



A publication of the Oklahoma Police Pension and Retirement System

Letter from the Executive Director

Ginger Sigler

THE CRAZY YEAR CALLED "2020"

I remember March 11, 2020 vividly. I was at home cooking dinner waiting for my husband to get home from choir practice and the Thunder game to start. The Thunder had been on a roll in the last few games and I was so excited to watch them. But then, the officials were walking around the court, talking amongst themselves. The players looked confused as if they had no idea what was going on. The game was suddenly cancelled. There it was...Rudy Gobert had tested positive for COVID-19. What? What was COVID-19? We sure know what it is now. It has not only shut down many businesses, and even our legislature, but has completely changed the way we do things. We were told to shelter in place. This was a dramatic change in the way the OPPRS had operated since its beginning in 1981. We were not alone in having to adjust the way we worked. For me, I didn't like closing the offices to the public. I like the face to face interaction with our membership. But we did it and I think we did it very successfully.

COVID was just the start of the crazy year called "2020". We have seen the U.S. suffer through record breaking heat waves, California fires, numerous hurricanes, riots, the pre-Halloween ice storm, and last but not least the elections of 2020 both local and federal. By the time you are reading this, we will have the elections behind us and starting 2021. I hope 2021 brings us just as much craziness but in a good way.

Let's talk about some good news!! In 2020, the Oklahoma Legislature granted a Cost of Living Adjustment "COLA" to the retirees in all the State Retirement Systems. The COLA was tiered so that those retirees that had been retired for a longer period of time got a greater percentage. If you were retired for 2 years to 5 years, you received a 2% COLA. If you had been retired for longer than 5 years, you received a 4% COLA. We had 3,914 retirees as of June 30, 2020 and 3,478 of them received the COLA. The average COLA was \$101.92 a month. Those older retirees that receive COLAS based on the cities they retired from did not receive this state COLA because they had received more from their respective cities. Let's hope this isn't the last COLA for another 12 years. However, we need to be prudent with our

Continued

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Inside this Issue:

Miscellaneous Stats	3
Actuary Numbers	4
Why We Diversify	5
Investment Returns	6
Ways to Save	7
Understanding your 1099R	8

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM FALL 2020

Money. Representative Avery Frix, who authored the original COLA bill this year, is hosting an interim study this fall to look into a Market Analysis of future COLAS. This gives me hope that the Legislature wants to support future COLAS, but they realize they have to make sure it doesn't harm the pension systems. OPPRS remained over 100% funded this year. Our actuarial valuation was funded at 100.8%. The study also mentioned that with the volatility of the market we could see this rate come down slightly. With the reduction of insurance premium taxes that we will endure for the next two years it will be harder for our system to remain fully funded. OPPRS strives to make prudent investment decisions to ensure our funding for pension benefits. But as always, we are subject to what goes on in the markets locally and abroad.

Ginger Sigler

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2021 OKLAHOMA POLICE PENSION AND RETIREMENT BOARD MEETING DATES

January 20, 2021	May 19, 2021	September 15, 2021
February 17, 2021	June 16, 2021	October 20, 2021
March 17, 2021	July 21, 2021	November 17, 2021
April 21, 2021	August 18, 2021	December 15, 2021

