8	9.1	-2.0	6.0
Core Fixed Income (ex- High Yield)	2,160,311,043 15.8%	4/1/1990	25.6	7.1	6.5	5.0	2.5	0.7	-0.3	-0.2	0.7
<i>Barclays Aggregate</i>				6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0
Active Duration Fixed Income	322,406,133 2.4%	11/1/2004	11.0	8.2	7.9	8.6	2.8	5.9	-1.5	0.7	-0.7
<i>Barclays Aggregate</i>				4.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0
Master Limited Partnerships	852,303,762 6.2%	2/28/2011	4.7	10.0	-	-	8.3	-25.2	-21.8	-16.9	9.4
<i>Alerian MLP Index</i>				-	-	-	-0.8	-30.1	-24.0	-11.7	9.7
High Yield Bonds	779,742,486 5.7%	2/1/2009	6.7	12.5	-	6.8	5.0	0.1	2.0	-1.1	2.7
<i>ML High Yield II</i>				-	-	6.0	4.1	-2.0	0.1	-1.7	2.7
Core Real Estate	718,953,342 5.2%	4/1/2011	4.6	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-
Non-Core Real Estate	114,966,687 0.8%	7/1/2014	1.3	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-
Cash	162,717 0.0%	4/1/1990	25.6	-	-	-	-	-	-	-	-
<i>91 Day T-bill</i>				-	1.4	0.1	0.1	0.0	0.0	0.0	0.0

Equity Portfolios Summary (Preliminary)

As of October 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month	
All Cap / Large Cap Domestic												
Hotchkis & Wiley Large Cap	598,128,721	4/1/1990	25.6	10.8	5.9	14.5	17.2	0.6	-2.8	-4.9	7.4	
<i>Russell 1000 Value</i>	4.4%			9.9	6.8	13.3	14.5	0.5	-2.1	-1.9	7.5	
Sawgrass	582,571,969	7/1/2006	9.3	8.8	-	15.3	16.7	5.7	2.7	-1.2	6.5	
<i>Russell 1000 Growth</i>	4.2%			9.4	-	15.3	17.9	9.2	6.9	-0.5	8.6	
ARI All Cap	468,103,551	9/1/2006	9.2	6.0	-	12.0	13.1	-0.4	-1.6	-3.0	5.3	
<i>Russell 3000</i>	3.4%			7.6	-	14.1	16.1	4.5	2.0	-1.6	7.9	
EPOCH All Cap	511,289,557	9/1/2006	9.2	8.3	-	13.9	17.3	5.2	0.7	-1.8	8.4	
<i>Russell 3000</i>	3.7%			7.6	-	14.1	16.1	4.5	2.0	-1.6	7.9	
Passive Domestic Equity												
NT Cap Weighted Passive	262,375,970	4/1/2012	3.6	14.3	-	-	16.3	5.8	3.3	-0.5	8.4	
<i>S&P 500 Cap Weighted</i>	1.9%			13.9	-	-	16.2	5.2	2.7	-0.6	8.4	
SSGA Eq Weighted Passive	225,334,139	4/1/2012	3.6	14.8	-	-	17.0	2.3	-0.6	-2.1	7.1	
<i>S&P 500 Equal Weighted</i>	1.6%			14.5	-	-	17.3	2.8	-0.2	-1.8	7.3	
Mid Cap Domestic Equity												
Frontier Capital	530,899,326	6/1/2002	13.4	10.5	11.8	14.7	18.3	9.4	6.1	-4.5	4.9	
<i>Russell Mid Cap Growth</i>	3.9%			9.4	9.1	14.1	17.2	4.9	1.9	-3.8	6.3	
Wellington Management	467,692,312	9/1/1998	17.2	10.1	8.4	11.5	17.5	0.7	-1.1	-7.0	5.6	
<i>Russell Mid Cap Growth</i>	3.4%			8.9	9.1	14.1	17.2	4.9	1.9	-3.8	6.3	
AJO Partners	566,008,537	8/1/1998	17.3	11.0	9.6	15.9	18.9	2.9	1.2	-2.3	6.5	
<i>Russell MidCap</i>	4.1%			10.3	8.8	13.9	16.6	2.8	0.0	-3.0	6.2	
Hotchkis & Wiley Mid Cap	497,118,013	8/1/2002	13.3	13.1	9.5	16.0	16.9	-2.8	-6.8	-4.4	5.7	
<i>Russell MidCap Value</i>	3.6%			11.1	8.4	13.6	15.9	0.5	-2.0	-2.3	6.1	
Small Cap Domestic Equity												
Shapiro Capital Management	597,241,416	2/1/1998	17.8	9.5	9.4	11.0	12.6	-11.3	-12.9	-10.5	3.1	
<i>Russell 2000</i>	4.4%			7.1	7.5	12.1	13.9	0.3	-2.5	-5.9	5.6	
Geneva Capital	217,266,799	6/1/2013	2.4	14.3	-	-	-	14.1	12.5	-3.4	4.3	
<i>Russell 2000 Growth</i>	1.6%			10.7	-	-	-	3.5	-0.1	-8.5	5.7	
Wasatch Advisors	203,488,388	6/1/2013	2.4	10.8	-	-	-	7.5	5.3	-4.8	4.0	
<i>Russell 2000 Growth</i>	1.5%			10.7	-	-	-	3.5	-0.1	-8.5	5.7	
Cove Street Capital	109,619,844	6/1/2013	2.4	8.0	-	-	-	4.6	5.0	0.6	10.0	
<i>Russell 2000 Value</i>	0.8%			6.3	-	-	-	-2.9	-5.0	-3.1	5.6	
Frontier Capital	165,011,834	6/1/2002	13.4	9.6	10.5	12.0	13.7	4.2	1.5	1.3	6.5	
<i>Russell 2000 Value</i>	1.2%			7.6	6.2	10.5	11.7	-2.9	-5.0	-3.1	5.6	
Neumeier Poma	127,888,432	6/1/2013	2.4	14.4	-	-	-	7.5	6.2	-2.5	5.9	
<i>Russell 2000 Value</i>	0.9%			6.3	-	-	-	-2.9	-5.0	-3.1	5.6	
International Large Cap Equity												
Causeway Capital	513,796,200	5/1/2003	12.5	9.2	5.4	5.4	6.9	-3.0	-1.1	-6.2	6.9	
<i>MSCI ACWI Ex US</i>	3.7%			0.9	-	3.1	5.1	-4.3	-1.4	-5.3	7.5	
Northern Trust Passive	840,905,763	9/1/2013	2.2	2.3	-	-	-	0.3	2.5	-5.1	7.8	
<i>MSCI EAFE</i>	6.1%			5.0	-	-	-	0.4	2.5	-5.1	7.8	
International Small Cap Equity												
ARI Small Cap International	208,711,266	12/1/2011	3.9	11.7	-	-	10.3	0.1	2.5	-2.2	5.0	
<i>MSCI EAFE Small Cap</i>	1.5%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	
Epoch Small Cap International	206,376,396	12/1/2011	3.9	11.0	-	-	10.3	7.8	10.4	-2.7	6.2	
<i>MSCI EAFE Small Cap</i>	1.5%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	
Wasatch Small Cap International	210,703,139	12/1/2011	3.9	16.2	-	-	12.4	9.9	11.9	-3.1	5.4	
<i>MSCI EAFE Small Cap</i>	1.5%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	
Wellington Small Cap International	217,589,875	12/1/2011	3.9	15.8	-	-	14.2	10.8	11.0	-1.1	6.0	
<i>MSCI EAFE Small Cap</i>	1.6%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	

Fixed Income Portfolios Summary (Preliminary)

As of October 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month	
Core Fixed Income												
Loomis Sayles	612,075,180	8/1/1999	16.3	6.6	7.4	4.9	2.2	-1.2	-0.7	-0.8	1.7	
<i>Barclays Aggregate</i>	4.5%			5.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
Lord Abbett	618,863,703	11/1/2004	11.0	5.7	6.1	4.4	2.5	1.2	1.0	0.2	0.5	
<i>Barclays Aggregate</i>	4.5%			6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
Mackay Shields	606,966,026	11/1/2004	11.0	5.7	6.1	4.5	2.0	-0.6	-0.5	-0.4	0.7	
<i>Barclays Aggregate</i>	4.4%			6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
Active Duration Fixed Income												
Hoisington	322,406,133	11/1/2004	11.0	8.2	7.9	8.6	2.8	5.9	-1.5	0.7	-0.7	
<i>Barclays Aggregate</i>	2.4%			6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
High Yield Fixed Income												
Loomis Sayles High Yield	254,741,914	2/1/2009	6.7	12.3	-	5.7	3.8	-1.9	-0.2	-2.0	3.1	
<i>Merrill Lynch High Yield II</i>	1.9%			8.4	-	6.0	4.1	-2.0	0.1	-1.7	2.7	
Lord Abbett High Yield	264,050,774	2/1/2009	6.7	13.4	-	7.8	6.3	0.5	2.6	-0.6	2.9	
<i>Merrill Lynch High Yield II</i>	1.9%			8.4	-	6.0	4.1	-2.0	0.1	-1.7	2.7	
Mackay Shields High Yield	260,949,798	2/1/2009	6.7	11.8	-	6.8	4.7	0.9	2.8	-0.9	2.3	
<i>Merrill Lynch High Yield II</i>	1.9%			8.4	-	6.0	4.1	-2.0	0.1	-1.7	2.7	

Non-Traditional Portfolios Summary (Preliminary)
As of October 31, 2015 (unless otherwise noted)



Master Limited Partnerships

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month
Chickasaw Capital MLP <i>Alerian MLP Index</i>	309,246,910 2.3%	2/28/2011	4.7	15.1 2.8	-	-	13.4 -0.8	-24.3 -30.1	-21.5 -24.0	-17.0 -11.7	9.6 9.7
Cushing MLP Management <i>Alerian MLP Index</i>	289,662,699 2.1%	2/28/2011	4.7	10.3 2.8	-	-	9.7 -0.8	-26.3 -30.1	-22.5 -24.0	-17.5 -11.7	8.7 9.7
ARI MLP <i>Alerian MLP Index</i>	253,394,154 1.8%	2/28/2011	4.7	3.8 2.8	-	-	6.1 -0.8	-17.8 -30.1	-18.8 -24.0	-16.1 -11.7	9.8 9.7

Private Equity

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 10/31/2015	% Called	\$ Return as of 10/31/2015	IRR Inception	IRR 3 Year	IRR 1 Year	Performance as of
Legacy Private Equity Portfolio <i>Russell 1000 + 4%</i>	48,642,987 0.4%	10/1/2008	7.1	\$97,500,000	\$94,980,850	97.4%	\$83,140,922	11.8% 15.6%	12.6% 22.7%	4.5% 13.8%	6/30/2015
Franklin Park Private Equity <i>Russell 1000 + 4%</i>	544,975,295 4.0%	4/1/2010	5.6	\$1,200,000,000	\$518,037,500	43.2%	\$84,477,225	14.1% 18.0%	17.0% 22.7%	18.0% 13.8%	6/30/2015

Real Estate

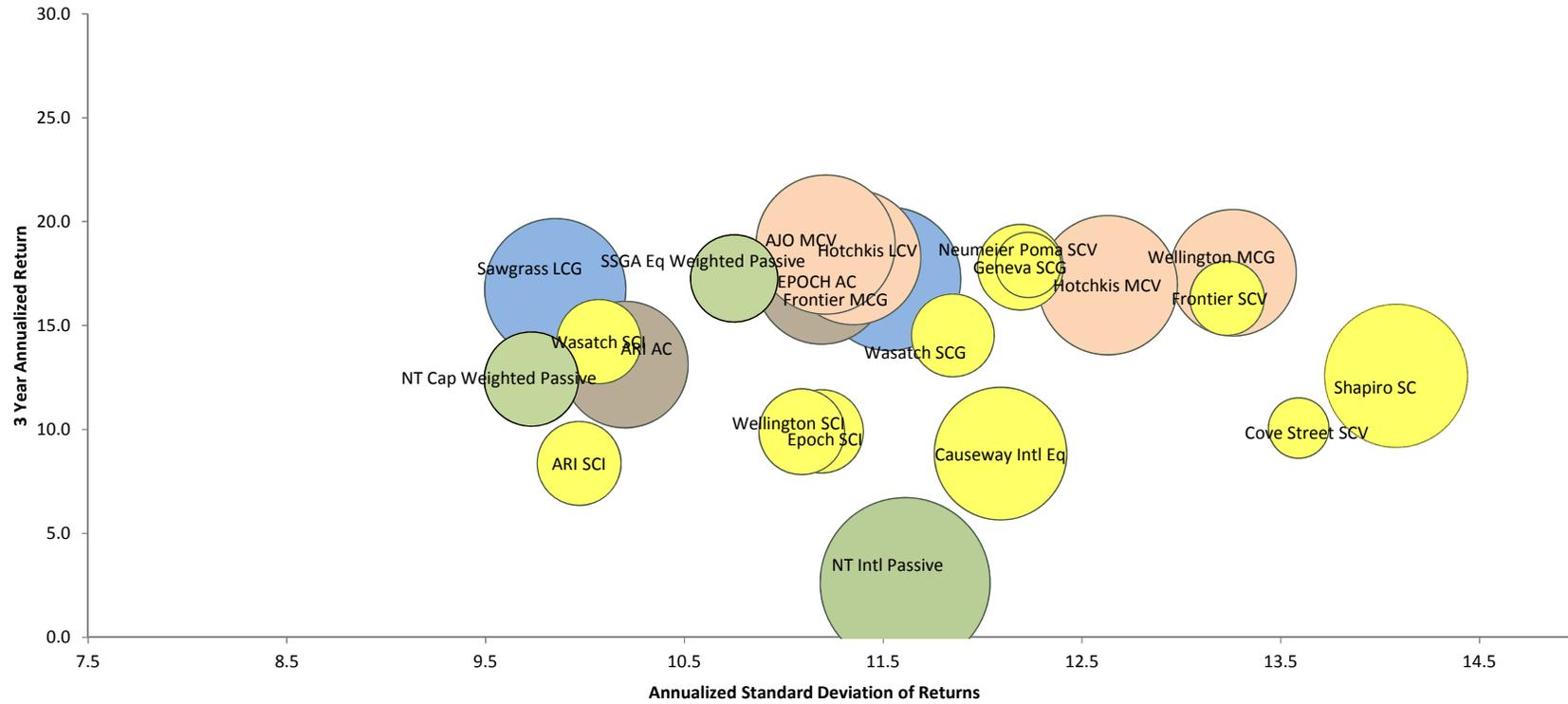
	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 10/31/2015	% Called	\$ Return as of 10/31/2015	Time Weighted Trailing Two Year Return (Annualized) ¹	Time Weighted Trailing One Year Return ¹	Performance as of
AEW Real Estate <i>NFI-ODCE</i>	246,873,848 1.8%	5/1/2011	4.5	\$165,500,000	\$165,500,000	100%	\$2,468,058	11.6% 12.6%	12.3% 13.4%	6/30/2015
Heitman Real Estate <i>NFI-ODCE</i>	248,436,294 1.8%	5/1/2011	4.5	\$157,400,000	\$157,400,000	100%	N/A	12.8% 12.6%	12.9% 13.4%	6/30/2015
L&B Real Estate <i>NFI-ODCE</i>	223,643,200 1.6%	4/1/2011	4.6	\$150,000,000	\$150,000,000	100%	\$0	12.5% 12.6%	14.5% 13.4%	6/30/2015
Antheus Capital <i>NFI-ODCE</i>	26,875,000 0.2%	10/1/2014	1.1	\$53,750,000	\$26,875,000	50%	\$0	-	-	-
Dune <i>NFI-ODCE</i>	25,890,872 0.2%	10/1/2014	1.1	\$53,750,000	\$21,435,612	40%	\$0	-	-	-
GreenOak Real Estate <i>NFI-ODCE</i>	16,427,624 0.1%	10/1/2014	1.1	\$50,000,000	\$16,316,504	33%	\$0	-	-	-
L&B Golden Driller <i>NFI-ODCE</i>	26,742,549 0.2%	7/1/2014	1.3	\$60,000,000	\$26,790,000	45%	\$0	-	-	-
Landmark Realty <i>NFI-ODCE</i>	3,663,142 0.0%	12/1/2014	0.9	\$35,000,000	\$2,255,623	6%	\$0	-	-	-
American Realty <i>NFI-ODCE</i>	15,367,500 0.1%	12/1/2014	0.9	\$53,750,000	\$13,745,100	26%	\$0	-	-	-
Starwood <i>NFI-ODCE</i>	- 0.0%	-	-	\$53,750,000	\$0	0%	\$0	-	-	-

¹Performance shown Net of Fees.
Preliminary data displayed where final audited figures are unavailable.

Opportunistic Fixed Income

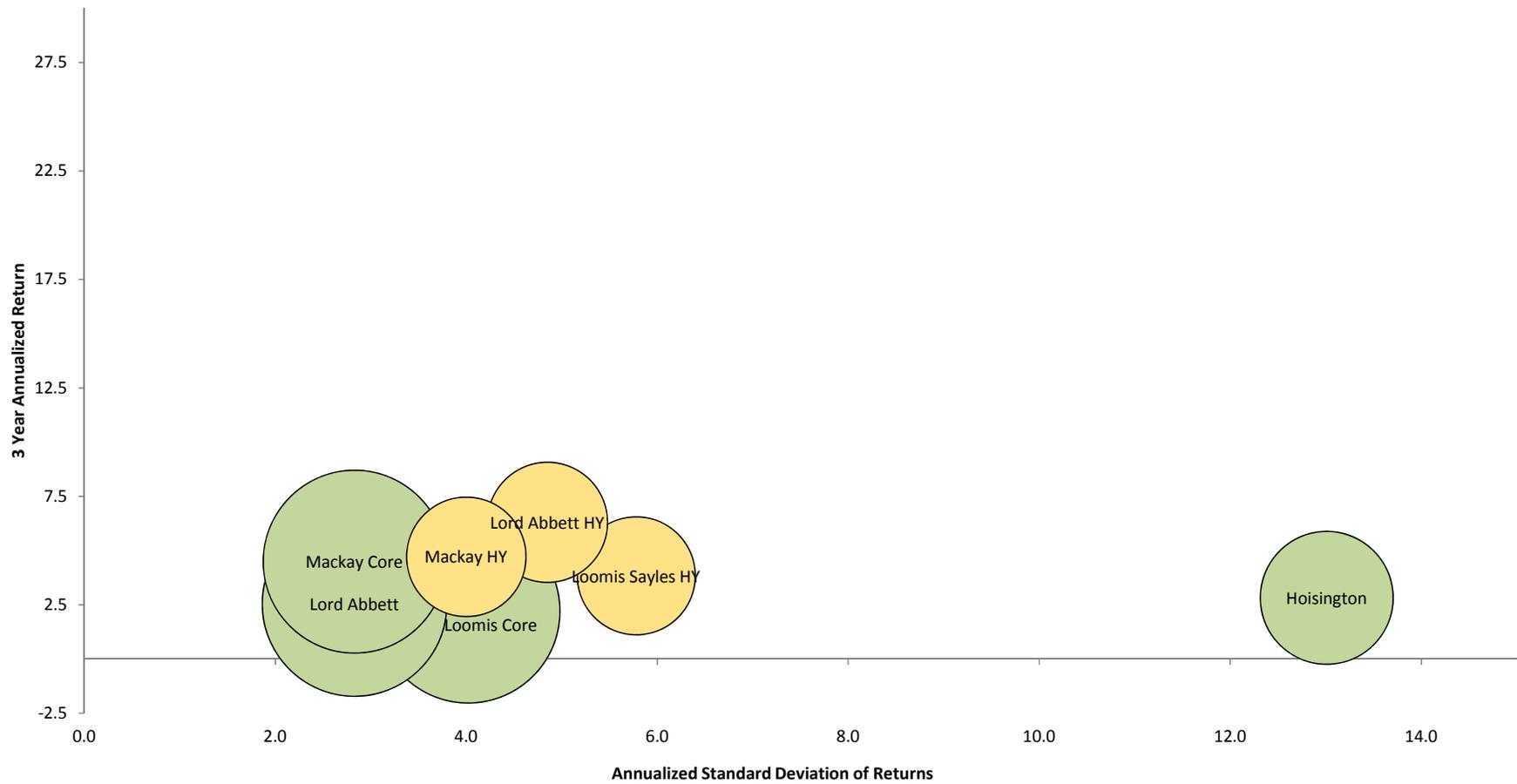
	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 10/31/2015	% Called ³	\$ Return as of 10/31/2015	Time Weighted Return Since Inception (Annualized)	Time Weighted One Year Return	Performance as of
PIMCO BRAVO <i>Barclays Aggregate</i>	54,168,587 0.4%	3/31/2011	4.6	\$100,000,000	\$100,000,000	100%	\$148,822,068	19.7% 3.6%	4.5% 1.9%	9/30/2015
PIMCO BRAVO II <i>Barclays Aggregate</i>	107,872,094 0.8%	3/31/2013	2.6	\$150,000,000	\$93,750,000	63%	\$0	18.8% 1.7%	8.8% 1.9%	9/30/2015

Three Year Risk/Return Review - Equity Portfolios



¹Actual OTRS results used when available, composite when necessary.

Three Year Risk/Return Review - Fixed Income Portfolios



¹Actual OTRS results used when available, composite when necessary.
Please note difference in standard deviation axis from previous page.