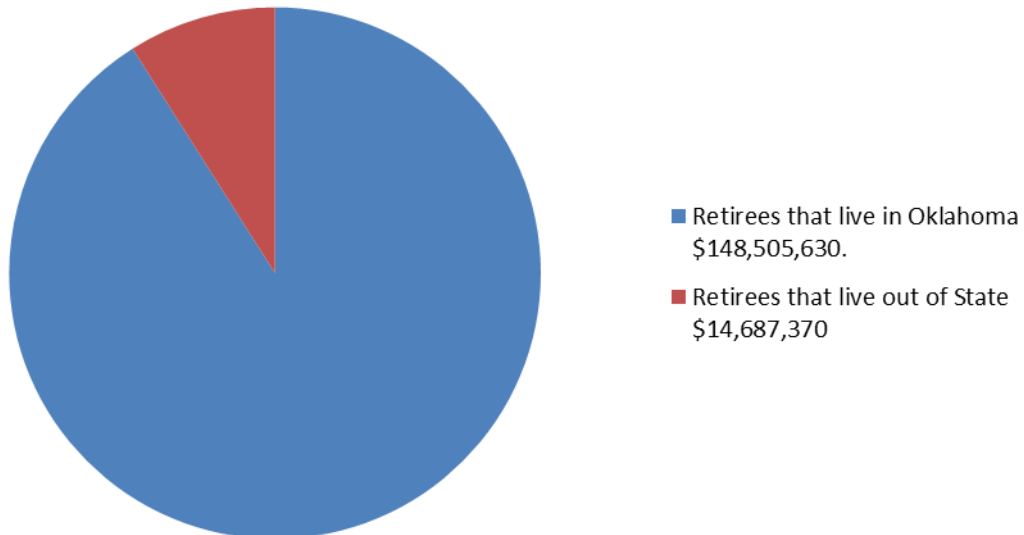
**OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
MISCELLANEOUS STATISTICS
JUNE 30, 2020**

* * * * *

MEMBERSHIP AS OF JUNE 30, 2020:

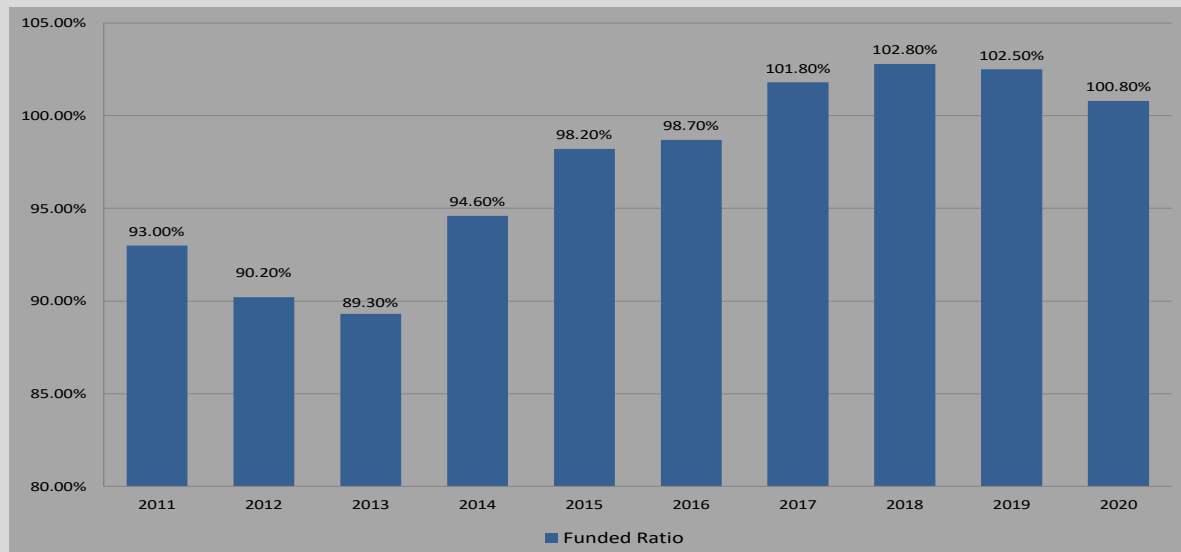
Member Cities and Towns	135
Active Participants	4,990
Inactive, Non-vested Participants	899
Deferred Option Members	2
Members & Beneficiaries Receiving Benefits	3,912
Vested Members, Terminated	161
Total Membership	9,964

TOTAL BENEFITS PAID IN FY 20 \$163,193,000



91% of Police Retirees Live in Oklahoma

Funded Ratio (Actuarial)



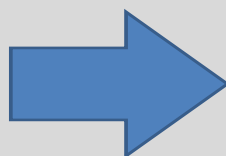
Oklahoma Police Pension & Retirement System

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(From National Institute on Retirement Security: Pensionomics 2018)

\$148,505,630



\$206,422,826

OPPRS paid \$148,505,630 in benefits to Oklahoma residents and that can lead to \$206,422,826 being put into Oklahoma's economy!