OKLAHOMA TEACHERS RETIREMENT SYSTEM

**executive summary report
third quarter, 2015**



Trailing Year Total Fund Return

-3.0%

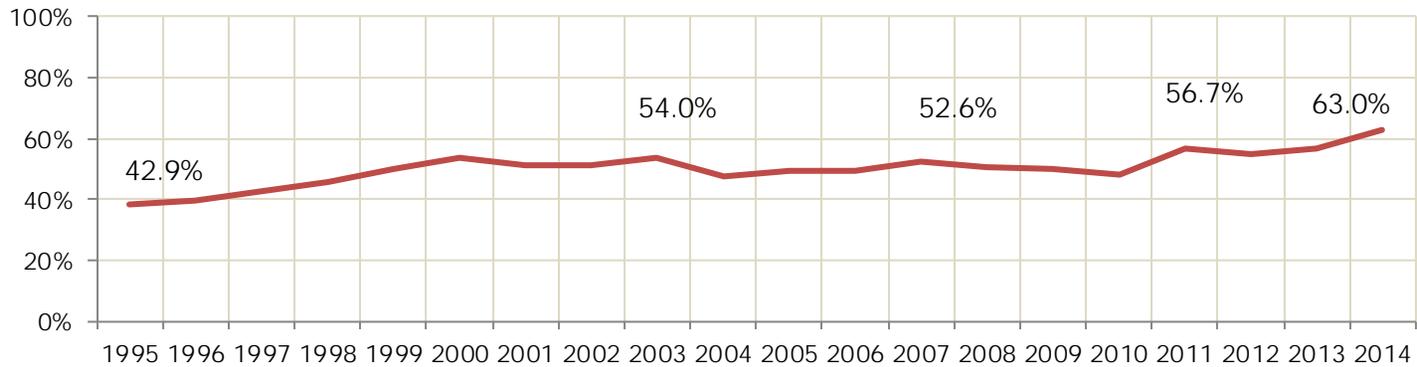
third quarter, 2015

Plan History

Market Value History (\$Billions)



Funded Status History



third quarter, 2015



Observations – third quarter, 2015

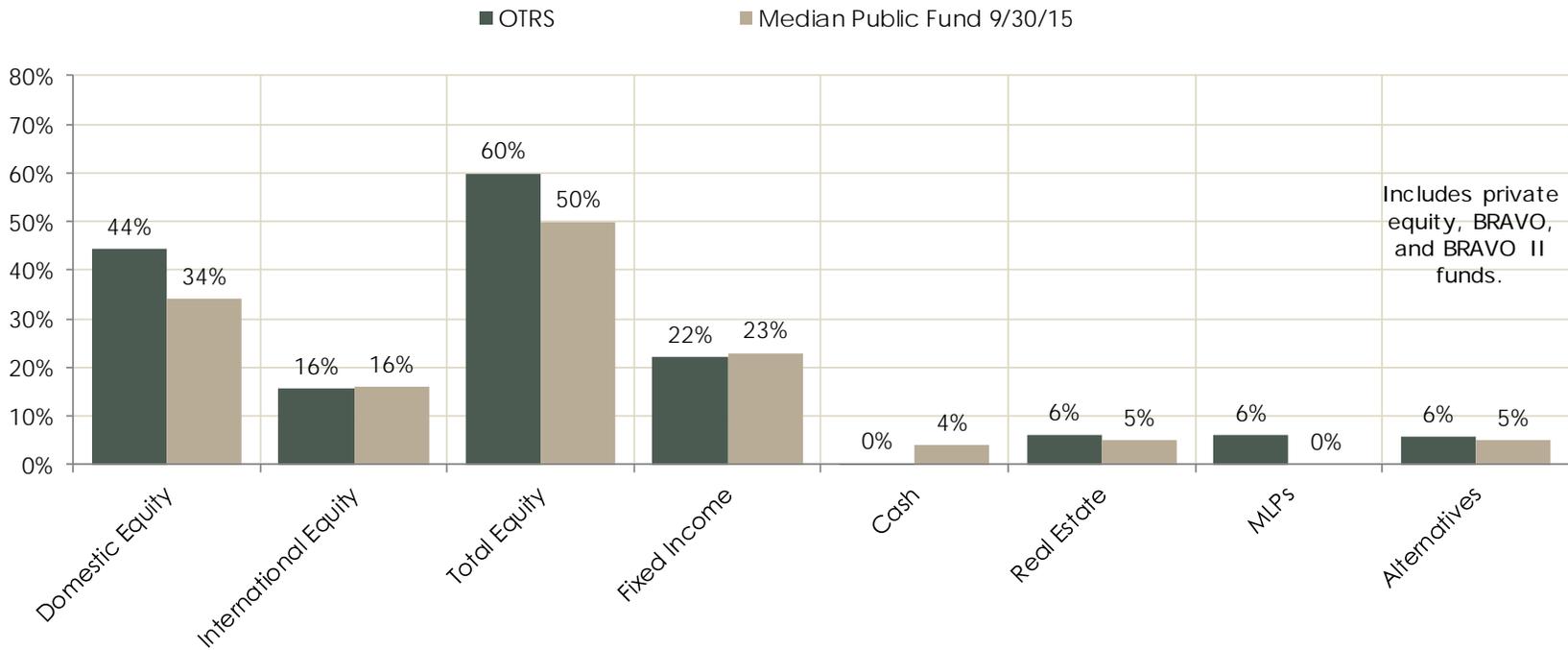
- **INVESTMENT PERFORMANCE:** Total fund return was negative during the quarter. The total fund posted a -5.4% return. Domestic and International Equity results were negative. Core fixed income results were slightly negative and High Yield returns were also negative. However, all long term returns remain positive. The trailing year return was below the actuarial assumption, slightly below the allocation index and ranked below the median of peer Pension Funds. **The total fund ranked in the top decile of public funds for the five and ten year observation periods.**
- **INVESTMENT MANAGEMENT:** Two large cap index fund portfolios were added in 2012. The new international small cap equity allocation added returns during the quarter. Five new domestic small cap managers were funded during the second quarter of 2013. An international equity index fund was added during early 2013. It was increased during late 2014. An International RFP was released in late April of 2015, proposals have been submitted and the selection process is in progress.
- **ASSET ALLOCATION:** The total fund's aggregate asset allocations are in the gradual process of moving to long-term targets. No additional allocations were made to the Opportunistic Portfolio although several investments are under consideration. The private equity portfolio called significantly more capital over the past year compared to previous years. The three core real estate managers are fully invested, at their previous target level. Six non-core real estate portfolios were recently selected during late 2014. They are calling capital at an acceptable pace.

Asset Allocation Summary – Total Fund

	Current Allocation	Target Allocation	Difference
Domestic Equity	44.32%	40.00%	4.32%
International Equity	15.63%	17.50%	-1.87%
Core Fixed Income	16.29%	17.50%	-1.21%
Opportunistic Fixed Income	1.23%	0.00%	1.23%
High Yield Fixed Income	5.76%	6.00%	-0.24%
Real Estate	6.09%	7.00%	-0.91%
Private Equity	4.41%	5.00%	-0.59%
MLPs	5.92%	7.00%	-1.08%
Cash	0.35%	0.00%	0.35%
Total	100.00%	100.00%	0.00%

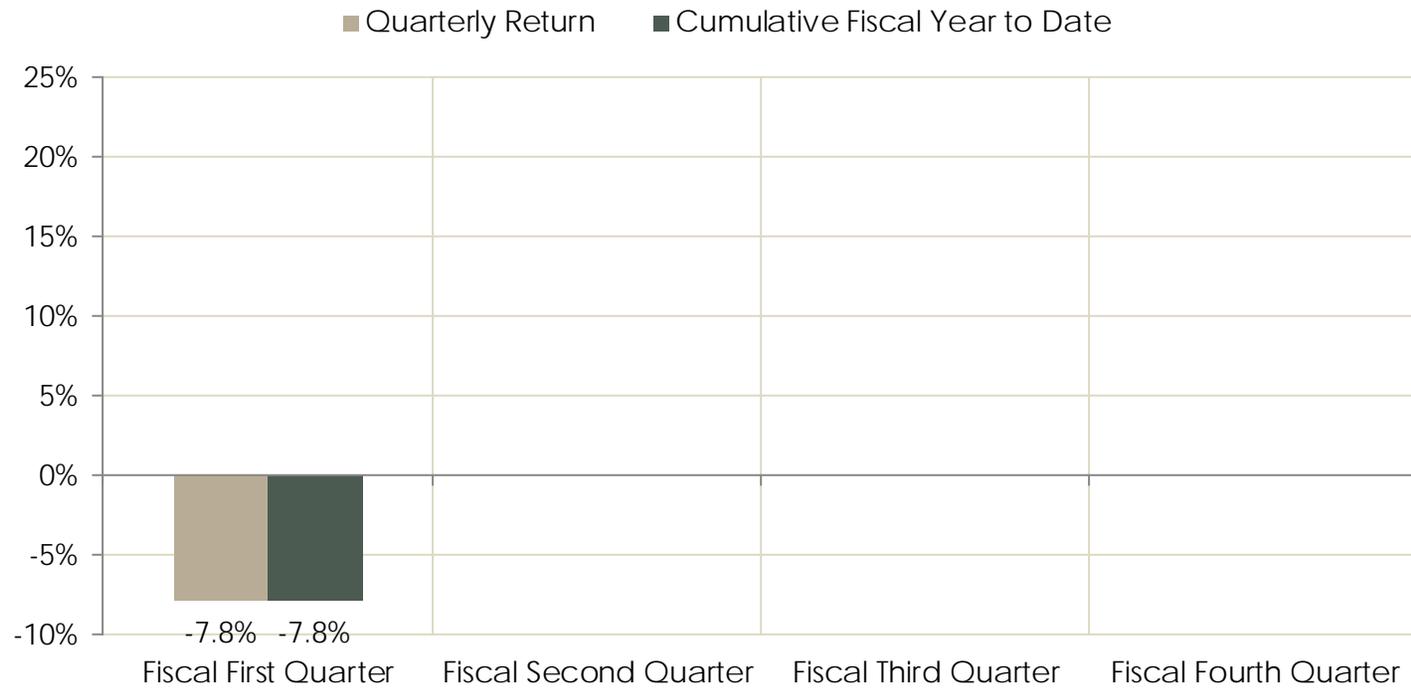
third quarter, 2015

Total Fund Allocation vs. Median Public Fund



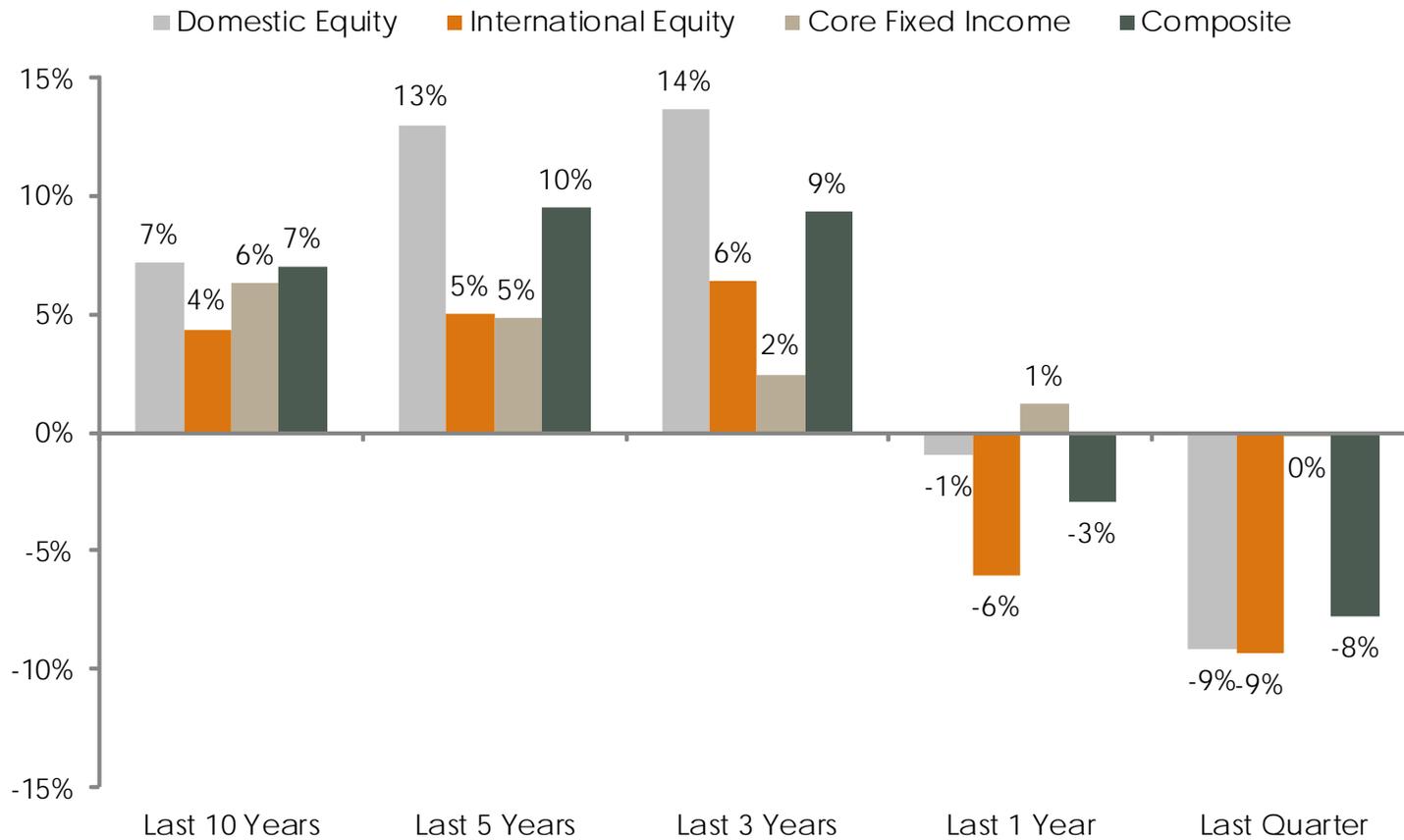
third quarter, 2015

Composite Performance Summary as of September 30, 2015



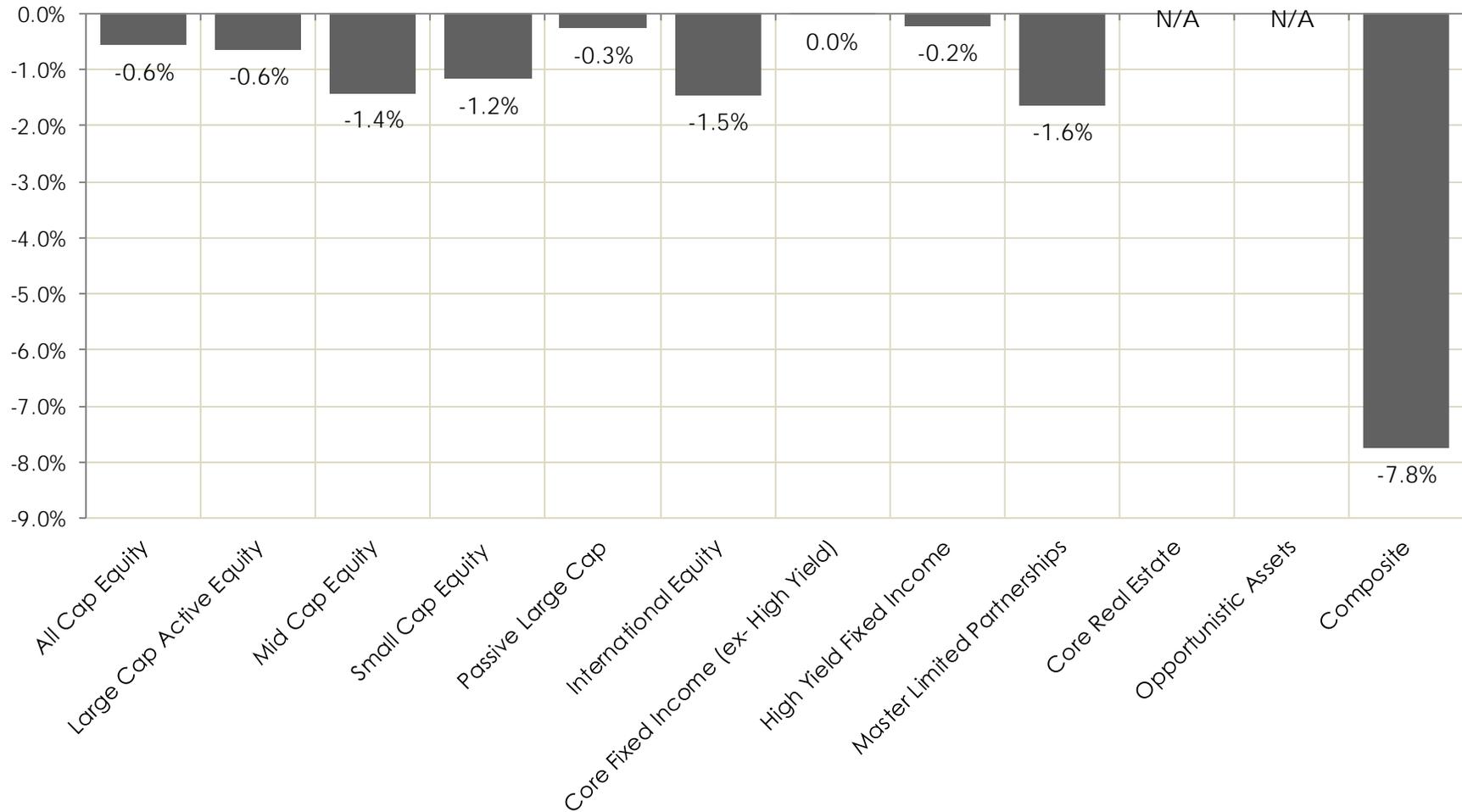
third quarter, 2015

Composite Performance Summary as of September 30, 2015



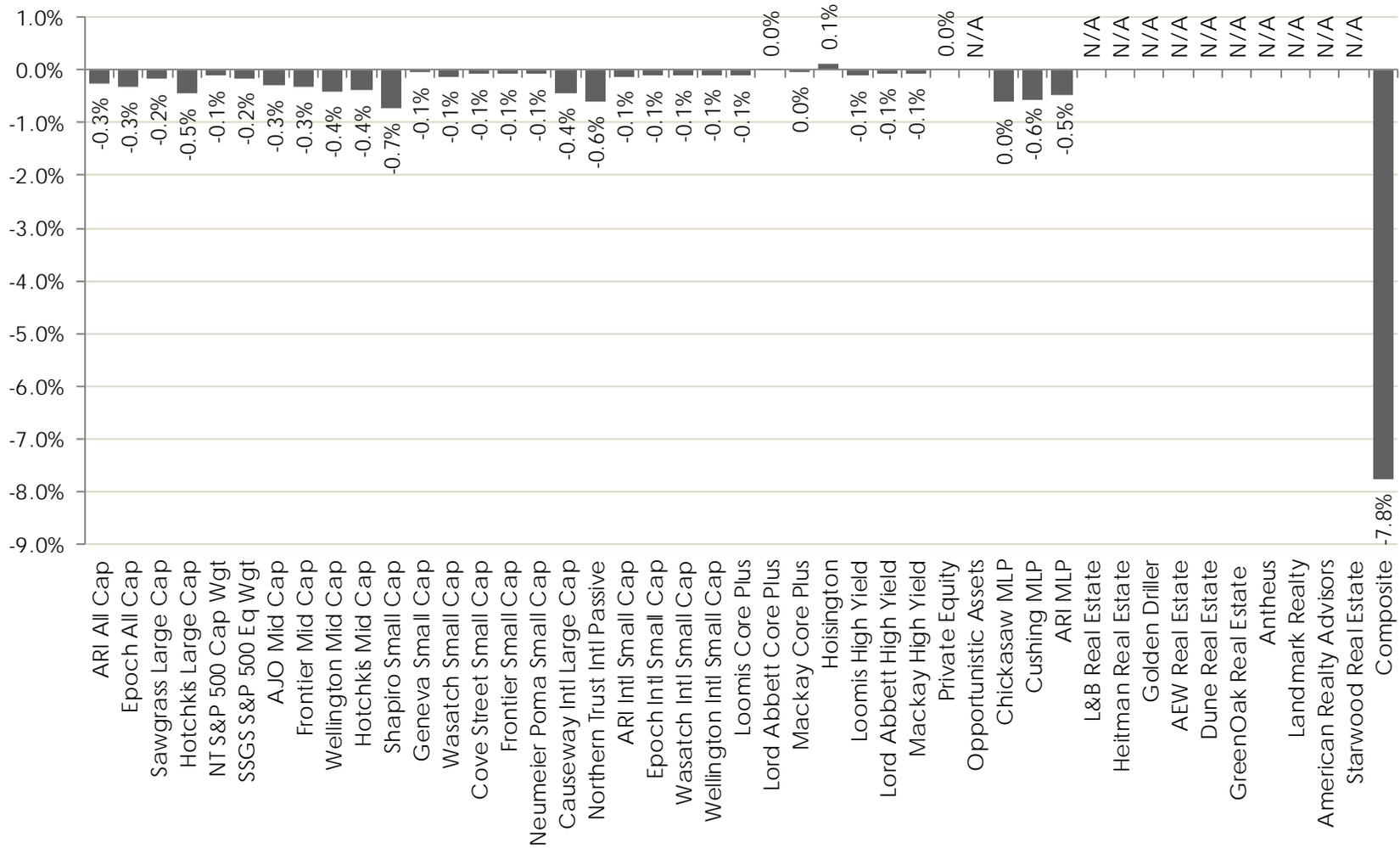
third quarter, 2015

Composition of Quarterly Return by Asset Class



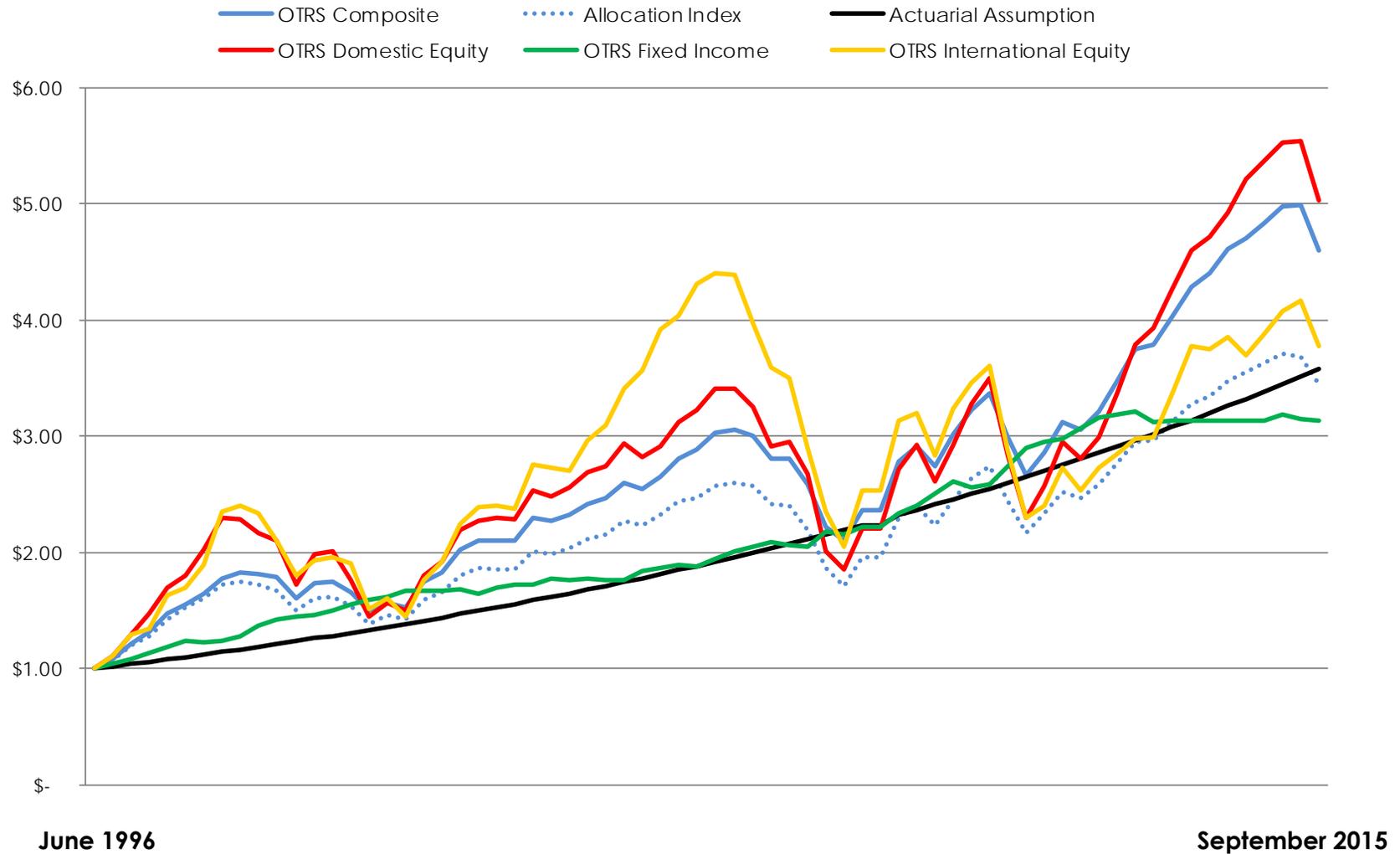
third quarter, 2015

Composition of Quarterly Return by Portfolio



third quarter, 2015

Growth of a Dollar Over Time: Period Ended **September 30, 2015**



third quarter, 2015



Performance – Total Fund

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Years	% Rank	Last Quarter	% Rank
Total Fund	7.0	-	9.5	13	9.3	9	-3.0	88	-7.8	100
<i>Allocation Index</i>	6.0		8.6		7.4		-2.8		-6.4	
<i>Actuarial Assumption</i>	8.0		8.0		8.0		8.0		1.9	
Total Domestic Equity	7.2	-	13.0	50	13.7	14	-1.0	73	-9.2	92
<i>S&P 500</i>	6.8		13.3		12.4		-0.6		-6.4	
Core Fixed Income	6.3	-	4.8	3	2.5	24	1.2	93	-0.1	92
<i>Barclays Aggregate</i>	4.6		3.1		1.7		2.9		1.2	
Total International Equity	4.4	-	5.0	3	6.4	24	-6.1	93	-9.3	92
<i>MSCI ACWI ex-US</i>	3.5		2.3		2.8		-11.8		-12.1	

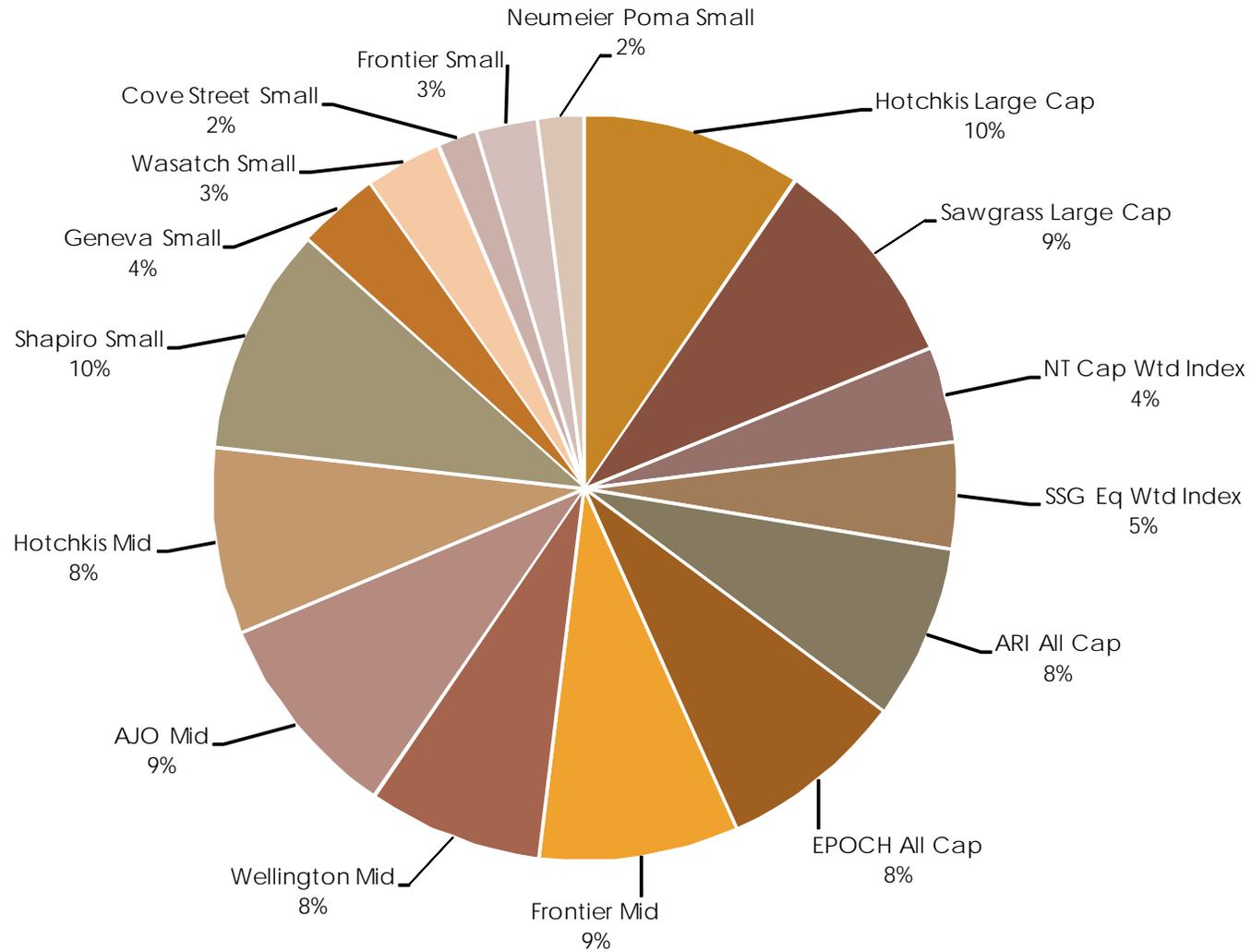
third quarter, 2015

Composite Peer Ranking History

Periods Ended	Trailing 5 Years	Trailing 3 Years	Trailing Year	Last Quarter
3q2015	13	9	88	100
2q2015	2	3	48	32
1q2015	1	3	22	16
4q2014	1	1	18	51
3q2014	1	1	4	75
2q2014	1	1	1	1
1q2014	3	1	1	7
4q2013	1	1	1	2
3q2013	2	3	1	14
2q2013	1	3	1	11
1q2013	3	4	4	3
4q2012	15	3	11	24
3q2012	21	13	8	10
2q2012	24	4	33	75
1q2012	22	13	25	14
4q2011	36	14	52	8
3q2011	31	23	95	89
2q2011	20	13	23	93
1q2011	9	21	5	17
4q2010	21	29	15	29
3q2010	30	38	10	18
2q2010	35	46	11	62
1q2010	24	25	70	44
4q2009	36	43	15	25
3q2009	26	42	32	13
2q2009	46	50	44	28
1q2009	23	24	18	28
4q2008	47	61	62	64
3q2008	24	59	67	48
2q2008	25	52	83	17
1q2008	19	49	83	79
4q2007	19	46	62	78
3q2007	18	36	37	87
2q 2007	10	29	18	34
1q 2007	15	27	38	19
4q 2006	23	44	59	36
3q 2006	15	24	69	57
Average Rank	18	23	33	38
% of Observations in Top Quartile	78%	59%	57%	46%
% of Observations Above Median	100%	92%	70%	68%

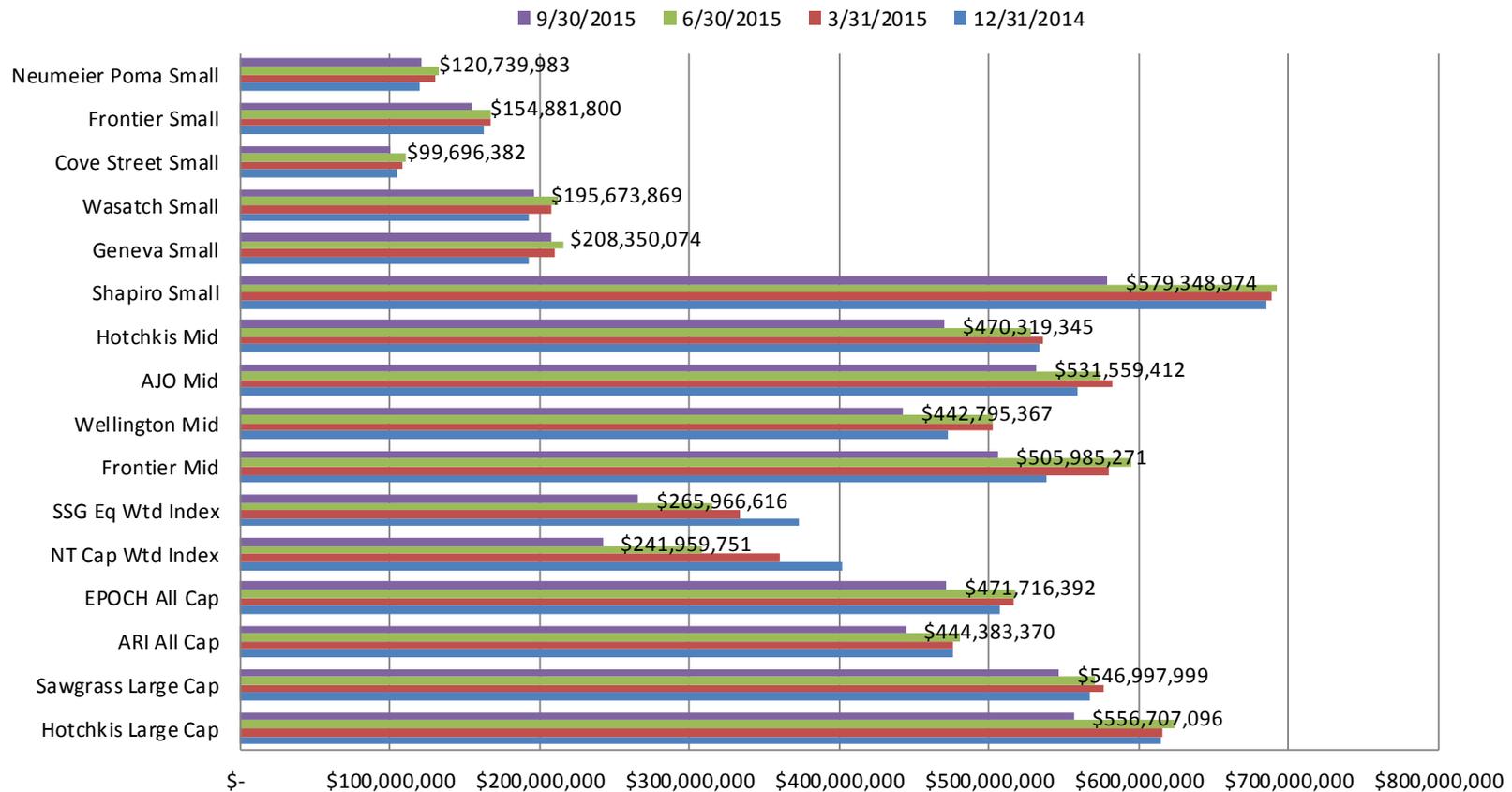
third quarter, 2015

Asset Allocation Summary – Domestic Equity Allocation



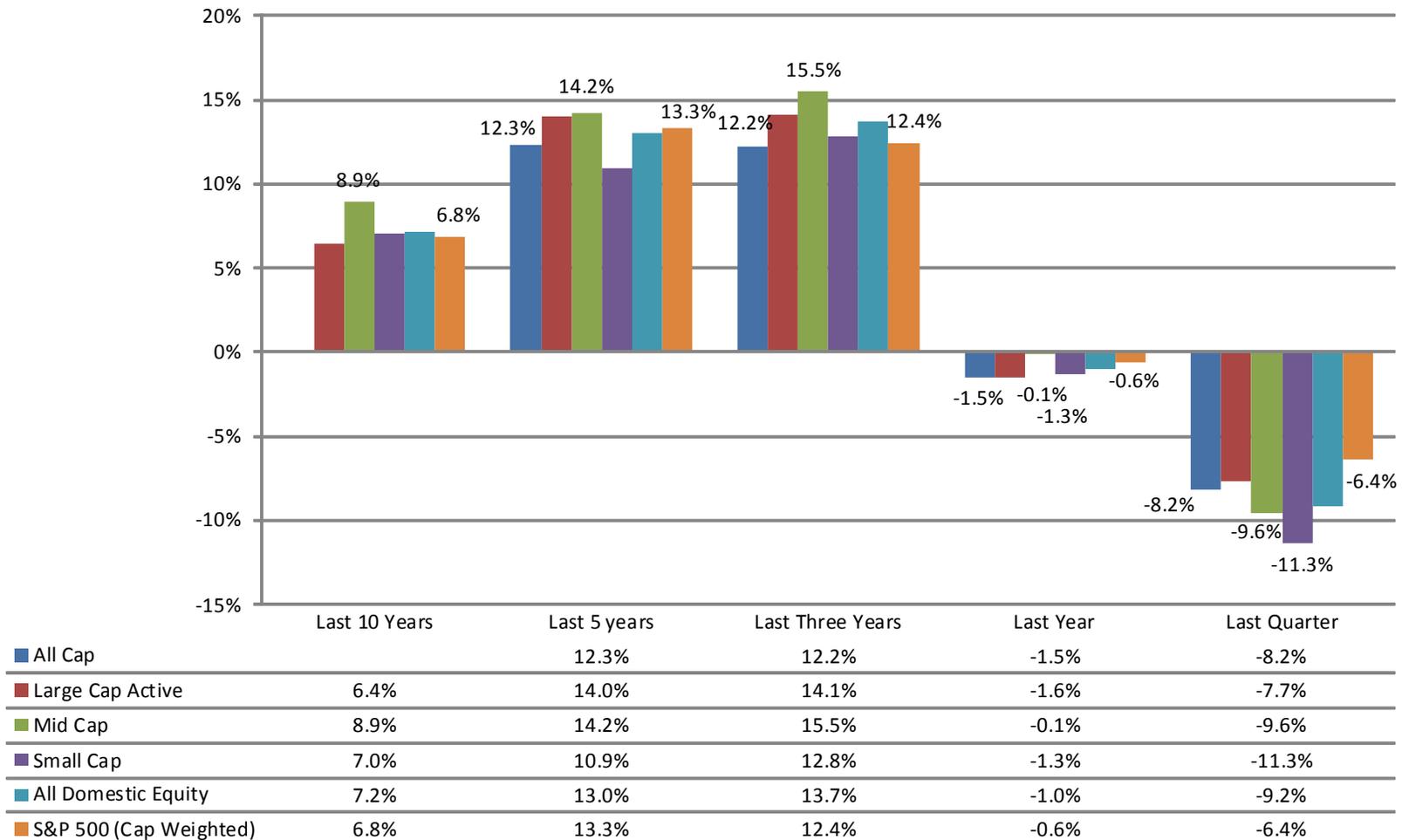
third quarter, 2015

Asset Allocation Summary – Domestic Equity Allocation



third quarter, 2015

Domestic Equity Performance: Capitalization Composites



third quarter, 2015

Performance – All Cap and Large Cap Equity Managers

	Last 10 Years	% Rank	Last 5 Year	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Advisory Research¹	-	-	11.6	70	10.6	69	-2.7	69	-7.4	46
EPOCH¹	-	-	13.1	49	13.9	28	-0.3	50	-8.8	63
<i>Russell 3000 Value</i>	<i>5.9</i>		<i>13.3</i>		<i>12.5</i>		<i>-0.5</i>		<i>-7.2</i>	
<i>Russell 3000</i>	<i>7.9</i>		<i>13.3</i>		<i>12.4</i>		<i>-0.5</i>		<i>-7.2</i>	
Hotchkis LCV	4.9	-	13.5	56	14.7	28	-5.0	93	-10.8	97
Sawgrass LCG	-	-	14.8	33	13.6	40	2.3	41	-4.2	9
<i>S&P 500</i>	<i>6.8</i>		<i>13.3</i>		<i>12.4</i>		<i>-0.6</i>		<i>-6.4</i>	
<i>Russell 1000 Value</i>	<i>5.7</i>		<i>12.3</i>		<i>11.6</i>		<i>-4.4</i>		<i>-8.4</i>	
<i>Russell 1000 Growth</i>	<i>-</i>		<i>14.5</i>		<i>13.6</i>		<i>3.2</i>		<i>-5.3</i>	
NT Cap Weighted	-	-	-	-	12.5	56	-0.1	42	-6.3	30
SSGA Equal Weighted	-	-	-	-	14.0	26	-1.6	56	-7.6	58
<i>S&P 500 Cap Weighted</i>	<i>7.9</i>		<i>14.3</i>		<i>12.4</i>		<i>-0.6</i>		<i>-6.4</i>	
<i>S&P 500 Equal Weighted</i>	<i>9.3</i>		<i>14.6</i>		<i>14.3</i>		<i>-1.2</i>		<i>-7.6</i>	

¹Ranked in Large Cap Core Equity Manager Universe

third quarter, 2015

Performance – Mid Cap and Small Cap Equity Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
AJO MCC	8.5	-	15.4	21	15.9	16	-0.6	59	-7.4	30
Frontier MCG	10.9		14.6	24	15.7	12	8.1	7	-8.5	40
Hotchkis MCV	8.4		15.4	12	15.0	17	-7.5	67	-11.0	54
Wellington MCG	7.6	-	11.0	-	14.7	18	-0.1	72	-11.8	74
<i>Russell MC</i>	<i>7.9</i>		<i>13.4</i>		<i>13.9</i>		<i>-0.2</i>		<i>-8.0</i>	
<i>Russell MC Growth</i>	<i>8.1</i>		<i>13.6</i>		<i>14.0</i>		<i>1.4</i>		<i>-8.0</i>	
<i>Russell MC Value</i>	<i>7.4</i>		<i>13.2</i>		<i>13.7</i>		<i>-2.1</i>		<i>-8.0</i>	
Shapiro SCC	8.6	-	11.2	80	11.0	66	-11.2	99	-16.3	96
Geneva SCG	-	-	-	-	-	-	15.2	2	-3.4	1
Wasatch SCG	-	-	-	-	-	-	11.6	10	-8.1	23
Cove Street SCV	-	-	-	-	-	-	-3.8	83	-10.3	59
Frontier SCV	-	-	-	-	-	-	2.1	51	-7.1	10
Neumeier Poma SCV	-	-	-	-	-	-	6.8	5	-9.2	36
<i>Russell 2000</i>	<i>6.5</i>		<i>11.7</i>		<i>11.0</i>		<i>1.2</i>		<i>-11.9</i>	
<i>Russell 2000 Growth</i>	<i>-</i>		<i>-</i>		<i>-</i>		<i>4.0</i>		<i>-13.1</i>	
<i>Russell 2000 Value</i>	<i>-</i>		<i>-</i>		<i>-</i>		<i>-1.6</i>		<i>-10.7</i>	

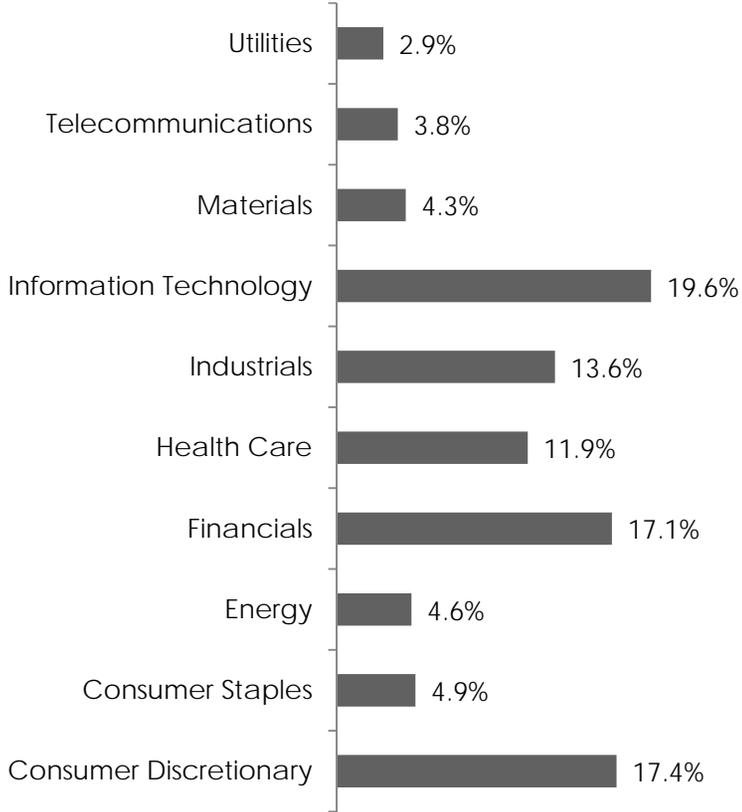
third quarter, 2015

Domestic Equity Portfolio Holdings Review

Largest Equity Positions

Position	% of Domestic Equity Allocation
Cash	2.10%
Microsoft	1.15%
Apple	1.03%
American International Group	0.90%
Oracle	0.79%
CDW	0.67%
JPMorgan Chase	0.61%
CitiGroup	0.60%
Knowles	0.60%
Mosaic	0.58%
Top Ten Total Weight	9.02%

Sector Weightings



third quarter, 2015

Active Domestic Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. S&P 500
Hotchkis & Wiley	Large Cap Value	108.6	117.2	13.5%	0.92
Sawgrass	Large Cap Growth	93.3	76.5	15.4%	0.95
Advisory Research	All Cap	93.6	100.7	11.6%	0.93
EPOCH	All Cap	101.4	107.6	13.8%	0.96
AJO	Mid Cap Core	111.2	111.5	15.9%	0.90
Frontier	Mid Cap Growth	99.5	94.8	14.8%	0.79
Hotchkis & Wiley	Mid Cap Value	127.0	138.8	15.6%	0.83
Wellington	Mid Cap Growth	115.3	156.9	11.5%	0.81
Shapiro	Small Cap Value/Core	113.5	141.0	11.8%	0.76
Cove Street	Small Cap Value	106.7	115.2	14.3%	0.78
Neumeier Poma	Small Cap Value	103.6	85.9	17.9%	0.73
Frontier	Small Cap Value	113.1	108.9	16.9%	0.75
Geneva	Small Cap Growth	94.1	66.6	16.8%	0.58
Wasatch	Small Cap Growth	79.6	55.3	14.3%	0.54

Upside and downside capture ratios measured against the S&P 500 index.

third quarter, 2015

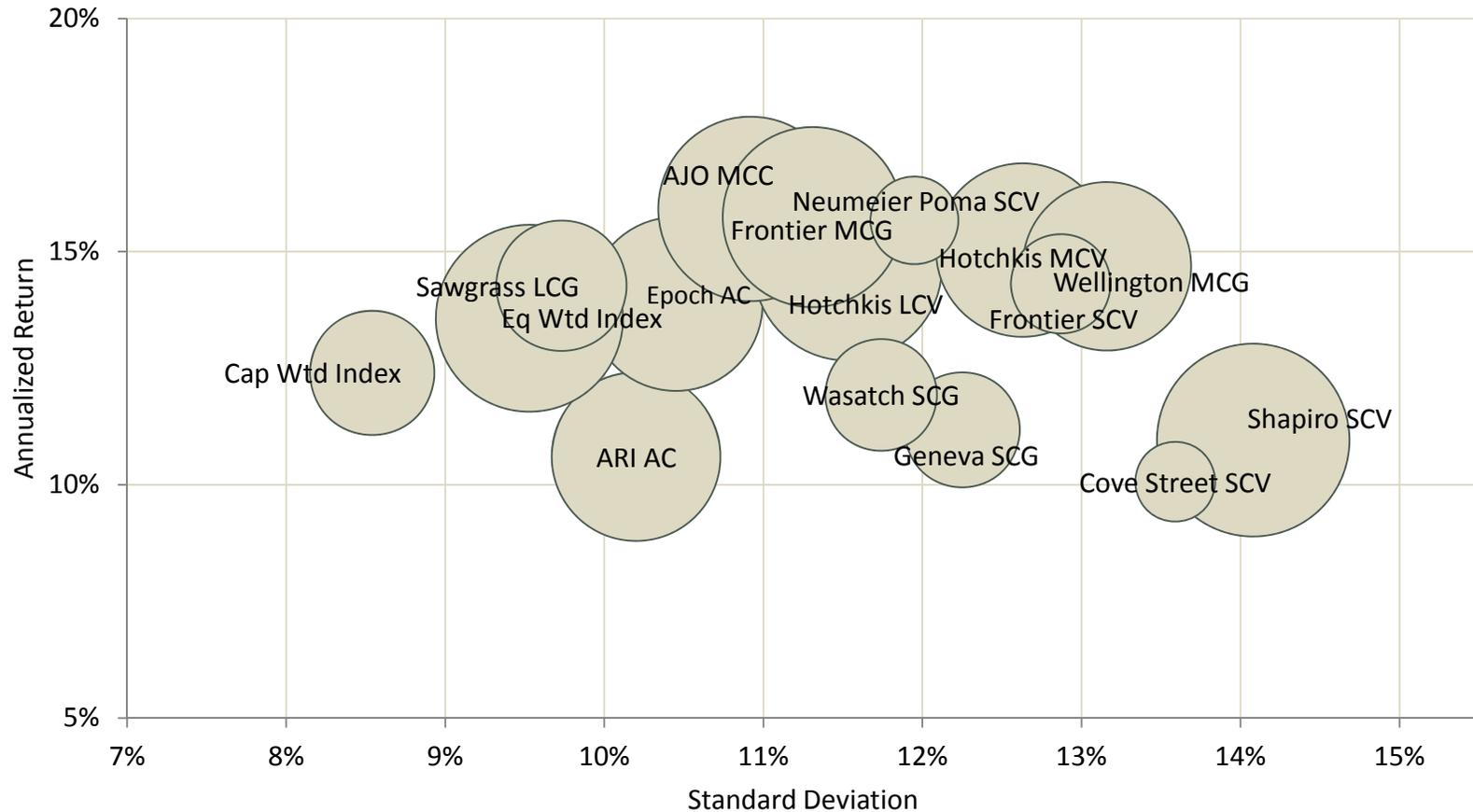
Domestic Equity Portfolios: 5 Year Correlation Matrix