Oklahoma Police Pension & Retirement System

11

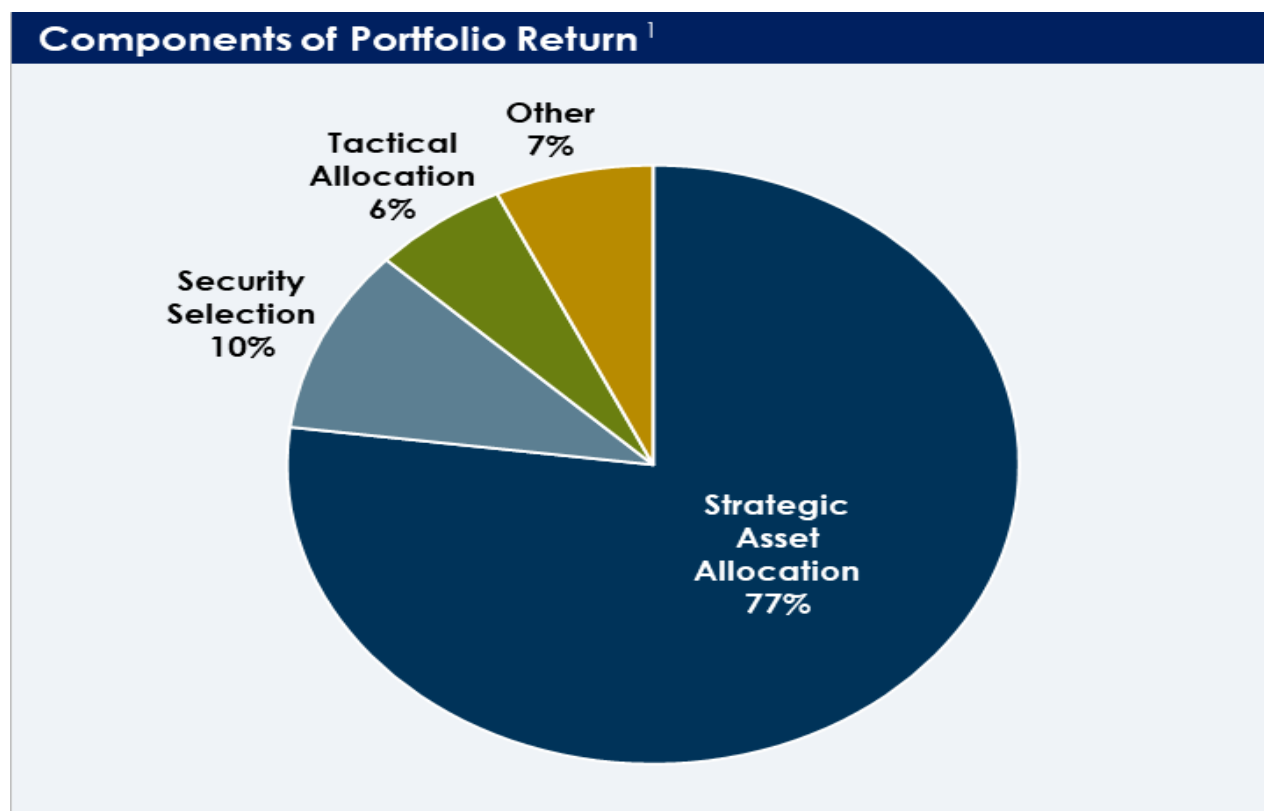
The COLA given in July had a significant impact on the State of Oklahoma.

WHY DO WE DIVERSIFY OUR INVESTMENTS AT THE POLICE PENSION?

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Russell 2000 26.85%	BloomBar Agg Bond 7.84%	FTSE EPRA/NAREIT Dev RE 28.65%	Russell 2000 38.82%	FTSE EPRA/NAREIT Dev RE 15.89%	S&P 500 1.38%	Russell 2000 21.31%	MSCI EM Free 37.75%	BloomBar 1-3 Mo. Treasury 1.82%	S&P 500 31.49%
Russell MidCap 25.48%	BloomBar EM Bond 6.97%	MSCI EM Free 18.63%	Russell MidCap 34.76%	S&P 500 13.69%	BloomBar EM Bond 1.29%	BloomBar High Yield 17.13%	MSCI EAFE 25.62%	BloomBar Agg Bond 0.01%	Russell MidCap 30.54%
FTSE EPRA/NAREIT Dev RE 20.40%	BloomBar Gbl Treas ex-US 5.24%	BloomBar EM Bond 17.95%	S&P 500 32.39%	Russell MidCap 13.22%	BloomBar Agg Bond 0.55%	Russell MidCap 13.80%	S&P 500 21.83%	HFRI FOF: Conserv. -0.88%	Russell 2000 25.52%
MSCI EM Free 19.20%	BloomBar High Yield 4.98%	MSCI EAFE 17.90%	MSCI EAFE 23.29%	BloomBar Agg Bond 5.97%	HFRI FOF: Conserv. 0.36%	S&P 500 11.96%	Russell MidCap 18.52%	BloomBar Gbl Treas ex-US -0.89%	FTSE EPRA/NAREIT Dev RE 23.06%
DJ-UBS Commodity 16.83%	S&P 500 2.11%	Russell MidCap 17.28%	HFRI Equity Hdg 14.28%	Russell 2000 4.89%	FTSE EPRA/NAREIT Dev RE 0.05%	Bloomberg Commodity 11.77%	Russell 2000 14.65%	BloomBar High Yield -2.08%	MSCI EAFE 22.66%
BloomBar High Yield 15.12%	BloomBar 1-3 Mo. Treasury 0.07%	Russell 2000 16.35%	HFRI FOF: Conserv. 7.70%	BloomBar EM Bond 4.76%	BloomBar 1-3 Mo. Treasury 0.03%	MSCI EM Free 11.60%	HFRI Equity Hdg 13.29%	BloomBar EM Bond -2.46%	MSCI EM Free 18.90%
S&P 500 15.06%	Russell MidCap -1.55%	S&P 500 16.00%	BloomBar High Yield 7.44%	HFRI FOF: Conserv. 3.12%	MSCI EAFE -0.39%	BloomBar EM Bond 9.88%	FTSE EPRA/NAREIT Dev RE 11.42%	S&P 500 -4.38%	BloomBar High Yield 14.32%
BloomBar EM Bond 12.84%	HFRI FOF: Conserv. -3.56%	BloomBar High Yield 15.81%	FTSE EPRA/NAREIT Dev RE 4.39%	BloomBar High Yield 2.45%	HFRI Equity Hdg -0.96%	HFRI Equity Hdg 5.47%	BloomBar Gbl Treas ex-US 9.31%	FTSE EPRA/NAREIT Dev RE -4.74%	HFRI Equity Hdg 13.89%
HFRI Equity Hdg 10.45%	Russell 2000 -4.18%	HFRI Equity Hdg 7.44%	BloomBar 1-3 Mo. Treasury 0.06%	HFRI Equity Hdg 1.81%	Russell MidCap -2.44%	FTSE EPRA/NAREIT Dev RE 4.99%	BloomBar EM Bond 8.17%	HFRI Equity Hdg -7.14%	BloomBar EM Bond 13.11%
MSCI EAFE 8.21%	FTSE EPRA/NAREIT Dev RE -5.82%	BloomBar Agg Bond 4.22%	BloomBar Agg Bond -2.02%	BloomBar 1-3 Mo. Treasury 0.03%	Russell 2000 -4.41%	BloomBar Agg Bond 2.65%	BloomBar High Yield 7.51%	Russell MidCap -9.06%	BloomBar Agg Bond 8.72%
BloomBar Agg Bond 6.54%	HFRI Equity Hdg -8.37%	HFRI FOF: Conserv. 4.21%	MSCI EM Free -2.27%	MSCI EM Free -1.82%	BloomBar High Yield -4.47%	HFRI FOF: Conserv. 1.88%	HFRI FOF: Conserv. 4.12%	Russell 2000 -11.01%	Bloomberg Commodity 7.69%
BloomBar Gbl Treas ex-US 6.12%	MSCI EAFE -11.73%	BloomBar Gbl Treas ex-US 1.77%	BloomBar EM Bond -4.12%	BloomBar Gbl Treas ex-US -2.77%	BloomBar Gbl Treas ex-US -4.84%	BloomBar Gbl Treas ex-US 1.87%	BloomBar Agg Bond 3.54%	Bloomberg Commodity -11.25%	HFRI FOF: Conserv. 5.96%
HFRI FOF: Conserv. 5.07%	DJ-UBS Commodity -13.32%	BloomBar 1-3 Mo. Treasury 0.09%	BloomBar Gbl Treas ex-US -4.88%	MSCI EAFE -4.48%	MSCI EM Free -14.60%	MSCI EAFE 1.51%	Bloomberg Commodity 1.70%	MSCI EAFE -13.36%	BloomBar Gbl Treas ex-US 5.04%
BloomBar 1-3 Mo. Treasury 0.13%	MSCI EM Free -18.17%	DJ-UBS Commodity -1.06%	DJ-UBS Commodity -9.52%	DJ-UBS Commodity -17.01%	DJ-UBS Commodity -24.66%	BloomBar 1-3 Mo. Treasury 0.28%	BloomBar 1-3 Mo. Treasury 0.82%	MSCI EM Free -14.25%	BloomBar 1-3 Mo. Treasury 2.22%