<i>Trailing Five Years</i>	ARI AC	AJO MC	Cove Street SCV	Epoch AC	Frontier MCG	Frontier SCV	Geneva SCG	Hotchkis LCV	Hotchkis MCV	Neumeier Poma SCV	Sawgrass LCG	Shapiro SCC	Wasatch SCG	Wellington MCG
ARI AC	-													
AJO MC	0.95	-												
Cove Street SCV	0.90	0.89	-											
Epoch AC	0.96	0.96	0.88	-										
Frontier MCG	0.90	0.94	0.86	0.90	-									
Frontier SCV	0.91	0.93	0.92	0.88	0.90	-								
Geneva SCG	0.82	0.83	0.83	0.78	0.85	0.87	-							
Hotchkis LCV	0.94	0.92	0.86	0.95	0.87	0.87	0.74	-						
Hotchkis MCV	0.91	0.93	0.89	0.93	0.88	0.92	0.78	0.93	-					
Neumeier Poma SCV	0.91	0.92	0.88	0.88	0.89	0.92	0.88	0.84	0.88	-				
Sawgrass LCG	0.94	0.92	0.84	0.96	0.88	0.82	0.75	0.92	0.86	0.83	-			
Shapiro SCC	0.91	0.93	0.89	0.88	0.90	0.91	0.81	0.88	0.90	0.89	0.83	-		
Wasatch SCG	0.75	0.79	0.74	0.78	0.79	0.78	0.83	0.72	0.77	0.81	0.71	0.76	-	
Wellington MCG	0.93	0.96	0.88	0.94	0.94	0.92	0.86	0.90	0.92	0.93	0.87	0.93	0.81	-

third quarter, 2015

Domestic Equity Risk Return Comparison

Composite Data Used – Three Years Ended September 30, 2015

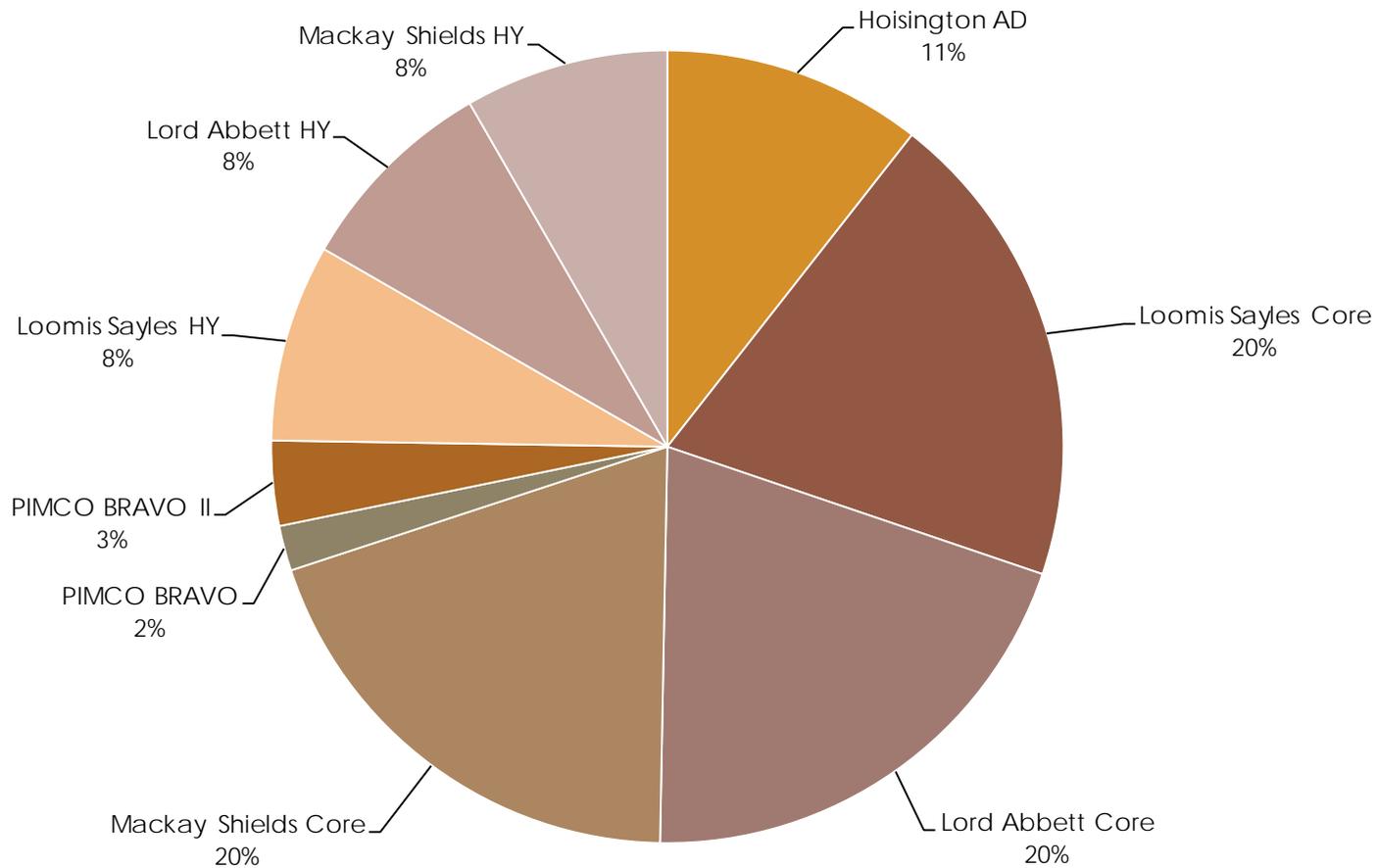


*Composite performance used when necessary.

third quarter, 2015

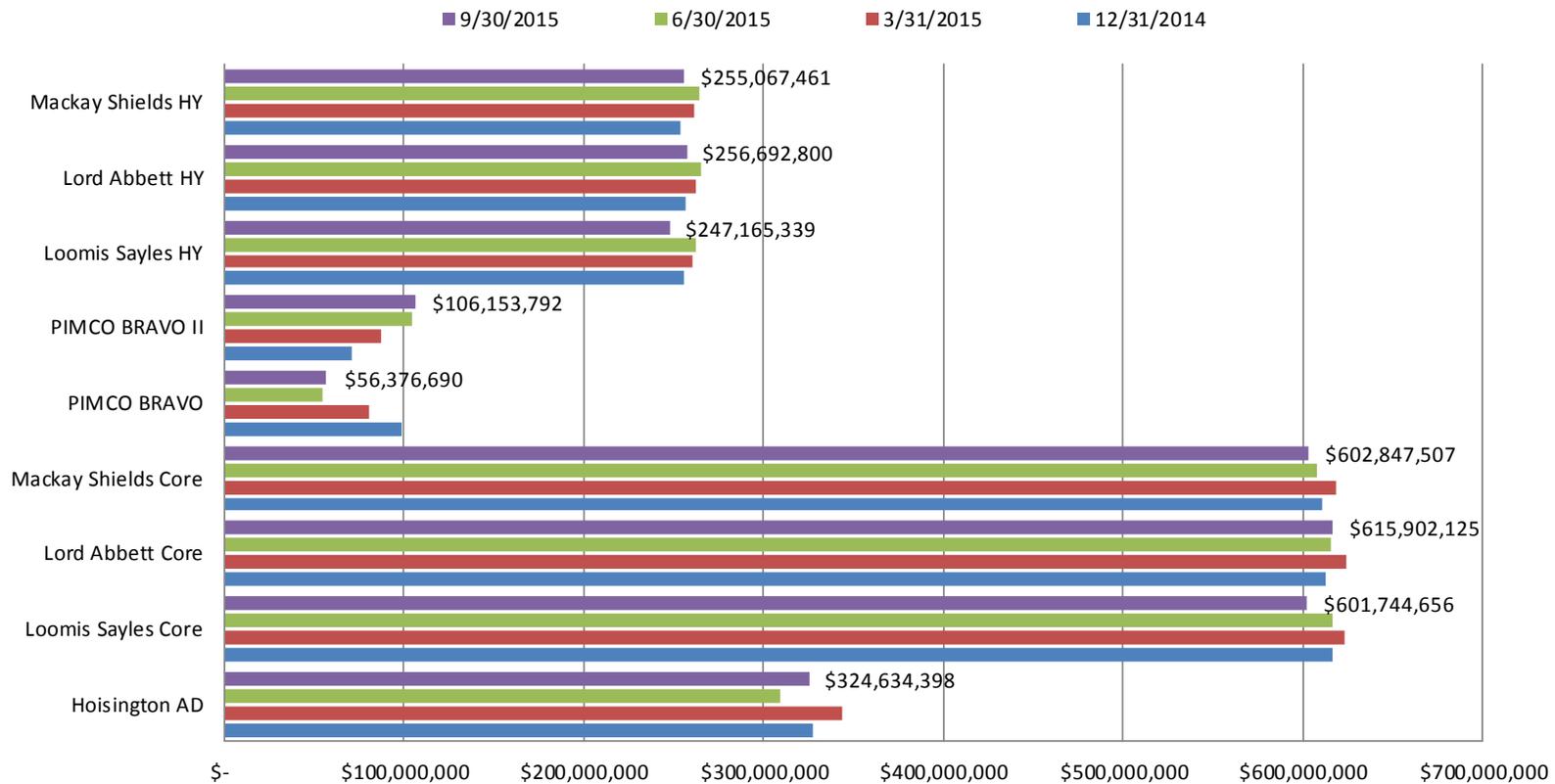


Asset Allocation Summary – Fixed Income Allocation



third quarter, 2015

Asset Allocation Summary – Fixed Income Allocation



third quarter, 2015



Performance – Fixed Income Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last Year	% Rank	Last Quarter	% Rank
Loomis Sayles	7.1		4.7	5	1.9	60	-1.9	98	-2.4	99
Lord Abbett	5.9		4.4	12	2.6	22	1.7	89	0.0	92
MacKay Shields	6.0		4.6	8	2.1	45	-0.6	99	-0.8	96
Hoisington	7.7		7.4		3.0		10.2		5.2	
<i>BC Aggregate</i>	<i>4.6</i>		<i>3.1</i>		<i>1.7</i>		<i>2.9</i>		<i>1.2</i>	
Loomis HY	-	-	5.6	71	3.8	51	-3.7	73	-5.7	83
Lord Abbett HY	-	-	7.8	9	5.7	11	-1.4	26	-3.7	28
MacKay HY	-	-	6.7	30	4.2	44	-0.4	20	-3.2	21
<i>ML High Yield II</i>	<i>7.5</i>		<i>5.9</i>		<i>3.5</i>		<i>-3.5</i>		<i>-4.9</i>	

third quarter, 2015

Fixed Income Portfolio Characteristics – Trailing Five Years

	Asset Class	Credit Quality	Modified Duration	Maturity	Yield to Maturity
Loomis Sayles	Core Plus	AA-	6.0	9.0	4.3%
Lord Abbett	Core Plus	AA	5.3	7.7	3.4%
Mackay Shields	Core Plus	A-	4.7	6.4	3.7%
Hoisington	Active Duration	AAA	19.0	28.2	2.9%
Core Fixed Income Composite	Core Plus	A+	7.4	10.8	3.7%
Loomis Sayles	High Yield	BB	4.4	6.4	6.6%
Lord Abbett	High Yield	B	5.1	5.2	7.2%
Mackay Shields	High Yield	BB-	4.0	5.8	7.4%
High Yield Composite	High Yield	B	4.5	5.8	7.0%

third quarter, 2015

Fixed Income Performance Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. BC Aggregate
Loomis Sayles	Core Plus	129.1%	104.2%	4.6%	0.57
Lord Abbett	Core Plus	113.1%	72.7%	4.5%	0.85
MacKay Shields	Core Plus	113.4%	79.2%	4.3%	0.70
Hoisington	Active Duration	333.1%	444.3%	7.6%	0.60
Loomis Sayles	High Yield	137.8%	26.0%	7.2%	0.02
Lord Abbett	High Yield	133.4%	-21.5%	8.0%	0.01
MacKay Shields	High Yield	119.6%	-10.2%	7.0%	0.03

Upside and downside capture ratios measured against the Barclays Capital Aggregate index.
*Composite performance used when necessary.

third quarter, 2015



Fixed Income Portfolios: 5 Year Correlation Matrix

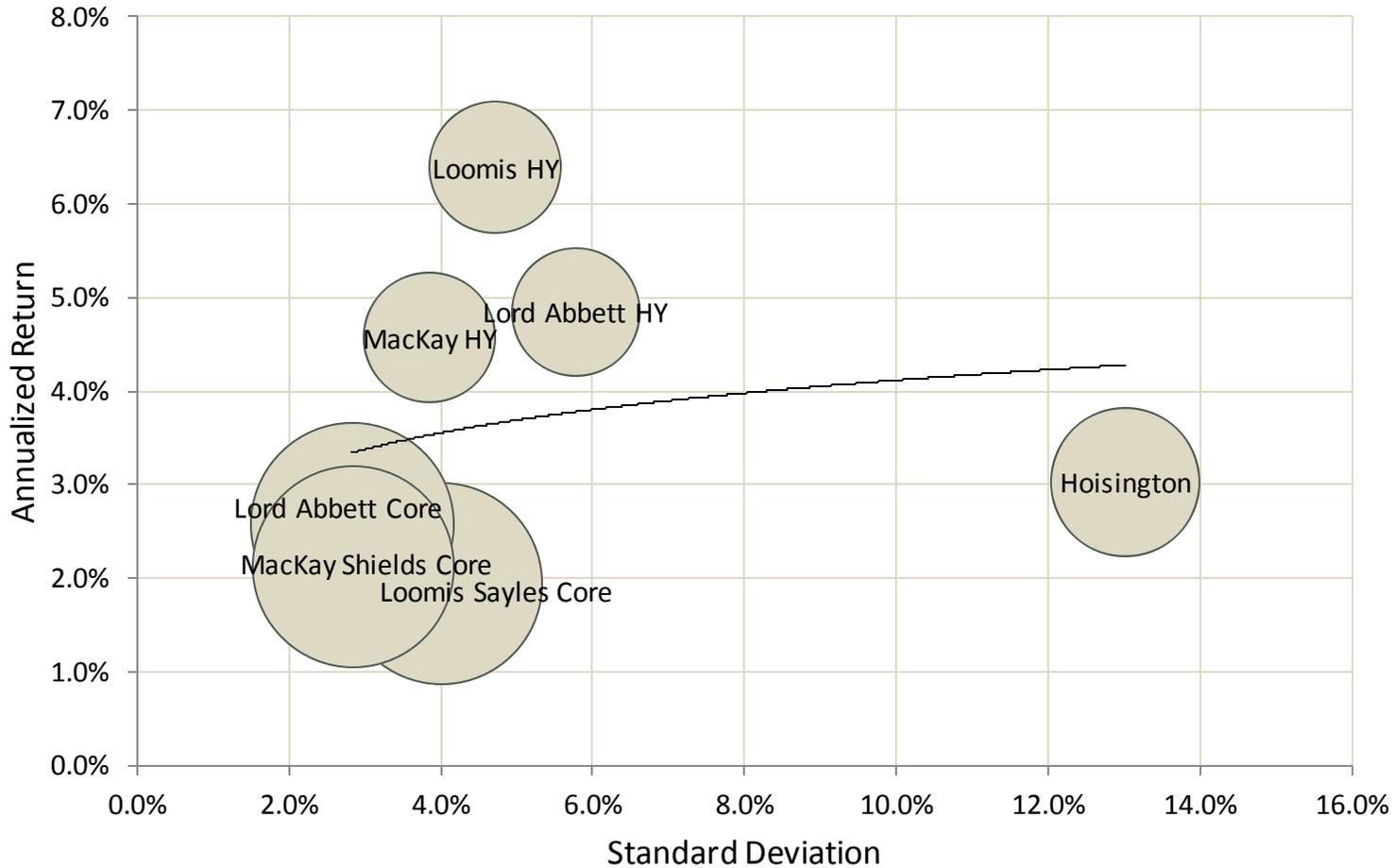
<i>Trailing Five Years</i>	Hoisington	Loomis Core	Loomis High Yield	Lord Abbett Core	Lord Abbett High Yield	MacKay Shields Core	MacKay Shields High Yield
Hoisington	-						
Loomis Core	0.31	-					
Loomis High Yield	-0.39	0.71	-				
Lord Abbett Core	0.55	0.92	0.46	-			
Lord Abbett High Yield	-0.40	0.67	0.97	0.43	-		
MacKay Shields Core	0.43	0.96	0.60	0.96	0.58	-	
MacKay Shields High Yield	-0.30	0.74	0.94	0.50	0.98	0.65	-

*Composite performance used when necessary.

third quarter, 2015

Fixed Income Risk Return Comparison

Composite Data Used – Three Years Ended September 30, 2015

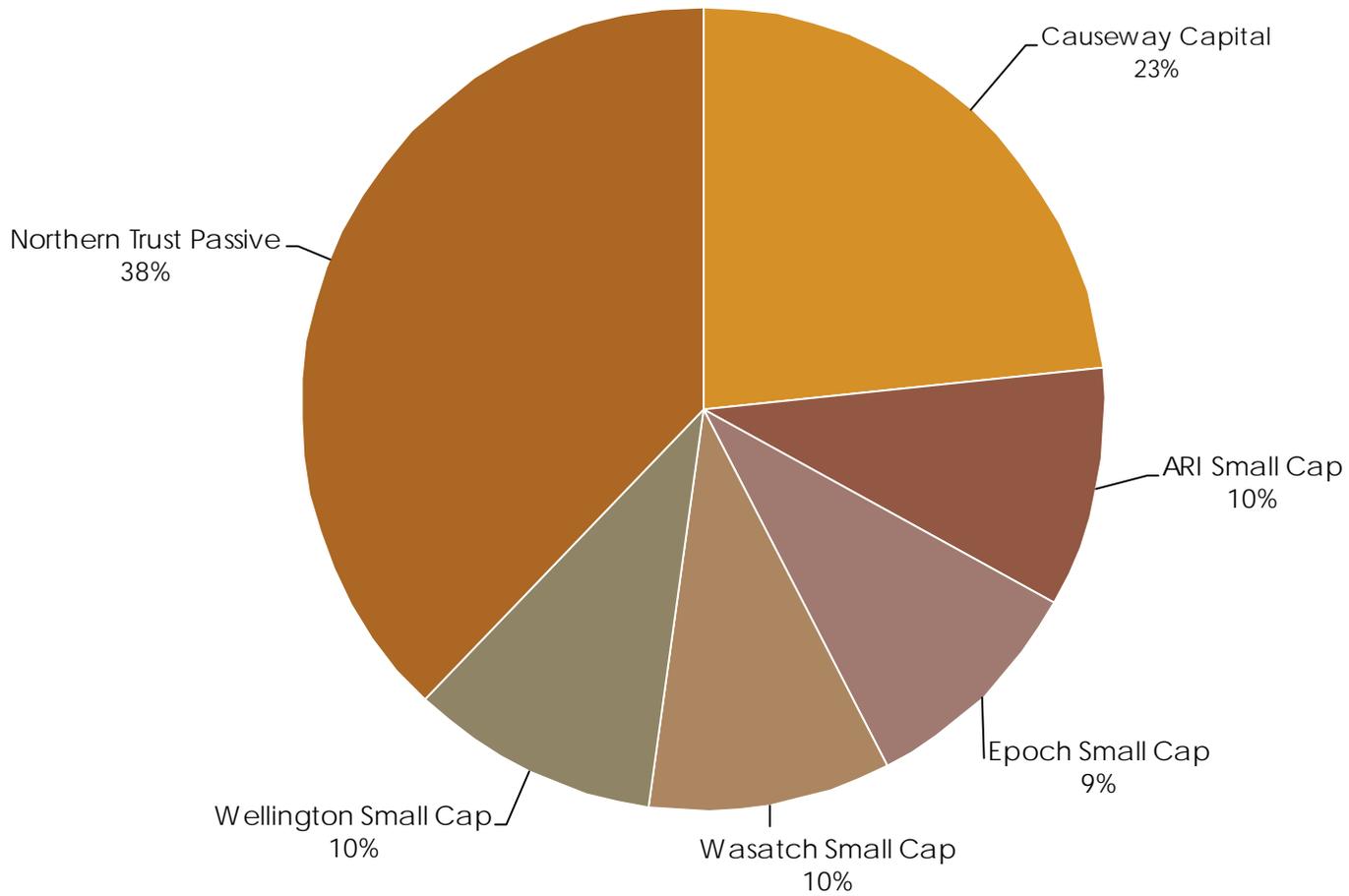


*Composite performance used when necessary to calculate figures.

third quarter, 2015

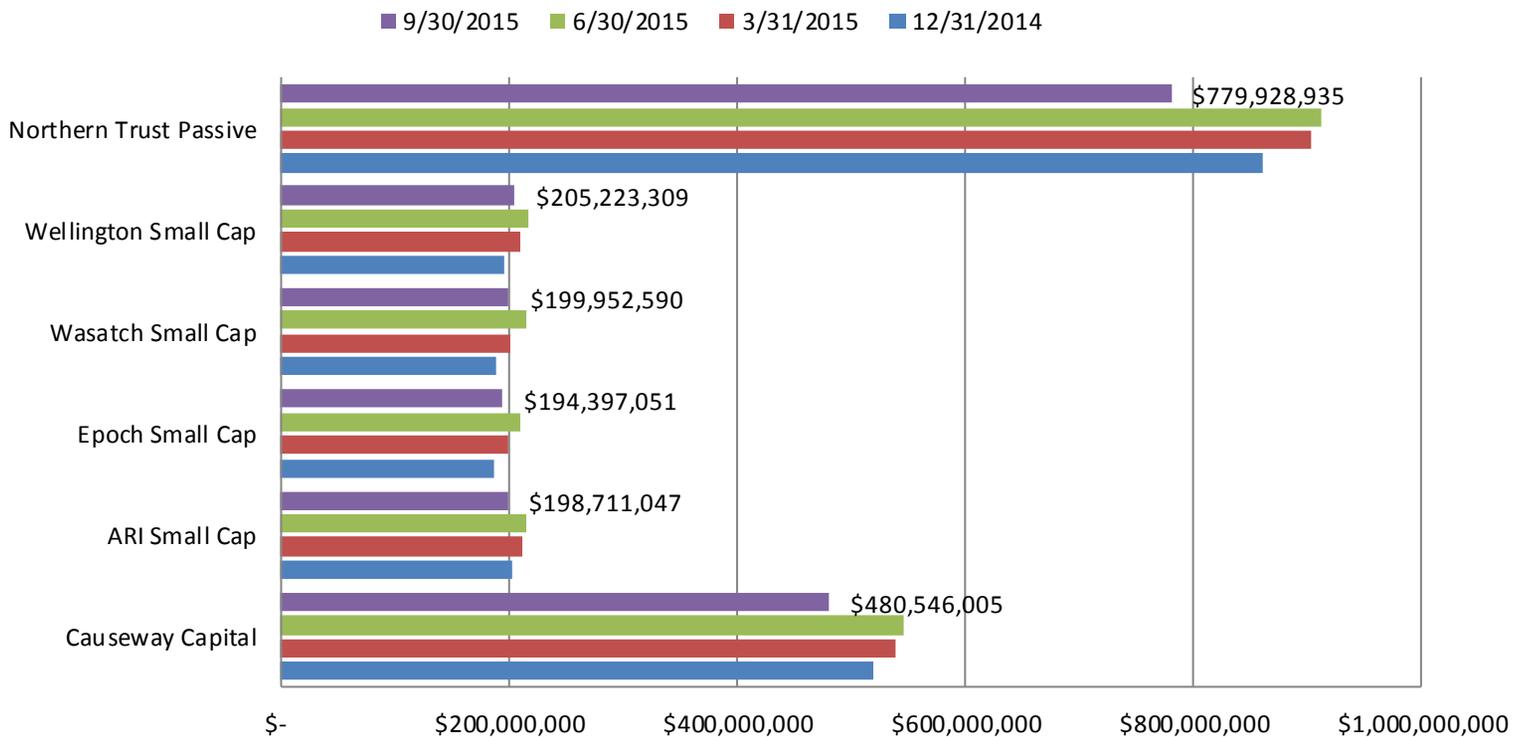


Asset Allocation Summary – International Equity Allocation



third quarter, 2015

Asset Allocation Summary – International Equity Allocation



third quarter, 2015

Performance – International Equity Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Causeway	4.3	-	5.0	86	4.8	74	-10.3	86	-12.0	88
Northern Trust Passive	-	-	-	-	-		-7.3	99	-10.1	98
<i>MSCI ACWI Ex US</i>	<i>3.0</i>		<i>1.8</i>		<i>2.3</i>		<i>-8.3</i>		<i>-10.2</i>	
ARI¹	-	-	-	-	8.5	18	-7.4	99	-7.8	91
EPOCH¹	-	-	-	-	8.5	19	-1.9	59	-7.5	88
Wasatch¹	-	-	-	-	10.9	4	5.4	4	-6.8	80
Wellington¹	-	-	-	-	12.6	3	1.2	15	-5.5	53
<i>MSCI EAFE Small Cap</i>	<i>-</i>		<i>-</i>		<i>10.5</i>		<i>0.6</i>		<i>-6.8</i>	

¹Ranked in Non-US Equity Manager Universe.