Above is what we refer to as a quilt chart. This chart shows the different types of asset allocations used by investors. Pick one color to focus on. Then read the investment type on that box. Follow that box from year 2010 each year until 2019. You will be amazed at how that investment moves up and down on the chart. This is why we diversify the investments make to ensure that we don't put too much emphasis on one type of investment.

WHAT MAKES UP OUR INVESTMENT RETURNS?



Portfolio Impact

- Diversification among investment types (stocks, bonds, real estate) serves to enhance portfolio returns, reduce risk and offer a “smoother ride”.
- Further diversification within investment categories (public equity, private equity, foreign equity) provides further benefits and can improve a portfolio’s risk adjusted returns.
- The highest portfolio return may not always equate to the “best” portfolio; the portfolio’s associated risks and risk-adjusted returns and overall objectives should also be carefully considered.
- A well diversified portfolio with attention to risk-reduction can lead to higher portfolio values over time.
- Global investment markets are impossible to predict; including complementary strategies and mitigating risks where possible in a well-diversified portfolio eliminates guesswork and provides the best likelihood of meeting investment objectives.

6 Ways to Save More for Retirement if You Aren't Rich

1. Make good use of your "third" paycheck

If you're like most people and get paid biweekly, you'll receive 26 paychecks over the course of the year. That means that twice a year, you'll get three paychecks instead of two. If you build your monthly budget based around two biweekly checks most months, then you can treat that third check as extra and put it right into your retirement savings account. This alone should allow you to set aside just over 7% of your annual income, since you'll be investing two out of the 26 paychecks you get throughout the year.

2. Use your credit card rewards

There are some [credit cards](#) that allow you to deposit your rewards directly into an investment account. Choose one of those for your everyday card so every purchase will help you invest money for your future. This allows you to effortlessly build a retirement nest egg, which can be a far more valuable use of credit card points than just cashing them in for plane tickets or merchandise.

3. Bank your raises

When you get a salary increase, immediately divert some -- or even all -- of the extra money into retirement savings. Since your budget and spending are built around your current income, you don't need the additional money now anyway. If you divert it to savings right away before you get used to living on it, you'll never miss the money.

4. Take advantage of tax credits

There are ample opportunities for tax-advantaged retirement investing, especially if you aren't rich. You can make pre-tax contributions to a [401\(k\)](#) if your employer offers one as well as to a [traditional or Roth IRA](#). Since you don't pay taxes on the money you're contributing, each contribution costs you less, and the government [essentially gives you free money](#) for retirement. If you contribute \$1,000 and are in the 22% tax bracket, this could save you up to \$220 on your tax bill. Your \$1,000 contribution would cost you only \$780. And if you make under \$32,500 per year as a single tax filer or \$65,000 per year as a married joint filer, you can also take advantage of the [savers credit](#). This provides a tax credit worth between 10% and 50% of the first \$2,000 in retirement contributions each person makes, which means married joint filers can get up to \$2,000 in free money for retirement.