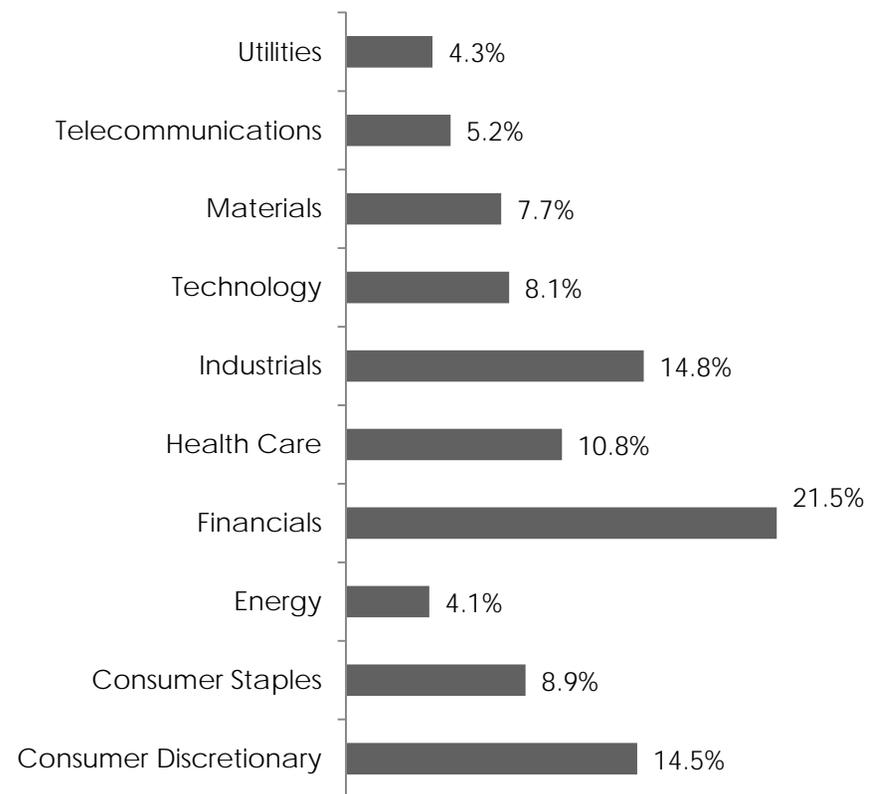
third quarter, 2015

Total International Equity Portfolio Holdings Review

Largest Equity Positions

Position	% of Total Equity Allocation
Cash	1.65%
Novartis AG	1.27%
Roche Holdings	1.04%
British American Tobacco	1.00%
Toyota	0.94%
Sanofi	0.94%
GlaxoSmithKline	0.83%
KDDI	0.79%
Nestle	0.78%
Total EUR2.5	0.78%
Top Ten Total Weight	10.02%

Sector Weightings



third quarter, 2015

Active International Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. MSCI ACWI ex US
Causeway	Large Cap Value	112.2%	91.5%	7.1%	0.92
Northern Trust	Passive Index	100.7%	99.3%	2.1%	1.00
Advisory Research	Small Cap Value	99.5%	69.8%	7.9%	0.90
EPOCH	Small Cal Value	96.7%	80.0%	5.9%	0.86
Wasatch	Small Cap Growth	89.1%	42.4%	12.0%	0.76
Wellington	Small Cap Growth	97.9%	78.9%	6.4%	0.95

Upside and downside capture ratios measured against the MSCI ACWI ex-US index.
*Composite performance used when necessary.

International Equity Portfolios: 5 Year Correlation Matrix

<i>Trailing Five Years</i>	ARI SCI	Causeway LCI	EPOCH SCI	Northern Trust	Wasatch SCI	Wellington SCI
ARI SCI	-					
Causeway LCI	0.91	-				
EPOCH SCI	0.94	0.91	-			
Northern Trust Passive	0.95	0.96	0.93	-		
Wasatch SCI	0.83	0.82	0.87	0.87	-	
Wellington SCI	0.92	0.96	0.93	0.98	0.87	-

*Composite performance used when necessary.

third quarter, 2015

International Equity Risk Return Comparison

Composite Data Used – Three Years Ended September 30, 2015



third quarter, 2015

Performance – MLPs

	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Chickasaw	-	-	9.8	-	-33.6	-	-28.4	-
ARI	-	-	2.3	-	-23.0	-	-26.7	-
Cushing	-	-	7.2	-	-34.3	-	-27.8	-
<i>Alerian MLP</i>	-		<i>-3.6</i>		<i>-39.2</i>		<i>-22.1</i>	



LORD ABBETT

Lord Abbett Investment Team Update

JERSEY CITY, NJ – November 5, 2015 – Lord Abbett & Co. LLC (“Lord Abbett”), an independent, privately held investment–management firm, announced that Robert A. Lee, Partner & Director of Taxable Fixed Income, has been asked to take on the newly created position of Deputy Chief Investment Officer. This step begins the transition of the investment leadership of Lord Abbett to a new generation of professionals.

During his tenure at Lord Abbett, Mr. Lee has played a key role in the success and development of the Lord Abbett fixed–income franchise. As a leader, he has earned a reputation for delivering consistent investment performance by developing talent and fostering a culture of teamwork and collaboration.

In his new role, Mr. Lee will continue to work with the fixed–income team while assisting Robert I. Gerber, Partner & Chief Investment Officer, in managing broader day–to–day departmental activities. These duties include strategic oversight of various investment, research and trading groups, as well as other firm–wide responsibilities. Together, these seasoned professionals will continue to ensure that Lord Abbett clients are well served and supported by a world-class investment organization.

About Lord Abbett

Lord, Abbett & Co. LLC is an independent, privately held firm with a singular focus on the management of money. Founded in 1929, Lord Abbett is one of the oldest money management firms in the United States, and has forged a culture that is investment-led and investor-focused. Lord Abbett manages approximately \$127.7 billion in assets (as of September 30, 2015) across a full range of mutual funds, institutional and separately managed accounts, including \$1.4 billion for which Lord Abbett provides investment models to managed account sponsors.

Election of Officers

1. In May of each year, the current Board Chair shall appoint an ad-hoc Nomination Committee. This Committee shall be comprised of at least three (3) Trustees not currently serving as Board Officers. The Nomination Committee shall make recommendations to the Board at the June Board meeting of candidates for each Board Officer position. Nominations shall also be taken from any Trustee at the June meeting.

~~1.2.~~ The election of the Board Chair, Vice-Chair, and Secretary shall be held at the regularly scheduled Board meeting in June of each calendar year. Officers will assume their positions immediately after the June meeting and serve through the June meeting of the following year. While a typical officer term is one year to allow rotation of leadership among Board members, officers are not precluded from being elected to additional yearly terms.

~~2.3.~~ When necessary, because of an unexpected vacancy, loss of confidence in the individual, or because an officer can no longer perform the required duties, intervening elections may be called by a 2/3rd majority of the Board. In determining the 2/3rd majority, vacant positions on the Board shall not be considered.

~~3.4.~~ The election of the Board Chair, Vice-Chair, and Secretary shall be by majority vote of the Board with a run-off to be held in the event that no candidate receives a majority of the first ballot.

~~4.5.~~ Because of the complexity of the Board Chair position, it normally is expected that the Board Vice-Chair will stand for election to Chair after serving one year in the Vice Chair role. The individual who seeks to run for the Vice-Chair position should take this prospect into consideration when agreeing to stand for election to Vice-Chair.

715:1-1-13. Change of address, name or district

When a member moves to a new address, or if there is a change of surname, TRS should be notified of such change in writing [or via the OTRS Client Portal](#). Please include the new name, the former name and the Social Security number [or Client ID number](#). This procedure also applies to retired members whose checks are directly deposited to their banking accounts. Also, when an employee moves from one school district to another, it is important that TRS be notified of this change at once. Personal Data Form TRS 1-A may be secured for this purpose from the fiscal officer of the member's employer.

[Source: Amended at 19 Ok Reg 2726, eff 7-11-02]

715:1-1-8. Payment of salaries and claims

- (a) The Executive Director is authorized to approve and pay all payrolls for the regular personnel and extra help of TRS, as provided in the budget approved by the Board of Trustees. The Executive Director ~~and the Secretary Treasurer, Chief Financial Officer, and Certified Procurement Officer~~ must comply with the law in making purchases of supplies, printing materials and equipment. ~~Claims for all traveling expenses, utility bills, communications, bond premiums, rentals, payments of death claims to beneficiaries or estates, tax sheltered annuity claims, and maintenance and repair of machines, when properly audited and approved by the Secretary Treasurer or the Executive Director, may be paid before approval by the Board of Trustees.~~ In the event of the absence of ~~the Secretary Treasurer or~~ the Executive Director, the ~~Assistant Executive Director~~ Chief Financial Officer may also sign for approval of claims.
- (b) The retired member payroll shall be paid when approved by the ~~Secretary Treasurer~~ Chief Financial Officer and the Executive Director, or in the event of an absence, the ~~Assistant Executive Director~~ General Counsel may approve for one. The Board of Trustees shall then make final approval at the next regular meeting following the date on which the checks were mailed to retired members.

[Source: Amended at 28 Ok Reg 978, eff 5-26-11]

715:10-3-1. Requirements for creditable service

All members of Teachers' Retirement System must be employed a specified amount of time as related to their educational employment position, and earn a minimum salary, before creditable service will be awarded. A school/employment year falls between July 1 and June 30 of any year. No service performed as a unpaid volunteer shall be counted as service credit. For service performed on or after July 1, 2013, creditable service will be awarded based upon the information provided by each employer certifying full-time equivalent for each position, subject to approval by TRS. No member shall receive one (1) year of service credit for less than 960 hours of employment. (This does not mean that a member working 960 hours is automatically entitled to receive one (1) year of creditable service.) No more than one (1) year of creditable service shall be awarded for all service in any one (1) school year. For service performed on or after July 1, 2013, fractional service will be awarded for less than full-time employment performed during the contract year. ~~(Note: Please refer to Client Handbook for explanation of creditable service qualifications. The Client Handbook, which is periodically modified, can be found at www.ok.gov/TRS).~~

For service performed on or after July 1, 2016, service credit will be the result of the days the employee worked during the employment year divided by the days the full-time equivalent for that position would be required to work during the entire employment year. A member employed in a position where the full-time equivalent is required to work at least 6 hours per day, 30 hours per week, and 8 months per year shall be considered a full-time employee. A member employed less than 6 hours per day, 30 hours per week, or 8 consecutive months in a year shall be considered a part-time employee.

For service performed on or after July 1, 2016, service credit awarded will be the result of the days the employee worked during the employment year divided by the days the full-time equivalent for that position would be required to work during the entire employment year. For a part-time employee the resulting value from this calculation will be multiplied by .5 to arrive at the service credit awarded. For service credit of less than 1.0, all service credit shall be rounded to the nearest tenths (4 and lower will round down, and 5 and higher will round up).

[Source: Amended at 29 Ok Reg 857, eff 8-1-12]

715:10-5-4.1. Payment of Contribution Deficit for Education Employees Service Incentive Plan

(a) A member whose Regular Annual Compensation, as defined in 70 O. S. § 17-101, was greater than \$40,000 during the school years 1987-88 through 1994-95, must make an additional contribution based on his or her Regular Annual Compensation in excess of \$40,000 to qualify for the provisions of OAC 715:10-15-7.2. A member who chooses not to make the additional contribution payment will not qualify for the EESIP formula.

(b) The payment required for any school year between 1987-88 and 1994-95 is the contribution rate in effect for each year applied to the difference between the member's total Regular Annual Compensation and the amount contributed by or on behalf of the member during the school year. This may include compensation in excess of \$25,000, when the member elected not to contribute on earnings between \$25,000 and \$40,000 for these school years or when the school failed to contribute on the member's total compensation up to \$40,000 for any school year during this period. In addition to the contribution balance, compound interest of ten percent (10%) per annum will be included in the balance due for each year. The interest rate will be applied from June 30 of the school year to the date payment is made to the Teachers' Retirement System.

(c) To qualify for the movement of the first two (2) years of service credits performed before July 1, 1995, the member must make any payment due for the 1993-94 and 1994-95 school years. To qualify for the next two (2) years of service performed prior to July 1, 1995, the member must make any payment due for the 1991-92 and 1992-93 school years. Payment for additional years of service performed prior to July 1, 1995, will be required in descending order back to the 1987-88 school year.

(d) Payment must be made in accordance with existing Internal Revenue Service regulations in effect at the time of payment. TRS will accept after-tax contributions and pre-tax direct or indirect rollovers and transfers from 401(a), 401(k), 403(b), 457 and IRA plans, when allowed by IRS regulations, and installment payment arrangements as provided under OAC 715:10-5-35. Payments may be a combination of any of the available payment methods. (Also see OAC 715:10-5-32. Roll-overs from other qualified plans or conduit IRAs.)

(e) Any payment balance(s) required for a member to qualify for the EESIP formula must be completed at least ~~thirty ninety~~ (930) days before the member's retirement date.

(f) TRS staff will calculate each member's contribution deficit for any year(s) based on payroll records as reported by the employing school. When existing payroll records are not sufficient to accurately determine the member's contribution deficit, TRS has the right to request additional information from the member and/or the employing school. If additional records are required, it is the member's responsibility to obtain or cause records to be forwarded to TRS from the employing school.

(g) If a member retires on or after July 1, 2006, and before June 30, 2007, the member will be required to pay 50% of the total contribution deficit balance.

(h) If a member retires on or after July 1, 2007, and before June 30, 2008, the member will be required to pay 75% of the total contribution deficit balance.

(i) If the member retires on or after July 1, 2008, the member will be required to pay 100% of the total contribution deficit balance.

(j) TRS will accept EESIP contribution deficit payment(s) from the member at any time prior to

the member's retirement. However, if at retirement it is determined that an additional balance is due, the member will be required to make the additional payment, including interest, before his or her first retirement benefit payment is due. If it is determined the member has paid more than the required balance, any difference will be refunded to the member, but no interest will be paid by TRS on the deposits, regardless of the length of time such deposits have been held by the Teachers' Retirement System.

[Source: Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07]

715:10-5-1. Oklahoma service credit after July 1, 1943

Members may purchase credit for years of employment from July 1, 1943, to date of membership in the public schools of Oklahoma on which contributions were not remitted. One (1) full year (twelve calendar months) as a contributing member of TRS must be completed before a member may make such purchases. All purchased service must meet Teachers' Retirement System minimum requirements for eligibility, in effect at the time of purchase, and be properly documented before purchase is allowed. Payment shall not be allowed for any employment during a school year that was less than one-half (1/2) time, and no credit is allowed for periods of employment when a member participated in an alternate retirement plan as provided for by the Alternate Retirement Plan for Comprehensive Universities Act. All payments for past service must be made while an active contributing member of the Teachers' Retirement System or within sixty (60) days of termination of employment in the public schools of Oklahoma. Payment for service credit must be completed prior to the effective date of retirement and cannot be purchased by any person after the death of the member. (See OAC 715:10-5-4 for cost and method of payment).

[Source: Amended at 17 Ok Reg 204, eff 9-8-99 (emergency); Amended at 17 Ok Reg 3071, eff 7-13-00; Amended at 22 Ok Reg 2255, eff 6-25-05]

715:10-5-9. Re-establishing withdrawn service

After returning to employment in the public schools of Oklahoma a member may redeposit a withdrawn account to re-establish service previously withdrawn from the system. For purposes of this section the following shall apply:

(1) A "classified" and "non-classified" member (except as noted in paragraph 2 of this section) who has returned to public education employment and has established one full year (twelve calendar months) of creditable Oklahoma service, is eligible to redeposit withdrawn contributions. A redeposit of withdrawn contributions must include all applicable interest, which shall be computed at a simple interest rate of ten percent (10%) per annum from the date of the withdrawal to the date repayment is made.

(2) Non-classified members who voluntarily withdrew from membership in TRS, between July 1, 1984 and June 30, 1990, without terminating employment in the public schools of Oklahoma, are not eligible to redeposit or purchase past service for any period of employment between the date of the membership period covered by the withdrawn account and the date of return to membership in TRS.

(3) Non-classified members who voluntarily cease monthly contributions to TRS while continuing to be employed in an eligible position shall be considered to have withdrawn from membership.

(4) Requests for redeposits should be made to the Teachers' Retirement System in writing. The request must include the name in which the service was rendered, the Social Security number and the number of years withdrawn.

(5) Documentation of this service is on file in the Teachers' Retirement System office and will be verified by the staff. Service that cannot be documented by researching microfilm records of the member's prior service account or the monthly remittance reports from the employing school must be purchased under the rule for establishing service prior to membership.

(6) Repayments of withdrawn accounts may be made by active contributing members of TRS in a single lump sum, which includes the withdrawn contributions and all applicable interest, or in installment payments. Such installment payments may be paid in 12-month increments, but shall be completed within 60 months. Installment payments shall include interest based upon actuarial assumptions adopted by the TRS Board of Trustees. Such installment payments shall be completed before the member's effective retirement date. No proration is allowed for partial payments. If payments terminate prior to completion of the installment agreement, the amount paid by the member shall be refunded without interest.

(7) Redepositing of withdrawn accounts must be completed, and payment made to TRS, within sixty (60) days of termination of employment in the public schools of Oklahoma, but ~~one-ninety~~ (90) month-days prior to the effective date of a member's official retirement date.

(8) No person may make a redeposit to a member's account after the death of the member.

[Source: Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)1; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)2; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 19 Ok Reg 2729, eff 7-11-02; Amended at 29 Ok Reg 860, eff 8-1-12]

715:10-5-11. Military service limited to maximum of five years ~~[REVOKED]~~

Credit for military service may be purchased and is limited to a maximum of five (5) years. This includes service both before and after July 1, 1943. No credit may be given for any year of military duty which duplicates any other credit already granted or in which a year of creditable service is available for service in the public schools of Oklahoma. The member must have two (2) years of creditable Oklahoma service after the years of military service credit for each year to be purchased. Out-of-state service credit cannot be counted as employment in obtaining military service credit. The purchase of military service must be completed, and payment made to TRS, no later than 90 days prior to the effective date of a member's official retirement date.

[Source: Revoked at 29 Ok Reg 860, eff 8-1-12]

715:10-7-1. Vesting of membership in TRS

Members who have accumulated five (5) or more years of creditable service in the public schools of Oklahoma, on which retirement contributions have been remitted, and whose account had not closed prior to July 1, 2003, in accordance with 70 O.S. § 17-103(6) or OAC 715:10-7-3, shall be granted an indefinite extension of membership in TRS. Such membership is vested and shall remain open until the member retires or the contributions are voluntarily withdrawn. Military and out-of-state service shall not be included in the five (5) years required for vesting. Any year of service obtained by the use of accumulated unused sick leave cannot be included in the five (5) years required for vesting. Any member who joins TRS after July 1, 1991, shall be required to have five (5) full years of ~~membership~~ service credit pursuant to OAC 715:10-3-1 et. seq as a contributing member of the System. For members who join after July 1, 1991, Oklahoma service purchased after membership will not be counted for "vesting" purposes.

[Source: Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)1; Amended at 21 Ok Reg 3099, eff 8-12-04]

715:10-9-6. Probate Waivers ~~[REVOKED]~~

(a) In the event a member dies, leaving no living beneficiary or having designated his estate as beneficiary, the System shall require the judicial appointment of an administrator or executor for the member's estate prior to payment of any benefits or unpaid contributions. However, this requirement may be waived by the System for any benefits or unpaid contributions in the amount of \$5,000.00 or less, upon presentation of:

- (1) the member's valid Last Will and Testament
- (2) an Affidavit of Heirship naming all heirs to the member's estate which must state:
 - (A) that the value of the deceased member's entire estate is subject to probate, and that the estate wherever located, less liens and encumbrances, does not exceed the amount permitted by law, including the payment of benefits or unpaid contributions from the System;
 - (B) a description of the personal property claimed (including the death benefit or unpaid contributions or both), together with a statement that such personal property is subject to probate; and
 - (C) a claim by each individual claiming heir identifying the amount of personal property that the heir is claiming from the System, and that the heir has been notified of, is aware of and consents to the identified claims of all the other claiming heirs of the deceased member pending with the System.
- (3) a Hold Harmless Agreement signed by all heirs;
- (4) a Corroborating Affidavit from someone other than an heir who is familiar with the deceased member; and
- (5) proof of payment of expenses of last sickness, death and burial, including all medical, hospital and funeral expenses.

(b) The Executive Director of the Teachers' Retirement System shall retain complete discretion in determining which requests for probate waiver may be granted or denied, for any reason. If there is any question as to the validity of any document herein required, the judicial appointment requirement shall not be waived.

(c) After paying any death benefits or unpaid contributions to any claiming heirs as provided by this section, the Teachers' Retirement System is discharged and released from any and all liability, obligation and costs to the same extent as if the System had dealt with a personal representative of the deceased member. The System is not required to inquire into the truth of any matter specified in this section or into the payment of any estate tax liability.

[Source: Amended at 12 Ok Reg 841, eff 1-15-95 through 7-14-95 (emergency)¹; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3523, eff 8-26-96; Amended at 28 Ok Reg 981, eff 5-26-11]

715:10-11-2. Withdrawal of optional membership while still employed

A non-classified optional member may voluntarily terminate TRS membership while continuing employment in the public schools of Oklahoma, if:

(1) Proper application is made to TRS. Withdrawal may be made no earlier than two (2) months after date of application and no earlier than the receipt by TRS of the final deposit to the member's account.

(2) The financial officer of the employing school certifies the member's election to stop contributions and the date the member's last contributions will be remitted to TRS.

(3) Any member who withdraws under the conditions listed here may rejoin the Teachers' Retirement System, under the provision of OAC 715:10-1-4(8). A member who terminates membership under this section cannot redeposit contributions withdrawn under this section at a later date, even if the individual returns to membership in TRS. The member will also forfeit any right to purchase service performed from the date of termination of membership under this section and prior to the re-entry date, and will forfeit any unused sick leave accumulated from the date of termination of membership under this section and prior to the re-entry date.

(4) A member's contributions cannot be terminated, by either the member or the employer, without termination of TRS membership. Any member who ceases contributions while still employed in an optional position shall be deemed to have become an ineligible member of TRS, and will have forfeited all rights to retirement benefits provided by TRS for the service prior to the date the member ceased contributions.

(5) An employer may prevent its employees from withdrawing, under this rule, if the employer has a negotiated labor agreement, or formalized IRS plan, prohibiting such terminations and withdrawals.

(6) After-tax contributions can be refunded to an optional member prior to separation from service. Pre-tax contributions cannot be refunded until the member terminates employment or turns 62. Following termination of employment, TRS should be contacted for the proper form to be completed for return of pre-tax contributions. Upon completion of the verification form by the school and the mandatory four-month waiting period, payment of the balance of the account will be made at the same time as regular withdrawals.

[Source: Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)1; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 20 Ok Reg 2247, eff 3-5-03 (emergency); Amended at 20 Ok Reg 2596, eff 7-11-03; Amended at 28 Ok Reg 981, eff 5-26-11; Amended at 29 Ok Reg 863, eff 8-1-12]

715:10-13-1. Regular annual compensation requirements ~~[REVOKED]~~

Each member of the Teachers' Retirement System is required to make contributions to the Retirement Fund. Monthly contributions are a set percent of "regular annual compensation". Regular annual compensation is defined as wages plus fringe benefits, excluding the flexible benefit allowance provided by Section 26-105 of Title 70 of the Oklahoma Statutes, and shall include all normal periodic payments as provided in subsection D of Section 17-116.2 of Title 70 of the Oklahoma Statutes. Wages and fringe benefits for retirement purposes are defined as normal periodic payment for service the right to which accrues on a regular basis in proportion to the service performed. Such periodic payments shall include staff development or other periodic payments to qualifying members. Fringe benefits shall include employer-paid group health and disability insurance, group term life insurance, annuities and pension contributions and IRS Code Section 125 cafeteria benefits provided on a periodic basis to all qualified members of the employer, which qualify as fringe benefits under the United States Internal Revenue Code. A qualified member is any eligible employee who is currently contributing to the System. Excluded from regular annual compensation are: employer contributions to a deferred compensation plan that is not provided to all qualified members of the employer, expense reimbursement payments; office, vehicle, housing or other maintenance allowances; the flexible benefit allowance provided pursuant to Section 26-105 of Title 70 of the Oklahoma Statutes; payment for unused vacation and sick leave; any payment made for reason of termination or retirement; maintenance or other non-monetary compensation; payment received as an independent contractor or consultant; ~~or~~ any benefit payments not made pursuant to a valid employment agreement; stipends that are not given across the board to all employees; payment received for obtaining national board certification; and compensation received from the Teacher Shortage Employment Incentive Program. Contributions can only be remitted on actual wages and fringe benefits. No individual can contribute on unearned or non-existent compensation. Under no circumstances can members pay retirement contributions on more than they actually earn.

[Source: Amended at 10 Ok Reg 3879, eff 7-12-93; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)1; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 22 Ok Reg 2255, eff 6-25-05; Amended at 27 Ok Reg 1282, eff 5-27-10; Amended at 28 Ok Reg 981, eff 5-26-11; Revoked at 29 Ok Reg 863, eff 8-1-12]

715:10-13-13. Contributions while receiving payments from Workers' Compensation

Any member who is an active contributing member and receives temporary total disability benefits during the period of absence from a public school due to a work-related injury or illness and qualifies for payment pursuant to the Workers' Compensation Act shall receive credit for said period of absence, if contributions were not remitted on the member's regular annual compensation while the member is receiving temporary total or partial disability benefits,

subject to the following requirements:

- (1) the member was employed by the public school immediately prior to and during the period of absence,
- (2) the member must notify the System in writing not later than four (4) months after the member's return to his or her job duties with the public school, or termination of the temporary total disability benefits, whichever is earlier, of the member's desire to receive service credit for the period of absence,
- (3) the public school employer must certify to the System in writing the dates during which temporary total disability benefit payments were paid to the member, and
- (4) the member and the public school employer shall each pay the respective contributions required for the period of absence without interest within sixty (60) days of billing by the System, or with interest at a rate consistent with the actuarial assumed earnings rate adopted by the Board of Trustees (currently 8% per annum), compounded annually if paid after said sixty (60) days. Employee and employer contributions will be based on the member's regular annual compensation the member would have earned had the injury or illness not occurred.
- (5) All balances due must be paid in full at least 30 days prior to ~~retirement or~~ termination or 90 days prior to the effective date of a member's official retirement date.

of employment.

[Source: Added at 15 Ok Reg 48, eff 9-4-97 (emergency); Added at 15 Ok Reg 3481, eff 7-15-98; Amended at 29 Ok Reg 865, eff 8-1-12]

715:10-15-3. Date of retirement; making application

The earliest effective date of retirement for any eligible member is the first day of the month following the one in which employment ceases, with the first annuity payment due the last day of that month.

(1) It is the member's responsibility to notify, by filing a retirement contract as outlined in paragraphs 4 and 5 of this section, the TRS Board of Trustees of the date on which retirement is to begin.

(2) Payments for all years of service, for which a member wants to receive credit, must be made no less than 90 days prior to the date of retirement.

(3) State law does not permit TRS to make retroactive retirement payments. Members should ensure that their creditable service record is up-to-date and accurate before they retire.

(4) After submitting all pre-retirement required documentation, the member will receive an Intent to Retire. This form must be returned to TRS no less than sixty (60) days prior to the expected retirement date. Upon receipt of the completed Intent to Retire ~~the member will receive a final contract for retirement. upon completing and returning to TRS an Intent to Retire. This form should~~ must be returned to TRS no less than sixty (60) days prior to the expected retirement date. The member shall select the retirement option on the Intent to Retire.

(5) The Final Contract for Retirement, properly executed before a notary, is required by statutes to be filed with TRS no less than thirty (30) days before the date of retirement. Therefore, the final contract for retirement must be completed and on file with TRS by the first day of the month immediately preceding the retirement date. The first retirement benefit payment will be made on the first day of the month following the effective date of retirement.

(6) For example, a retirement contract must be on file by May 1, for a retirement date of June 1, in order to process the first retirement benefit payment on July 1.

[Source: Amended at 30 Ok Reg 1476, eff 7-1-13]

715:10-15-10. Retirement plans

A member may elect to receive a monthly life annuity under one of the following plans:

(1) The Maximum Retirement Plan provides the greatest monthly lifetime benefit that each individual member's years of creditable service and average salary permit. The maximum retirement plan is the monthly entitlement calculated using the standard retirement formula set by statutes. In the event the total retirement payments made prior to the death of a retired member are less than the member's accumulated contributions (with any interest credited to the account prior to July 1, 1968), the difference shall be paid to the member's designated beneficiary or to the member's estate if no designated beneficiary survives the member.

(2) Retirement Option 1 provides a slightly reduced lifetime benefit. The monthly entitlement is the difference between the annuity portion of the maximum retirement plan and the annuity portion of an Option 1 retirement plan subtracted from the Maximum retirement plan. If the retired member dies before receiving in the annuity portion of the monthly payments an amount equal to the member's deposits (with any interest credited to the account prior to July 1, 1968), the remaining balance shall be paid in a lump sum to the member's designated beneficiary or to the member's estate if no beneficiary survives the member. (The member's deposits are "protected" for the member's beneficiary for a longer period of time than under the maximum retirement plan, hence, the monthly benefit is less than the Maximum benefit.)

(3) Retirement Option 2 provides a reduced monthly benefit payable to the member for life. At the death of the retired member, the same monthly benefit payable to the member, shall continue to the member's beneficiary joint annuitant, if living. This option is known as a "100% joint survivor annuity." The reduction in the monthly benefit is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The ages of the member and beneficiary joint annuitant are an important factor in computing this benefit. The beneficiary joint annuitant for the Option 2 retirement plan may be the member's spouse or another person. If the designated beneficiary joint annuitant is not the member's spouse, IRS Regulations require that the adjusted member/beneficiary joint annuitant age difference cannot be more than ten (10) years. The adjusted member/beneficiary joint annuitant age difference is determined by first calculating the excess of the age of the member over the age of the beneficiary joint annuitant based on their ages on the date of retirement. If the member is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the member is younger than age 70 based on the member's age on the date of retirement. If the adjusted member/beneficiary joint annuitant age difference is greater than ten (10) years, the Option 2 retirement plan is not available. In the event the member's beneficiary joint annuitant dies at any time after the member's retirement date but before the death of the member, the member shall return to the retirement benefit, including any post-retirement benefit increases the member would have received, had the member not selected the Option 2 retirement plan. The beneficiary joint annuitant designation cannot be changed under any circumstance after the date of retirement. The reduction in the monthly payment is much greater than under all other retirement options because two people are protected for the life of both individuals.

(4) Retirement Option 3 provides a reduced monthly benefit payable to the member for life. At the death of the retired member, one-half (or 50%) of the monthly benefit payable to the member, shall continue to the member's beneficiary joint annuitant, if living. This option is

known as a "50% joint survivor annuity." The reduction in the monthly benefit is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The age of the beneficiary-joint annuitant is an important factor in computing this benefit. The beneficiary-joint annuitant for the Option 3 retirement plan may be any person. In the event the member's beneficiary-joint annuitant dies at any time after the member's retirement date but before the death of the member, the member shall return to the retirement benefit, including any post-retirement benefit increases, the member would have received had the member not selected the Option 3 retirement plan. The beneficiary-joint annuitant cannot be changed under any circumstance after the date of retirement. The reduction in the monthly payment, while not as great as in the Option 2 plan, still requires a substantial reduction because two people are protected for the life of both individuals.

(5) Retirement Option 4 provides a reduced monthly benefit payable to the member for life. In the event the retired member dies within one hundred twenty (120) continuous months from the date of retirement, the balance of the payments is continued to the designated beneficiary until a total of one hundred twenty (120) months have been completed. The actual reduction is based on actuarial tables developed for this purpose and approved by the Board of Trustees. The beneficiary must be designated at the time of retirement. The Option 4 retirement plan is not available for a member whose retirement date is on or after the member reaches age 93. However, if the designated beneficiary is the member's spouse, the Option 4 retirement plan may be selected if the 120-month period does not extend beyond the joint life and last survivor expectancy of the member and the member's spouse. If the beneficiary dies before the total number of "guaranteed" months have been completed, the remaining payments shall be computed at the rate of interest used in determining the original guarantee. The funds remaining shall be paid to the administrators, executors or assigns of the last surviving payee.

[Source: Amended at 12 Ok Reg 295, eff 10-14-94 through 7-14-95 (emergency)¹; Amended at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)²; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 16 Ok Reg 743, eff 10-5-98 through 7-14-99 (emergency)³; Amended at 16 Ok Reg 3567, eff 9-13-99; Amended at 22 Ok Reg 2255, eff 6-25-05]

715:10-15-7.2. Retirement formula for members retiring under provisions of the Education Employees Service Incentive Plan (-EESIP-)

~~(a) (a)~~ Legislation enacted during the Special Session of the 2006 Legislature modified the standard retirement formula for TRS members employed by remitting entities other than comprehensive and regional four-year universities. A member must have been employed by a participating remitting entity for at least one full school year (twelve months) immediately prior to termination of employment or retirement to qualify for this section.

(b) A TRS member who was employed prior to July 1, 1995, may have service credits performed prior to July 1, 1995, calculated in the member's retirement formula used for service performed after July 1, 1995, when the member's average salary at retirement is greater than \$40,000, and the member works beyond the year in which he or she reaches normal retirement age. (The terms "average salary" and "normal retirement age" are defined in 70 O. S. § 17-101.)

(c) A retiring member who works one year beyond the school year in which he or she reaches normal retirement age, and who is employed by a participating employer, may move two (2) years of service performed prior to July 1, 1995, to the retirement formula used to calculate service performed after July 1, 1995. For each additional year the member works beyond normal retirement age employed by a participating employer, he or she may move two (2) additional years of service credit performed prior to July 1, 1995.

(d) For members who retire on or after July 1, 2006, and before June 30, 2007, the maximum average salary that can be used to calculate the benefit for service credits that qualify to be moved under this section is \$60,000. During this one-year period, a member whose average salary at retirement is greater than \$60,000 shall have benefits calculated in three steps: 2% x \$40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; 2% x \$60,000 for service performed prior to July 1, 1995, that qualifies as moved service; and 2% x the member's average salary for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.]

(e) For members who retire on or after July 1, 2007, and before June 30, 2008, the maximum average salary that can be used to calculate the benefit for service credits that qualify to be moved under this section is \$80,000. During this one-year period, a member whose average salary at retirement is greater than \$80,000 shall have benefits calculated in three steps: 2% x \$40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; 2% x \$80,000 for service performed prior to July 1, 1995, that qualifies as moved service; and 2% x the member's average salary for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.]

(f) For members who retire on or after July 1, 2008, the average salary used to calculate the benefit for service credits that qualify to be moved under this section is the member's average salary at retirement. The member's retirement benefit will be calculated as follows: 2% x \$40,000 for service performed prior to July 1, 1995, that does not qualify as moved service; and 2% x the member's average salary for service performed prior to

July 1, 1995, that qualifies as moved service and for service performed on or after July 1, 1995. (Note: The retirement date for each retiring member is always the first day of the month. [See OAC 715:10-15-4.]

(g) A member whose Regular Annual Compensation was greater than \$40,000 during the school years 1987-88 through 1994-95 must make an additional contribution to qualify for movement of service provided for in this section. [See OAC 715:10-5-4.1. Payment of contribution deficit for Education Employees Service Incentive Plan]

(h) A member reaches Normal Retirement Age during the school year he or she reaches age 62, or when the member's age and total service equal 80 or more for those members whose official TRS membership date is prior to July 1, 1992, and when the member's age and total service equal 90 or more for those members whose official TRS membership date is on or after July 1, 1992.

(i) For this section, credit a member may receive for having 120 or more days of unused sick leave at retirement will be used in determining the school year in which a member reaches Normal Retirement Age.

(j) For this section, a member who reaches Normal Retirement Age by the tenth of July of any school year will be considered to have reached Normal Retirement Age at the beginning of that school year. A member who reaches Normal Retirement Age after the tenth of July of any school year will be considered to have reached Normal Retirement Age at the beginning of the next school year in which the member is employed.

(k) To qualify for a year of service beyond Normal Retirement Age, OAC 715:10-3-2 and OAC 715:10-3-3 will be used to determine credited service. However, a fractional year of service performed after reaching Normal Retirement Age cannot be combined with a fractional year of service performed prior to reaching Normal Retirement Age to qualify for a year of service credit under this section. Fractional years of service worked after reaching Normal Retirement Age can be combined to create a full year of credited service.- If a member participates in ESSIP and wears away at least two (2) years of capped service but has employment at a non-participating entity (comprehensive and regional four-year universities) after reaching Normal Retirement Age, service credit will be awarded for the employment for the non-participating remitting entity, but the salary the member earned at the non-participating entity will not be applied to those years of service which qualify for the Education Employees Service Incentive Plan (EESIP).

(l) The provisions of subsections e and f of this section become effective only if additional employer contributions are funded as required by Enrolled House Bill 1179xx.

[Source: Added at 24 Ok Reg 220, eff 10-31-06 (emergency); Amended at 24 Ok Reg 1692, eff 6-11-07]

715:10-15-10.2. Partial lump-sum payments

~~The requirements for partial lump-sum payments shall be administered as directed in Title 70, Oklahoma Statutes, Section 17-105.2 [70 O.S. 17-105.2].~~

Any member of the Teachers' Retirement System with 30 or more years of service credit may elect to receive a partial lump-sum payment in exchange for a reduced annuity. The application for a partial lump-sum payment will be added to the retiring member's final contract for retirement on a form prescribed by the Board of Trustees. A beneficiary of a deceased active member is not eligible to select a partial lump-sum payment.

(1) A member may elect to receive a partial lump-sum payment in an amount equal to the unreduced retirement benefit (Maximum Retirement Allowance) which would have been paid over a period of 12, 24 or 36 months, had the lump-sum option not been selected. Once the payout amount is selected, a reduced Maximum Retirement Allowance is then calculated using factors based upon the member's age at retirement and the payout option (12, 24, or 36 months) selected. This reduced Maximum Retirement Allowance then serves as the basis upon which other optional payment alternatives will be calculated pursuant to 70 O.S. § 17-105 and OAC 715:10-15-10.

(2) The partial lump-sum payment shall be paid in a single check separate from the regular monthly retirement ninety (90) days after the date of the retiring member's first monthly benefit payment. The partial lump-sum payment cannot be returned to the Retirement System once it has been received by the member.

(3) The partial lump-sum payment shall be subject to federal income tax in accordance with Internal Revenue Code or applicable Internal Revenue Service regulations. In accordance with IRS regulations, the member may elect to roll over the partial lump-sum payment into an eligible individual retirement account (IRA) or other eligible retirement plan, including the Oklahoma Teachers' Retirement System's 403b Tax Sheltered Annuity Plan if you already have an established account prior to expected retirement date.

(4) The total amount of the partial lump-sum payment shall be deducted from the member's account balance consisting of the employee contributions plus interest posted to the member's account prior to July 1, 1968, for the purpose of determining unused contributions remaining in the account.

(5) The partial lump-sum payment will be based on the service credit and average compensation, including projected compensation, at the time of retirement, but may be issued before final compensation and contributions are received and posted to the member's account. TRS reserves the right to correct any overpayment or underpayment discovered after final compensation and contribution postings have been received. Should the member have been overpaid, TRS will collect such overpayment from the member, based on an actuarial adjustment to the member's monthly benefit. Should the member have been underpaid, TRS will actuarially adjust future monthly benefit payments to compensate the member for the amount of the underpayment.

(6) A retiree, having received a partial lump-sum payment, who is reemployed and returns to membership contributing status pursuant to OAC 715:10-17-13, shall have his or her subsequent retirement benefit calculated taking into consideration that a partial lump-sum payment has been received.

(7) Should the retiring member die after the effective date of retirement, but before the partial lump-sum payment is made, the payment will be made to the beneficiary(ies) designated by the retiring member on the final contract for retirement, unless the member filed a separate beneficiary form specifically designating a third party as the beneficiary of the partial lump-sum payment.

(8) If the retiring member is married at the time of retirement, the member's spouse must sign the member's partial lump-sum application form acknowledging the retiring member's intent to receive a partial lump sum payment.

[Source: Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)1; Amended at 21 Ok Reg 3099, eff 8-12-04; Amended at 29 Ok Reg 866, eff 8-1-12]

715:10-17-12. ~~Earnings R~~reports by remitting agencies

After June 30 but prior to November 1 of each year, each employer covered by the provisions of TRS shall submit through the OTRS Employer Portal a report showing the total earnings received by each individual, member and non-member of TRS, as well as information on each member such as contract length, hours worked, and other employment related information during the previous calendar-employer fiscal year. This report shall be known as the Employment Year End Report.

Prior to March 15 of each year, each employer covered by the provisions of TRS shall submit a report showing the total earnings received by each individual, member and non-member of TRS, during the previous calendar year. The report provided by the employer shall be a copy of the ~~magnetic media~~ report prepared and submitted to IRS to report W-2 Tax Statements and other taxable income reportable to IRS and the Social Security Administration. The report will be electronically transmitted to TRS via the Employer Portal In lieu of the magnetic media report above, a magnetic media report may be created having and will contain the name, social security number and ~~address and~~ the total earnings paid from all sources from January 1 to December 31 of the year and shall be in the format specified by TRS.

Source: Amended at 27 Ok Reg 1282, eff 5-27-10]

715:10-15-16. Review by Medical Board

Upon receipt of the application for disability retirement, the Medical Board of the Teachers' Retirement System will review the application at its next monthly meeting. The Medical Board may recommend to the Board of Trustees a member for permanent disability retirement or for a temporary disability retirement when in its opinion the prognosis of the disability is of a temporary nature. Temporary disability retirement benefits may be provided for six (6) to twelve (12) months, subject to re-examination by the Medical Board at the end of the prescribed period. If a member is granted temporary disability the member may apply for permanent disability, or reapply for temporary disability, only within one (1) month of the expiration of the temporary disability. The member will be notified in writing of the recommendation of the Medical Board. If disability benefits are not recommended by the Medical Board, the reason will be provided to the member. The member may then submit additional medical evidence for further review or request an administrative hearing pursuant to the Administrative Procedures Act, 75 O.S. Section 250 et seq., and OAC 715:1-1-10 within sixty (60) days of notification of the Medical Board's adverse recommendation.

[Source: Amended at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)¹; Amended at 11 Ok Reg 4251, eff 7-25-94; Amended at 19 Ok Reg 2729, eff 7-11-02]

715:10-25-1. Definition ~~[REVOKED]~~

The term "qualified domestic order" means an order issued by a district court of the State of Oklahoma pursuant to the domestic relations laws of this state which relates to the provision of marital property rights to a spouse or former spouse of a member and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to receive a portion of the benefits payable with respect to a member of the Teachers' Retirement System.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-2. Filing a qualified domestic order ~~[REVOKED]~~

A member of Teachers' Retirement, his or her legal representative, a member's former spouse, or his or her legal representative may file a qualified domestic order with the Teachers' Retirement System. In not less than thirty (30) days of such filing, Teachers' Retirement will acknowledge receipt and notify all parties listed in the order that the order has been accepted or that clarification of the order must be provided to Teachers' Retirement. All qualified domestic orders filed with the Teachers' Retirement System of Oklahoma must be in accordance with Oklahoma Statutes and must conform to the provisions of 70 O.S., Section 17-109, as amended. TRS Form 110.46 OTRS Qualified Domestic Order is available upon request and its use is recommended.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Amended at 25 Ok Reg 2598, eff 7-11-08; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-3. Contents of qualified domestic order ~~[REVOKED]~~

For a qualified domestic order to be accepted and binding on the Teachers' Retirement System the order meet the following requirements:

- (1) The order must clearly specify the following:
 - (A) the name and last-known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order,
 - (B) the amount or percentage of the member's benefits to be paid by Teachers' Retirement to the alternate payee,
 - (C) the number of payments or period to which such order applies,
 - (D) the characterization of the benefit as to marital property rights, and whether the benefit ceases upon the death or remarriage of the alternate payee, and
 - (E) each plan to which such order applies.
- (2) The order meets the requirements of this section only if such order:
 - (A) does not require Teachers' Retirement to provide any type or form of benefit, or any option not otherwise provided under the state law as related to the Retirement System,
 - (B) does not require Teachers' Retirement to provide increased benefits,
 - (C) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an order recognized by the Retirement System as a valid order prior to the effective date of this subchapter, and
 - (D) does not require payment of benefits to an alternate payee prior to the actual retirement date of the related member or prior to the date the member elects to receive a lump sum distribution of his or her retirement account.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-4. Payment to alternate payee ~~[REVOKED]~~

Payments to an alternate payee will be made in a like manner and at the same time payment is made to the member. Payment will be either a lump sum distribution of the contributions and interest due the member upon termination of service or death, or monthly benefit payments under the retirement options available to the member at the time he or she applies for retirement benefits. The alternate payee shall not be allowed to choose a method of payment that is different from the method chosen by the member. The alternate payee may not receive payment of any kind prior to the member making application and becoming eligible for payment of benefits. Federal and Oklahoma state income taxes will be withheld from the payment to an alternate payee in accordance with applicable federal and state statutes.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-25-5. Termination of a qualified domestic order ~~[REVOKED]~~

A qualified domestic order will terminate when Teachers' Retirement has fully met the provisions of the order. The obligation of the Teachers' Retirement System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member. In the event a qualified domestic order requires the benefits payable to an alternate payee to terminate upon the remarriage of the alternate payee, the Retirement System shall terminate said benefit only upon the receipt of a certified copy of a marriage license, or a copy of a certified order issued by the court that originally issued said qualified domestic order declaring the remarriage of said alternate payee. The order may be cancelled or modified by the court that originally issued the order.

[Source: Added at 10 Ok Reg 4829, eff 9-17-93 through 7-14-94 (emergency)1; Added at 11 Ok Reg 4251, eff 7-25-94; Revoked at 29 Ok Reg 869, eff 8-1-12]

715:10-15-11. Designation of beneficiaries for retirement options

A designation of beneficiary must be made when the retirement contract is completed. A member who selects the Maximum or Option 1 retirement plan may name more than one beneficiary. Beneficiaries named for the Maximum and Option 1 retirement plan may be changed by the member at any time. A member desiring to change or update a beneficiary designation should request TRS Form 90. The beneficiary for the Option 2 or Option 3 retirement plan cannot be changed even if the beneficiary dies before the member, providing, however, the retired member may designate an alternate beneficiary to receive the \$5,000 death benefit, when the spouse predeceases the member. In the case of a divorce the -retirement contract remains in force and the member's joint annuitant (ex-spouse) will receive the member's monthly benefit after the member's death unless a Court, acting through a Qualified Domestic Relations Order, directs otherwise.

The member who elects the Option 4 retirement plan must name a beneficiary, who can be any living person. The beneficiary does not have to be a spouse or dependent.

715:10-5-4. Cost to purchase Oklahoma service [REVOKED]

The purchase price for each year of Oklahoma service, unless otherwise specified, shall be based on the actuarial cost of the incremental projected benefits being purchased.

(1) The actuarial cost and any tables formulated for the purpose of determining such cost, shall be based on the actuarial assumptions adopted by the Board of Trustees to be utilized in the actuarial valuation report for the Fiscal Year beginning each July 1. New actuarial assumptions approved by the Board subsequent to January 1, 1991, shall be incorporated into such tables with an effective date of the next January 1st.

(2) The actuarial value shall be based upon the member's age, full-time equivalent salary and contribution level at the time of purchase (or the annual salary of the previous year, if greater), together with the earliest age for retirement with maximum benefits and actuarially assumed salary at time of retirement. If purchase is not made by the due date on the billing statement, the purchase must be recalculated and the actuarial cost may increase.

(3) For purposes of this actuarial cost, the member's age shall be determined as the age at last birthday.

(4) For purposes of this actuarial cost, the mortality tables shall be based upon mortality tables adopted by the Board of Trustees.

(5) The actuarial cost shall not be less than the contributions required of the member at a rate commensurate with the salary earned as a regular full-time employee the last preceding school year prior to the purchase. Individuals employed on a less than full-time basis shall have their salary adjusted upward, in a prorata manner, to the amount that would be earned if employed full-time.

(6) Payment may be made in a lump sum for all eligible years of service or in installments equal to establishing one (1) year of creditable service.

(7) A billing statement will be issued at the request of the member. The due date of payment shall be the date prior to the member's next birthday or June 30th, whichever occurs first.

(8) A member may request payment of past service credits billed in accordance with provisions of 70 O.S., Section 17-116.8, as amended, to be amortized in monthly installments of not more than sixty (60) months. A payment schedule may be established allowing the member to make monthly payments directly to Teachers' Retirement or through payroll deductions by the member's employer if the employer agrees to make the deductions and remit payments to Teachers' Retirement. Payments remitted by an employer for its employees must be kept separate from the employer's regular retirement contributions and tax sheltered annuity deposits. Effective January 1, 2002, installment payments made through employer payroll deductions qualify for special tax treatment. (See OAC 715:10-5-35.)

(9) The installment payment schedule provided for in this section must be in equal monthly increments of twelve-month periods not to exceed sixty (60) months. The member shall be responsible for maintaining the payment schedule. Payments are due on the first day of each month. A monthly installment not paid within sixty (60) days of the due date will result in termination of the installment payment schedule with the member given the option of paying the balance of the actuarial cost or receiving partial credit for payments made under the installment schedule as provided for in paragraph (11) of this section.

(10) The monthly payment will be determined by amortizing the total amount due for the service to be purchased over the period of the installment schedule using an interest rate equal to the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings each year. The current interest rate is eight percent (8%).

(11) If the installment payment is terminated for any reason, including termination of employment, death of the member or by cessation of payments, the member or his beneficiary will have the option of paying the remaining balance within six (6) months. If the balance is not paid, the member will

receive credit for service prorated in whole years for only the principal amount paid. Any payment balance that is not used in crediting whole years will be refunded to the member.

(12) Credit will not be awarded for partial years of service unless the member's employment record is such that one-half (1/2) year of credit is included in the original service to be purchased.

(13) Credit for service purchased on an installment schedule will not be added to the member's account until the entire balance is paid, except as provided for in paragraph (11) of this section. All payments must be completed ninety (90) days prior to the effective retirement date of the member

715:10-17-13. Election to return to qualifying employment

Any retired member who returns to employment in the public schools of Oklahoma and is employed half-time or more as defined in OAC 715:10-3-2 and OAC 715:10-3-3 may return to [post-retirement employment or active contributing status](#)~~membership contributing status~~ under the following conditions:

- (1) [Active Contributing Status](#). The retired member must file an irrevocable election to discontinue retirement benefits for the period of such employment. The return to membership contributing status must coincide with the beginning of a school year or the member must refund all benefit payments received from the beginning of the school year in which employment begins and make employee contributions on any compensation earned from the beginning of the school year to the date of the election to return to contributing status.
- (2) The election form must be completed by the employing school and signed by the retired member and an official who has authority to employ or pay regular employees of the school. In addition, a new Personal Data Form 1-A shall be completed and submitted to TRS to return a member to work status.
- (3) The form must include the nature of the position held and the beginning date of employment.
- (4) Retirement payments shall be discontinued in accordance with OAC 715:10-17-14. Retirement payments shall not be resumed during the summer months between consecutive years of this type of employment.
- (5) The retired member and the employing public school shall remit employee and employer contributions in the same manner as active contributing employees.
- (6) The retired member shall accumulate service credit in the same manner as active contributing employees of the system.
- (7) Upon termination of employment, the retired member's monthly retirement benefits will resume with an adjustment to reflect credit for the additional employment as follows:
 - (A) The initial benefit calculated at the time of retirement will not be affected by the additional employment.
 - (B) Service credits will be accumulated and credited to the member's record in accordance with Subchapter 3 of this Chapter.
 - (C) A supplemental benefit for the year(s) of additional service will be calculated using the standard retirement benefit formula and the retirement plan selected by the retiree when the member first retired (See OAC 715:10-15-7 and 715:10-15-7.1).
 - (D) The average salary used in calculating the supplement benefit will be the average of the salaries earned during this period of employment. In the event the member is employed for less than the number of years required to determine the appropriate average salary, the average will be determined by the number of years employed. Annual salaries will be based on contributions made and determined on a school year basis.
- (8) If the retired member is employed for a period less than six months, or for a period of time which does not qualify for additional service credit, the employee contributions remitted by the employee or by the employer on the retired member's behalf will be refunded to the member without interest. Employer contributions as provided by OAC 715:10-13-3 will not be refunded.
- (9) The employer shall provide written notice to the Teachers' Retirement System when the retired member's employment is terminated. The member cannot resume benefit payments under this rule and remain employed. The member must comply with the sixty (60)-day non-employment rule that applies to a member who elects regular retirement. Retirement payments

will be resumed effective the first of the following month, provided employment terminates on or before the 15th of the month, otherwise benefits will be resumed the first of the next succeeding month. Any supplemental benefit determined pursuant to this section shall commence at the same time.

(10) If the retired member dies while engaging in half-time or more employment as provided in this section, the retired member's beneficiaries will receive any survivor benefits specified in the terms of the retirement contract elected by the member, the \$18,000 death benefit provided by OAC 715:10-9-2, if applicable, and a return of employee contributions, plus interest accumulated during the current employment, as defined in OAC 715:10-9-1. The beneficiaries of the deceased retired member will not be entitled to both the \$18,000 death benefit and the \$5,000 death benefit defined in OAC 715:10-9-4.

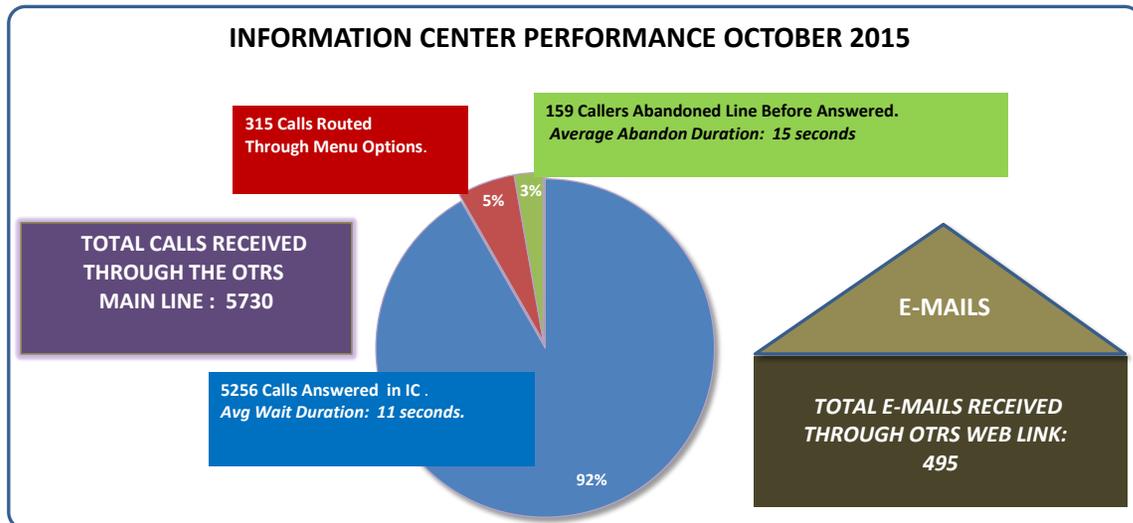
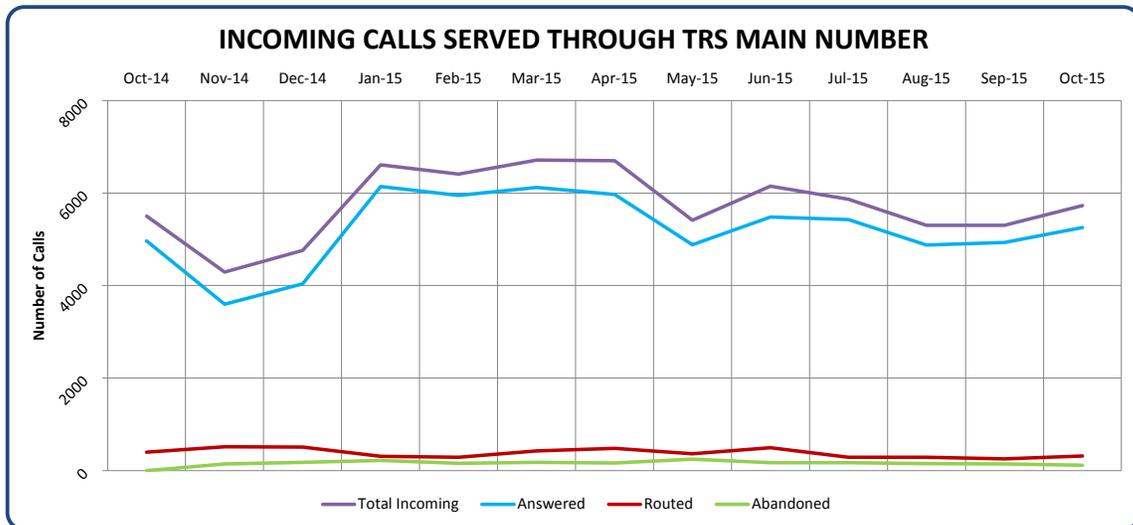
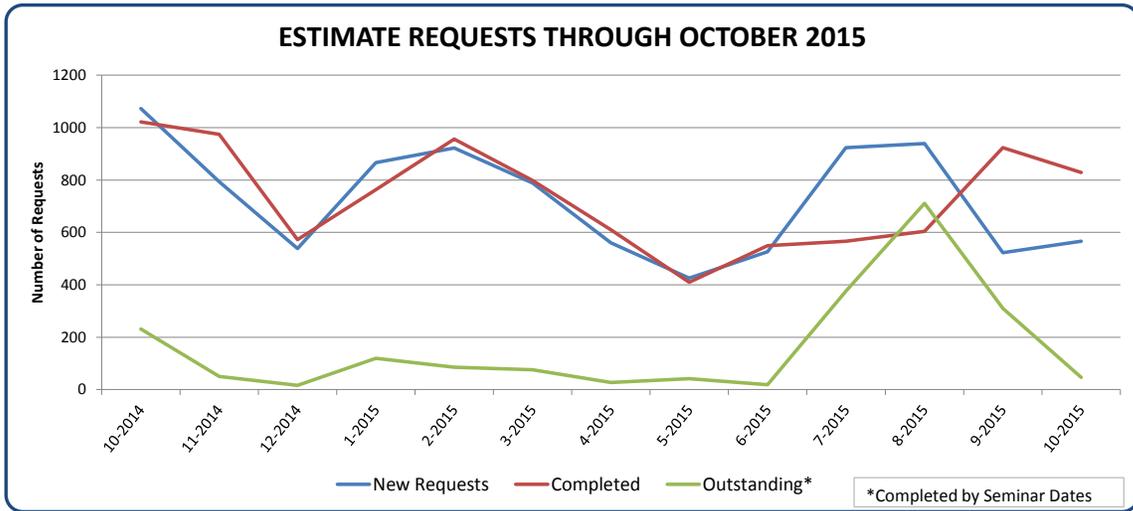
(11) If a retired member does not file an election to discontinue monthly benefits while employed by the public schools of Oklahoma, he or she waives the accrual of service credit and the right to any supplemental benefit from service in the position. The retired member will, however, be subject to the earnings limits outlined in Title 70, Oklahoma Statutes, Section 17-116.10 [70 O.S. 17-116.10]. ~~except to the extent that the value of the accrual of additional service credit and the supplemental benefit would exceed the actuarial value of the benefits received under this Chapter and that were continued or begun pursuant to an election under this section. In such a case, a supplemental benefit equal only to the difference in value will be payable upon subsequent retirement.~~

(12) Retired members returning to half-time or more employment under this subchapter and section shall not be considered "active members" for purposes of purchasing or transferring any form of prior service credit of whatever nature.

(13) A retiree having received a partial lump-sum payment, who is re-employed and returns to membership contributing status pursuant to OAC 715:10-17-13, shall have his or her subsequent retirement benefit calculated taking into consideration that a partial lump-sum payment has been received.

[Source: Added at 11 Ok Reg 4785, eff 9-12-94 through 7-14-95 (emergency)¹; Added at 12 Ok Reg 3285, eff 7-27-95; Amended at 13 Ok Reg 3899, eff 8-5-96 through 7-14-97 (emergency)²; Amended at 14 Ok Reg 3216, eff 7-25-97; Amended at 18 Ok Reg 50, eff 10-3-00 (emergency); Amended at 18 Ok Reg 3152, eff 7-12-01; Amended at 21 Ok Reg 3091, eff 8-21-03 through 7-14-04 (emergency)³; Amended at 21 Ok Reg 3099, eff 8-12-04]

CLIENT SERVICES PERFORMANCE METRICS THROUGH OCTOBER 2015





OKLAHOMA TEACHERS RETIREMENT SYSTEM

PO BOX 53524 OKLAHOMA CITY, OKLAHOMA 73152
 (405) 521-2387 OR TOLL FREE (877) 738-6365

Monthly Retirement Status Report

November 1, 2015

	Count	Benefit Total	Average Benefit	Average Years of Service	Average Age
New Retirements					
Disability	6	\$5,560.42	\$926.74	14	53
Normal	91	\$136,341.90	\$1,498.26	20	61
Total	97	\$141,902.32	\$1,462.91	20	66
Terminated Annuities					
	124	\$ (164,367.72)	1325.55	23	81

NORMAL RETIREMENTS			11/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0087594	10	61	11/1/2015	105931	\$464.17
Q0124606	15	65	11/1/2015	105854	\$888.91
Q0204899	31	52	11/1/2015	105907	\$4,030.82
Q0203606	14	62	11/1/2015	105855	\$284.64
Q0051877	19	55	11/1/2015	105811	\$857.29
Q0073176	30	52	11/1/2015	105905	\$2,551.95
Q0124341	22	61	11/1/2015	105864	\$1,698.42
Q0183210	17	62	11/1/2015	105990	\$796.85
Q0143921	27	65	11/1/2015	105812	\$827.07
Q0164900	26	62	11/1/2015	105856	\$1,054.49
Q0070121	26	56	11/1/2015	105858	\$1,960.94
Q0067547	13	62	11/1/2015	105909	\$736.82
Q0006536	35	56	11/1/2015	105862	\$2,405.82
Q0126908	10	58	11/1/2015	105782	\$294.08
Q0069448	30	57	11/1/2015	105805	\$4,827.64
Q0069585	20	56	11/1/2015	105910	\$779.29
Q0310262	15	66	11/1/2015	105708	\$319.28
Q0255252	13	62	11/1/2015	105793	\$1,292.07
Q0163146	12	62	11/1/2015	105794	\$614.25
Q0164756	13	56	11/1/2015	105757	\$500.44
Q0083936	20	60	11/1/2015	105911	\$1,022.47
Q0026939	9	64	11/1/2015	105989	\$246.51
Q0128258	26	57	11/1/2015	105684	\$1,823.12
Q0165114	6	62	11/1/2015	105818	\$256.02
Q0132754	14	62	11/1/2015	105082	\$980.85
Q0167315	29	52	11/1/2015	105912	\$2,233.94
Q0168038	18	56	11/1/2015	105914	\$427.53
Q0142833	40	64	11/1/2015	105685	\$4,961.56
Q0127709	31	52	11/1/2015	105859	\$3,982.29
Q0085670	24	65	11/1/2015	105860	\$1,912.00
Q0049731	39	61	11/1/2015	105915	\$4,346.73
Q0125929	37	62	11/1/2015	105916	\$3,414.13
Q0146148	20	60	11/1/2015	105917	\$1,228.65
Q0202374	16	65	11/1/2015	105918	\$1,215.13
Q0091161	26	55	11/1/2015	106074	\$2,308.38
Q0203002	17	62	11/1/2015	105571	\$531.92
Q0050647	16	56	11/1/2015	105934	\$596.99
Q0204558	25	60	11/1/2015	105861	\$858.74
Q0108352	11	57	11/1/2015	105758	\$139.84
Q0126325	31	50	11/1/2015	105813	\$3,125.68
Q0050289	30	58	11/1/2015	105920	\$2,103.23
Q0089227	26	57	11/1/2015	105795	\$1,966.24
Q0314493	6	63	11/1/2015	105919	\$131.87
Q0217884	13	55	11/1/2015	105922	\$490.53
Q0146356	10	60	11/1/2015	105969	\$511.00
Q0247475	27	53	11/1/2015	105897	\$3,037.84
Q0254687	24	64	11/1/2015	105875	\$1,783.96
Q0067762	26	63	11/1/2015	105534	\$4,283.05

Q0159456	14	68	11/1/2015	105747	\$209.14
Q0302995	7	62	11/1/2015	105803	\$626.42
Q0180331	30	65	11/1/2015	105363	\$1,109.39
Q0215948	10	62	11/1/2015	105899	\$953.88
Q0232295	5	65	11/1/2015	105845	\$448.10
Q0082548	10	67	11/1/2015	105792	\$163.76
Q0238864	16	63	11/1/2015	105831	\$3,091.48
Q0183933	37	59	11/1/2015	105828	\$3,036.09
Q0142820	14	66	11/1/2015	105777	\$304.93
Q0109919	36	56	11/1/2015	105863	\$3,626.91
Q0107405	20	62	11/1/2015	105744	\$993.35
Q0009430	36	66	11/1/2015	105563	\$3,796.75
Q0125349	14	62	11/1/2015	105877	\$913.77
Q0146027	22	58	11/1/2015	105743	\$1,248.19
Q0275759	11	66	11/1/2015	105755	\$267.87
Q0255969	19	62	11/1/2015	105719	\$833.97
Q0088524	20	60	11/1/2015	105698	\$841.88
Q0086044	10	62	11/1/2015	105655	\$250.98
Q0200872	17	66	11/1/2015	105878	\$1,402.62
Q0163232	8	58	11/1/2015	105798	\$402.93
Q0068389	14	62	11/1/2015	105893	\$810.13
Q0141747	46	68	11/1/2015	105797	\$3,519.58
Q0088192	12	62	11/1/2015	105697	\$436.10
Q0106516	20	60	11/1/2015	105636	\$1,377.48
Q0203542	16	62	11/1/2015	105884	\$1,180.10
Q0142702	26	61	11/1/2015	105876	\$3,338.45
Q0043145	27	73	11/1/2015	105627	\$1,955.18
Q0123631	42	63	11/1/2015	105691	\$3,211.22
Q0283402	10	65	11/1/2015	105775	\$994.01
Q0221624	17	64	11/1/2015	105881	\$845.91
Q0049339	27	62	11/1/2015	105880	\$1,143.42
Q0023438	16	62	11/1/2015	105842	\$869.66
Q0049396	15	62	11/1/2015	105717	\$731.43
Q0220981	32	55	11/1/2015	105750	\$2,686.01
Q0178772	28	65	11/1/2015	105879	\$1,570.42
Q0299140	7	62	11/1/2015	105780	\$280.10
Q0100435	42	73	11/1/2015	105806	\$2,677.79
Q0175998	14	77	11/1/2015	105825	\$227.28
Q0214200	8	62	11/1/2015	105829	\$203.21
Q0250647	16	66	11/1/2015	105788	\$955.48
Q0235234	28	62	11/1/2015	105787	\$1,971.80
Q0161439	21	55	11/1/2015	105807	\$784.63
Q0148156	28	55	11/1/2015	106077	\$2,944.66
Averages	20	61.05			\$1,498.26
			Totals	91	\$136,341.90

DISABILITY RETIREMENTS			11/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0205512	14	58	11/1/2015	D106088	\$843.49
Q0110515	14	49	11/1/2015	D106087	\$870.59
Q0108693	15	49	11/1/2015	D106089	\$1,559.68
Q0126482	10	60	11/1/2015	D106090	\$294.10
Q0129257	11	43	11/1/2015	D106095	\$655.74
Q0107684	20	59	11/1/2015	D106086	\$1,336.82
Averages	14	53			\$926.74
			Totals	6	\$5,560.42

TERMINATIONS

From 10/1/2015 to 10/31/2015

Termination Type	Years Of Service	Age	Death Date	Termination Date	Retirement Number	Benefit
Deceased	38	106	9/30/2015	10/1/2015	013722	\$1,678.69
Deceased	18	102	9/19/2015	10/1/2015	015016	\$789.10
Deceased	39	92	9/27/2015	10/1/2015	016224	\$741.34
Deceased	36	98	9/18/2015	10/1/2015	018801	\$1,670.46
Deceased	20	97	9/29/2015	10/1/2015	018854	\$901.52
Deceased	12	101	9/15/2015	10/1/2015	018902	\$554.37
Deceased	37	95	9/21/2015	10/1/2015	019095	\$1,763.65
Deceased	17	93	9/5/2015	10/1/2015	020496	\$613.09
Deceased	31	95	9/26/2015	10/1/2015	020845	\$1,462.33
Deceased	27	98	9/25/2015	10/1/2015	022401	\$1,442.16
Deceased	32	92	9/17/2015	10/1/2015	022575	\$1,633.65
Deceased	33	89	9/3/2015	10/1/2015	022761	\$1,626.90
Deceased	22	94	9/25/2015	10/1/2015	022792	\$1,175.11
Deceased	24	89	9/22/2015	10/1/2015	023840	\$993.08
Deceased	37	85	9/26/2015	10/1/2015	023996	\$1,931.21
Deceased	30	89	9/30/2015	10/1/2015	024280	\$1,630.33
Deceased	22	86	9/8/2015	10/1/2015	024620	\$752.55
Deceased	22	85	9/28/2015	10/1/2015	024673	\$459.25
Deceased	13	92	9/22/2015	10/1/2015	024762	\$380.63
Deceased	25	90	9/16/2015	10/1/2015	024840	\$807.14
Deceased	34	91	9/2/2015	10/1/2015	024966	\$1,899.03
Deceased	25	90	9/19/2015	10/1/2015	025544	\$1,455.59
Deceased	17	94	9/2/2015	10/1/2015	025819	\$470.30
Deceased	39	90	9/8/2015	10/1/2015	026117	\$2,033.48
Deceased	34	87	9/16/2015	10/1/2015	026328	\$2,112.49
Deceased	29	86	9/29/2015	10/1/2015	026688	\$845.77
Deceased	19	94	9/19/2015	10/1/2015	027106	\$397.71
Deceased	46	95	9/26/2015	10/1/2015	027225	\$1,242.29
Deceased	26	83	9/25/2015	10/1/2015	027529	\$1,392.59
Deceased	12	91	9/9/2015	10/1/2015	027603	\$616.44
Deceased	23	88	9/2/2015	10/1/2015	028296	\$1,425.91
Deceased	28	81	9/26/2015	10/1/2015	028304	\$1,643.47
Deceased	41	93	9/8/2015	10/1/2015	028363	\$3,337.23
Deceased	25	83	9/29/2015	10/1/2015	029116	\$1,602.14
Deceased	35	86	9/29/2015	10/1/2015	029187	\$2,517.17
Deceased	41	91	9/27/2015	10/1/2015	029235	\$2,326.35
Deceased	32	81	9/10/2015	10/1/2015	029302	\$1,906.52
Deceased	15	93	9/22/2015	10/1/2015	029455	\$618.55
Deceased	18	89	9/6/2015	10/1/2015	029620	\$318.88
Deceased	22	89	9/30/2015	10/1/2015	029702	\$579.15
Deceased	21	93	9/9/2015	10/1/2015	029868	\$383.82
Deceased	19	87	9/26/2015	10/1/2015	030379	\$493.79
Deceased	20	86	9/9/2015	10/1/2015	030858	\$601.60
Deceased	21	87	9/27/2015	10/1/2015	031683	\$1,459.42
Deceased	12	88	9/6/2015	10/1/2015	031833	\$145.85
Deceased	19	90	9/24/2015	10/1/2015	032520	\$1,087.32
Deceased	32	80	9/24/2015	10/1/2015	032672	\$2,288.53
Deceased	30	76	9/7/2015	10/1/2015	032897	\$2,308.28
Deceased	17	87	9/1/2015	10/1/2015	033162	\$742.83
Deceased	29	76	9/29/2015	10/1/2015	033242	\$2,276.28

Deceased	26	80	9/27/2015	10/1/2015	033996	\$2,050.08
Deceased	16	88	9/7/2015	10/1/2015	034207	\$400.33
Deceased	25	83	9/8/2015	10/1/2015	034808	\$1,456.12
Deceased	22	85	9/5/2015	10/1/2015	035495	\$1,289.76
Deceased	26	83	9/6/2015	10/1/2015	035880	\$2,031.09
Deceased	19	84	9/15/2015	10/1/2015	036485	\$1,145.70
Deceased	18	85	9/4/2015	10/1/2015	036666	\$923.78
Deceased	30	73	9/18/2015	10/1/2015	037031	\$1,886.71
Deceased	22	87	9/20/2015	10/1/2015	037074	\$1,712.21
Deceased	22	88	9/27/2015	10/1/2015	037417	\$1,480.04
Deceased	38	91	9/27/2015	10/1/2015	038306	\$2,971.79
Deceased	43	86	9/4/2015	10/1/2015	038809	\$3,325.04
Deceased	32	75	9/21/2015	10/1/2015	038838	\$2,497.55
Deceased	19	82	9/24/2015	10/1/2015	039180	\$1,169.40
Deceased	15	90	9/29/2015	10/1/2015	039850	\$239.89
Deceased	20	80	9/10/2015	10/1/2015	039924	\$814.17
Deceased	26	81	9/6/2015	10/1/2015	040104	\$1,630.88
Deceased	16	83	9/8/2015	10/1/2015	040283	\$611.63
Deceased	15	86	9/29/2015	10/1/2015	040868	\$516.55
Deceased	29	89	9/14/2015	10/1/2015	041124	\$2,230.87
Deceased	10	89	9/5/2015	10/1/2015	041501	\$362.83
Deceased	16	85	9/24/2015	10/1/2015	042666	\$1,102.92
Deceased	11	84	9/3/2015	10/1/2015	042865	\$373.88
Deceased	25	74	9/16/2015	10/1/2015	043047	\$586.18
Deceased	16	82	9/14/2015	10/1/2015	043258	\$796.53
Deceased	28	80	9/28/2015	10/1/2015	043839	\$2,129.46
Deceased	13	79	9/28/2015	10/1/2015	045369	\$326.95
Deceased	10	89	9/5/2015	10/1/2015	045767	\$141.92
Deceased	21	77	9/10/2015	10/1/2015	045981	\$721.45
Deceased	11	80	9/14/2015	10/1/2015	047769	\$484.74
Deceased	18	78	9/23/2015	10/1/2015	048666	\$967.41
Deceased	10	78	9/23/2015	10/1/2015	048667	\$606.20
Deceased	17	77	9/9/2015	10/1/2015	049111	\$782.22
Deceased	23	75	9/2/2015	10/1/2015	050161	\$590.30
Deceased	18	80	9/20/2015	10/1/2015	050761	\$657.95
Deceased	28	66	9/20/2015	10/1/2015	051302	\$1,957.01
Deceased	30	67	9/7/2015	10/1/2015	052112	\$1,962.38
Deceased	20	78	9/28/2015	10/1/2015	054036	\$497.27
Deceased	11	76	9/29/2015	10/1/2015	054141	\$462.68
Deceased	23	80	9/30/2015	10/1/2015	057956	\$1,657.54
Deceased	13	80	11/30/2014	10/1/2015	058577	\$267.03
Deceased	23	70	9/6/2015	10/1/2015	058823	\$1,548.66
Deceased	13	69	9/14/2015	10/1/2015	059132	\$417.85
Deceased	13	84	9/2/2015	10/1/2015	059658	\$462.96
Deceased	15	80	9/20/2015	10/1/2015	061332	\$769.28
Deceased	20	72	9/15/2015	10/1/2015	061808	\$1,662.12
Deceased	36	84	9/3/2015	10/1/2015	061999	\$2,111.39
Deceased	26	75	9/22/2015	10/1/2015	062197	\$2,137.08
Deceased	24	68	9/20/2015	10/1/2015	064768	\$1,620.74
Deceased	33	74	9/29/2015	10/1/2015	065848	\$2,085.47
Deceased	23	68	9/27/2015	10/1/2015	066530	\$1,390.88
Deceased	5	82	9/17/2015	10/1/2015	066908	\$227.42
Deceased	32	73	9/3/2015	10/1/2015	068871	\$2,044.27
Deceased	37	72	9/2/2015	10/1/2015	069376	\$3,821.01

Deceased	23	70	9/7/2015	10/1/2015	072246	\$2,188.91
Deceased	30	66	9/24/2015	10/1/2015	073627	\$767.27
Deceased	33	60	9/12/2015	10/1/2015	073918	\$2,306.15
Deceased	21	68	9/3/2015	10/1/2015	075835	\$1,877.78
Deceased	13	69	9/26/2015	10/1/2015	076195	\$781.71
Deceased	34	78	9/30/2015	10/1/2015	093527	\$2,152.34
Deceased	41	65	9/23/2015	10/1/2015	093952	\$4,069.09
Deceased	35	61	9/14/2015	10/1/2015	094449	\$2,917.80
Deceased	27	65	9/26/2015	10/1/2015	094771	\$1,711.82
Deceased	26	58	9/22/2015	10/1/2015	098873	\$1,911.41
Deceased	13	68	9/14/2015	10/1/2015	099324	\$864.16
Deceased	34	59	9/3/2015	10/1/2015	100334	\$2,789.44
Deceased	33	57	9/11/2015	10/1/2015	100807	\$2,768.28
Deceased	20	69	9/29/2015	10/1/2015	101794	\$1,353.30
Deceased	23	89	9/9/2015	10/1/2015	D00722	\$808.81
Deceased	12	69	9/11/2015	10/1/2015	D01518	\$623.88
Deceased	17	67	9/8/2015	10/1/2015	D03071	\$417.51
Deceased	12	56	9/7/2015	10/1/2015	D099494	\$521.05
Deceased	16	60	10/1/2015	10/1/2015	D102752	\$1,412.57
Deceased	10	56	9/12/2015	10/1/2015	D104668	\$471.53
Averages	23	81				\$1,325.55
				Totals	124	\$164,367.72



HR STATUS REPORT

- **New Hires (October 2015):**
n/a
- **Resignations/Terminations/Retirements (October 2015):**
n/a
- **Promotions (October 2015):**
n/a

EMPLOYEE RECOGNITION LUNCHEON

- An Employee Recognition Luncheon was held 11/4/2015.

MISCELLANEOUS PAYMENTS

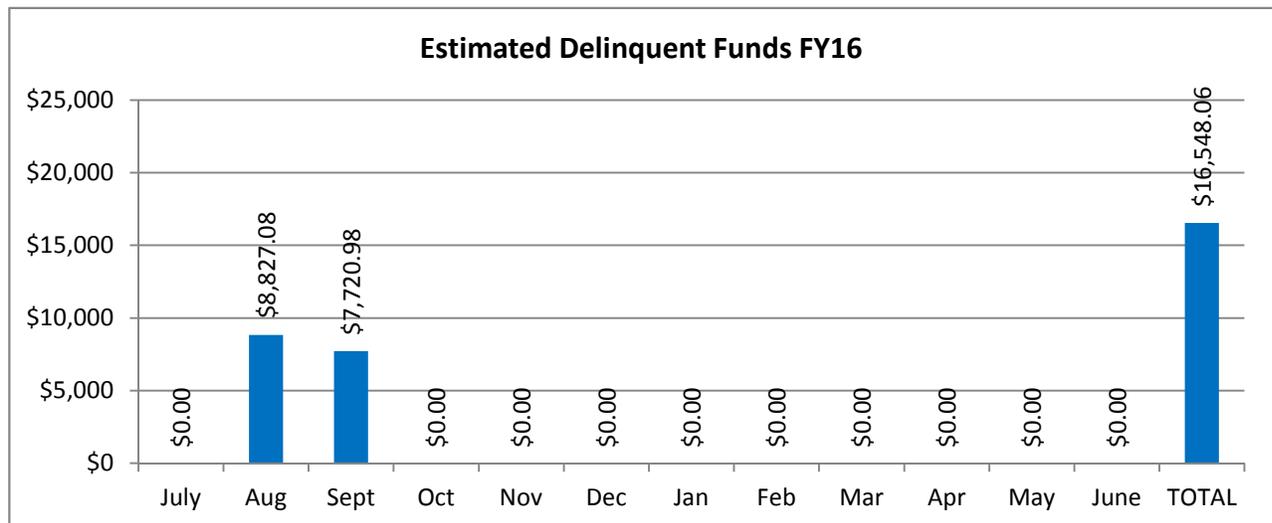
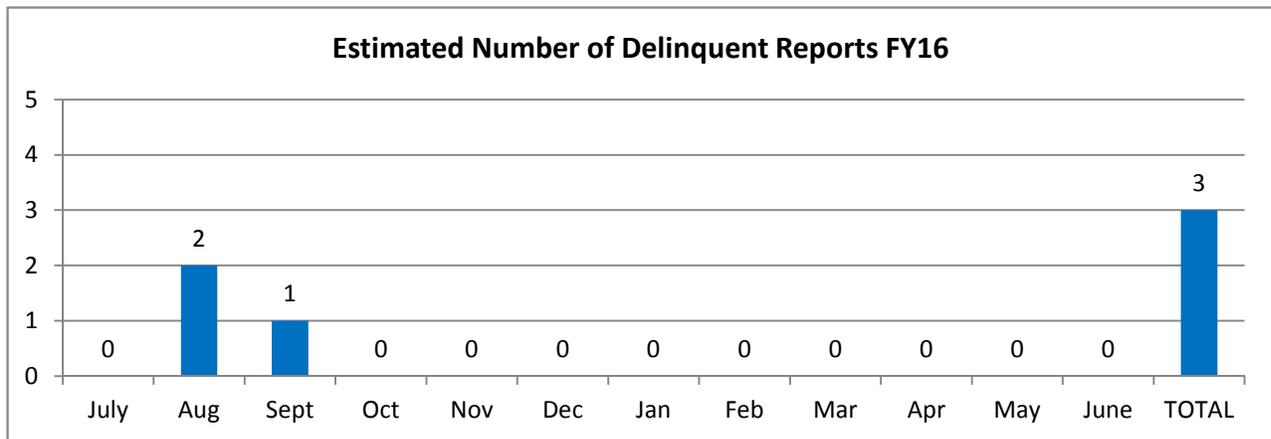
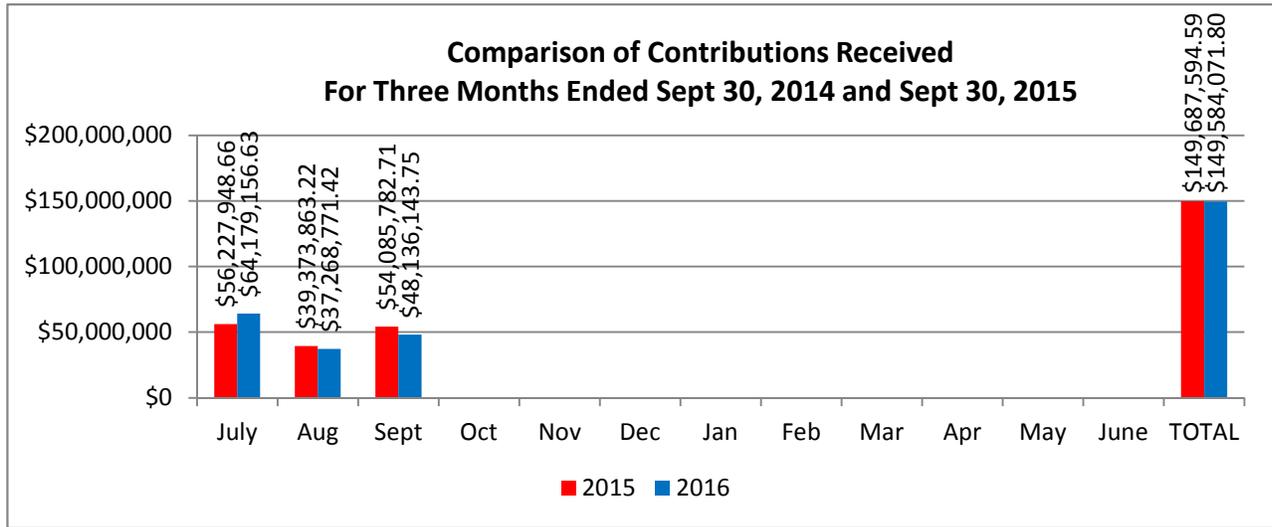
- **Employee of the Quarter**
Employee: 269683
Title: Retirement Planning Consultant
Payment: \$250
Effective: 10/31/2015
- **Sign-On Pay Incentive** (as provided in Merit Rule 260:25-7-6 and approved by HCM, a division of OMES)
Employee: 110118
Title: Chief Investment Officer
Payment: \$5,000
Effective: 10/31/2015
- **Severance Payments:**
n/a

NEW HIRES, RESIGNATIONS, RETIREMENTS OR OTHER CHANGES PENDING

- Executive Assistant – resignation effective 12/1/2015 (Jan 2016 report)

Employer Reporting

Analysis of Employee and Employer Contributions Received



**BALANCE SHEET
OCTOBER 31, 2015**

<u>CURRENT ASSETS:</u>	
Cash Not Available For Investment	\$13,645,156.31
Equities (At Market Value)	10,504,242,985.14
Fixed Income (At Market Value)	2,892,471,350.95
Short-Term Investment Account	370,155,757.12
Due From/(To) Broker	(118,280,854.76)
Accounts Receivable Installment Payments	1,271,016.06
Prepaid Retirement Benefits	81,066,687.80
Accrued Income	<u>61,631,208.21</u>
Total Current Assets	13,806,203,306.83
<u>CAPITAL ASSETS:</u>	
Office Furniture and Equipment	3,924,987.00
Accumulated Depreciation	<u>(275,838.00)</u>
TOTAL ASSETS	<u>\$13,809,852,455.83</u>
<u>CURRENT LIABILITIES:</u>	
Teachers' Savings Fund	\$4,622,864,385.19
Retirement Benefit Fund	9,514,688,814.02
Interest Fund	(432,701,688.80)
Expense Fund	60,409,909.30
Suspense Fund	<u>40,475,755.80</u>
Total Current Liabilities	13,805,737,175.51
TRs Capital Investment	<u>4,115,280.32</u>
TOTAL LIABILITIES AND CAPITAL INVESTMENT	<u>\$13,809,852,455.83</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE FOUR MONTHS ENDED OCTOBER 31

	<u>Year to Date</u> (FY 2016)	<u>Year to Date</u> (FY 2015)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$14,374,427,590.20	\$14,201,669,559.43	
<u>RECEIPTS:</u>			
Members' Deposits	83,418,935.09	82,732,038.57	0.83%
Employer Contributions	121,960,482.66	119,867,649.47	1.75%
State Credits	2,345,353.78	12,509,507.50	-81.25%
Reimbursed Administrative	2,226.76	2,371.16	-6.09%
Matching Funds from Schools	7,738,656.37	7,541,989.25	2.61%
Lottery Revenue	1,230,667.72	1,346,654.50	-8.61%
Cigarette Sales Tax Revenue	576,260.75	554,641.03	3.90%
Dedicated Revenue	105,059,425.43	104,684,937.58	0.36%
Total Retirement Receipts	322,332,008.56	329,239,789.06	-2.10%
Interest Income (Fixed Income and Short-Term)	84,521,650.67	41,943,487.21	101.51%
Dividend Income	74,280,689.88	71,674,803.67	3.64%
Net Realized Gain/(Loss)	189,011,900.75	319,777,420.82	-40.89%
Net Unrealized Gain/(Loss)	(782,099,834.85)	(490,144,778.24)	-59.57%
Investment Operations Income:			
Class Action Lawsuit Proceeds	0.00	60.12	-100.00%
Other Income	0.00	43,505.25	-100.00%
Securities Lending Income	1,583,904.75	2,762,184.63	-42.66%
Total Investment Income	(432,701,688.80)	(53,943,316.54)	-702.14%
TOTAL RECEIPTS	(110,369,680.24)	275,296,472.52	-140.09%
<u>DISBURSEMENTS:</u>			
Retirement Benefits	412,354,796.48	394,016,673.10	4.65%
Insurance Premiums Paid for Retirees	10,219,011.00	10,137,025.00	0.81%
Death Benefits	4,835,602.66	6,030,260.04	-19.81%
Withdrawals of Accounts	15,911,175.88	13,385,787.14	18.87%
Total Benefit Payments	443,320,586.02	423,569,745.28	4.66%
Administrative Expense:			
General Operations	1,792,502.11	1,692,605.92	5.90%
Investment Expense	12,741,515.00	20,909,973.73	-39.06%
Total Administrative Expenses	14,534,017.11	22,602,579.65	-35.70%
TOTAL DISBURSEMENTS	457,854,603.13	446,172,324.93	2.62%
NET INCREASE/(NET DECREASE)	(568,224,283.37)	(170,875,852.41)	-232.54%
Balance of Cash and Investments, October 31	\$13,806,203,306.83	\$14,030,793,707.02	



**SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2015 and Fiscal Year 2016
4 Months Ended October 31, 2015**

Object of Expenditure	FY-2015 YTD Actual Expenditures 10/31/2014	FY-2016 YTD Actual Expenditures 10/31/2015	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	560,306	696,852	136,546	24.4%
Taxes, Benefits, and Other Expenses	279,565	348,245	68,680	24.6%
Subtotal Personal Services	839,871	1,045,097	205,226	24.4%
Professional Services				
Investment Manager Expenses	7,610,010	0	(7,610,010)	0.0%
Investment Consultant Expenses	234,000	265,500	31,500	13.5%
Investment Custodian Expenses	0	0	0	0.0%
Pension Commission Expenses	0	0	0	0.0%
Subtotal Investment Expenses	7,844,010	265,500	(7,578,510)	-96.6%
Legal Services - Special Projects	12,233	13,001	768	6.3%
Legal Services - Attorney General	105	0	(105)	0.0%
Administrative Hearings	0	0	0	0.0%
Auditing Services	89,757	43,212	(46,545)	-51.9%
Actuarial Services	19,198	27,664	8,466	44.1%
Medical Hearings	3,300	3,269	(31)	-0.9%
Reimbursement for Executive Director Services	6,643	0	(6,643)	0.0%
Marketing/Management Consultant	0	1,000	1,000	0.0%
Miscellaneous Services	47,615	1,810	(45,805)	-96.2%
Subtotal Professional Services	178,851	89,956	(88,895)	-49.7%
Total Professional Services	8,022,861	355,456	(7,667,405)	-95.6%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	12,398	5,568	(6,830)	-55.1%
Employee Training	1,583	2,395	812	51.3%
Employee Travel Expenses	8,456	3,162	(5,294)	-62.6%
Subtotal Travel and Per Diem Expenses	22,437	11,125	(11,312)	-50.4%
Administrative Expenses				
Postage	85,501	10,301	(75,200)	-88.0%
Telecommunications Services	8,256	4,110	(4,146)	-50.2%
Printing and Binding Contracts	359	4,818	4,459	1242.1%
Informational Services	6,648	0	(6,648)	0.0%
Rent and Maintenance	56,648	57,257	609	1.1%
Office Supplies	7,911	8,528	617	7.8%
Buildings and Other Structures Construction and Renovation	0	0	0	0.0%
Miscellaneous Administrative Expenses	5,929	10,147	4,218	71.1%
Subtotal Administrative Expenses	171,252	95,161	(76,091)	-44.4%
Data Processing Expenses				
Professional Services	216,211	235,415	19,204	8.9%
Rent and Maintenance	789	1,539	750	95.0%
Membership in Organizations	0	0	0	0.0%
Office Supplies	1,043	0	(1,043)	0.0%
Equipment -Telecommunications	0	7,674	7,674	0.0%
Subtotal Data Processing Expenses	218,043	244,628	26,585	12.2%
Total Expenses	9,274,464	1,751,467	(7,522,997)	-81.1%
Total Investment Expenses Only	7,844,010	265,500	(7,578,510)	-96.6%
Total Data Processing Expenses Only	218,043	244,628	26,585	12.2%
Total except Investment & Data Processing Expenses	1,212,411	1,241,339	28,928	2.4%



**SCHEDULE II
Comparison of FY2016 Budget to Actual Expenses
4 Months ended October 31, 2015 Year to Date Comparison**

Object of Expenditure	4 Months FY-2016 YTD Budget	4 Months FY-2016 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay Expenses	803,292	696,852	(106,440)	-13.3%
Taxes, Benefits, and Other Expenses	410,666	348,245	(62,421)	-15.2%
Subtotal Personal Services	1,213,958	1,045,097	(168,861)	-13.9%
Professional Services				
Investment Manager Expenses	13,665,077	0	(13,665,077)	0.0%
Investment Consultant Expenses	364,000	265,500	(98,500)	-27.1%
Investment Custodian Expenses	17,500	0	(17,500)	0.0%
Pension Commission Expenses	17,500	0	(17,500)	0.0%
Subtotal Investment Expenses	14,064,077	265,500	(13,798,577)	-98.1%
Legal Services - Special Projects	8,332	13,001	4,669	56.0%
Legal Services - Attorney General	2,500	0	(2,500)	0.0%
Administrative Hearings	2,500	0	(2,500)	0.0%
Auditing Services	110,000	43,212	(66,788)	-60.7%
Actuarial Services	25,000	27,664	2,664	10.7%
Medical Hearings	5,136	3,269	(1,867)	-36.4%
CIO Executive Search	29,000	0	(29,000)	0.0%
Communications Firm	16,668	0	(16,668)	0.0%
Contract Lobbyist	0	0	0	0.0%
Marketing/Management Consultant	0	1,000	1,000	0.0%
Miscellaneous Services	62,201	1,810	(60,391)	-97.1%
Subtotal Professional Services	261,337	89,956	(171,381)	-65.6%
Total Professional Services	14,325,414	355,456	(13,969,958)	-97.5%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	17,200	5,568	(11,632)	-67.6%
Employee Training	3,125	2,395	(730)	-23.4%
Employee Travel Expenses	18,550	3,162	(15,388)	-83.0%
Subtotal Travel and Per Diem Expenses	38,875	11,125	(27,750)	-71.4%
Administrative Expenses				
Postage	58,136	10,301	(47,835)	-82.3%
Telecommunications Services	10,004	4,110	(5,894)	-58.9%
Printing and Binding Contracts	51,916	4,818	(47,098)	-90.7%
Informational Services	13,250	0	(13,250)	0.0%
Rent and Maintenance	78,088	57,257	(20,831)	-26.7%
Office Supplies	9,898	8,528	(1,370)	-13.8%
Equipment	6,250	0	(6,250)	0.0%
Buildings-Purch, Construction Repairs	0	0	0	0.0%
Miscellaneous Administrative Expenses	28,415	10,147	(18,268)	-64.3%
Subtotal Administrative Expenses	255,957	95,161	(160,796)	-62.8%
Data Processing Expenses				
Professional Services	375,372	235,415	(139,957)	-37.3%
Membership in Organizations	0	1,539	1,539	0.0%
Travel and Per Diem Expenses	0	0	0	0.0%
Rent and Maintenance	1,500	0	(1,500)	0.0%
Office Supplies	832	0	(832)	0.0%
Equipment	90,500	7,674	(82,826)	-91.5%
Miscellaneous Administrative Expenses	0	0	0	0.0%
Subtotal Data Processing Expenses	468,204	244,628	(223,576)	-47.8%
Total Expenses	16,302,408	1,751,467	(14,550,941)	-89.3%
Total Investment Expenses Only	14,064,077	265,500	(13,798,577)	-98.1%
Total Data Processing Expenses Only	468,204	244,628	(223,576)	-47.8%
Total except Investment and Data Processing Expenses	1,770,127	1,241,339	(528,788)	-29.9%

Miscellaneous Professional Services Expenses

	<u>Budget 2016</u>	<u>Expenses 2016</u>	<u>Expenses 2015</u>
Background Checks	\$20.00	\$19.00	\$38.00
Executive Director Search	0.00	0.00	43,008.65
Chief Investment Officer Search	29,000.00	0.00	0.00
Document Destruction	1,200.00	405.00	585.75
Other Professional, Science & Technology Svc. (Communications)	25,081.00	385.00	0.00
Educational Services	2,300.00	0.00	2,300.02
Security	3,000.00	0.00	529.76
Business Service Center	1,600.00	1,001.00	1,152.82
	<u>\$62,201.00</u>	<u>\$1,810.00</u>	<u>\$47,615.00</u>

Miscellaneous Administrative Expenses

	<u>Budget 2016</u>	<u>Expenses 2016</u>	<u>Expenses 2015</u>
Advertising and Promotional Expenses	\$2,000.00	\$0.00	\$813.52
Informational Services	13,450.00	7,019.00	0.00
Bank Service Charges	4,000.00	1,949.00	1,910.50
ERP Systems - PeopleSoft	1,060.00	796.00	796.50
Licenses, Permits, Certificates and Other Rights	0.00	78.00	722.50
Membership in Organizations	855.00	305.00	115.00
Exhibitions, Shows, Special Events	2,000.00	0.00	0.00
Tuition Career-Tech Schools and Other Training	5,050.00	0.00	1,410.00
Interest on Withholding Taxes	0.00	0.00	161.42
	<u>\$28,415.00</u>	<u>\$10,147.00</u>	<u>\$5,929.44</u>