5. Claim your full employer match

If your employer offers a workplace 401(k), chances are good they'll also match part of the contributions you make toward it. For example, your employer may match 50% of your contributions up to 6% of your salary. If your employer matches contributions, they are giving you free money. You should claim every dollar of it that's available to you by making sure you invest enough in your 401(k) to get the full match.

6. Use coupons and immediately invest the savings

Coupons can help you save on purchases both online and in store. You can get them from your local paper, buy them online, or print them for free. When you use them to reduce costs, don't just squander the savings; immediately transfer whatever amount you were able to save into your IRA. This way, the money you've saved can be invested and start working for you.

Understanding Your Tax Statement from the Oklahoma Police Pension & Retirement System

Box 1 – The full gross distribution for the year. In the year of retirement -AND- the year you turn age 59 ½ you will receive more than one Form 1099R.

Copy B – Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

Form 1099-R 2017 Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Account number (see instructions) 596894

PAYER'S name, address, ZIP/postal code & country
Oklahoma Police Pension & Retirement System
1001 N.W. 63rd St., Suite 305
Oklahoma City, OK 73116-7335

PAYER'S federal identification number 73-1039852

RECIPIENT'S name, address, ZIP/postal code & country
John Q. Doe
100 N. Main St.
Oklahoma City, OK 73116

RECIPIENT'S identification number ***-**-6789

1 Gross distribution \$ 29591.80

2a Taxable amount \$ 29464.65

2b Taxable amount not determined

3 Capital gains (included in box 2a) \$

4 Fed. income tax withheld \$ 3490.45

5 Emp. contrib./depos. Roth contrib./ins. prem. \$ 127.15

6 Net unrealized appreciation in employer's securities \$

7 Distrib. code(s) 2

8 Other \$

9a Percentage total distrib. % \$

9b Total employee contributions \$

10 Amount allocable to IRA within 5 years \$

11 1st yr. design. Roth contrib. \$

12 State tax withheld \$

13 State/Payer's state no. \$

14 State distribution \$

15 Local tax withheld \$

16 Name of locality \$

17 Local distribution \$

OMB No. 1545-0049 Department of Treasury -- Internal Revenue Service

Copy C – For Recipient's Records (keep for your records) This information is being furnished to the Internal Revenue Service.

Form 1099-R 2017 Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Account number (see instructions) 596894

PAYER'S name, address, ZIP/postal code & country
Oklahoma Police Pension & Retirement System
1001 N.W. 63rd St., Suite 305
Oklahoma City, OK 73116-7335

PAYER'S federal identification number 73-1039852

RECIPIENT'S name, address, ZIP/postal code & country
John Q. Doe
100 N. Main St.
Oklahoma City, OK 73116

RECIPIENT'S identification number ***-**-6789

1 Gross distribution \$ 29591.80

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14 State distribution \$

15 Local tax withheld \$

16 Name of locality \$

17 Local distribution \$

OMB No. 1545-0049 Department of Treasury -- Internal Revenue Service

For Informational Purposes Only
This information IS NOT furnished to the IRS.
The following insurance premium information is provided for your convenience. This total reflects only the amount withheld from your OPPRS benefit (if applicable) and does not include any refunds or manual premium payments. Generally, eligible retired public safety officers can exclude up to \$3,000 of eligible premiums from their taxable income. See IRS publication 575.

Qualified Insurance Premium Withheld for 2017 2481.95

Note: This amount IS NOT the same as box 5 of form 1099-R. The above amount is not included on form 1099-R.

Box 4 – Federal Income Tax withheld for the year.

Box 7 – Distribution code to put on tax return.

Box 5 – This amount is a return of post-tax contributions and is not taxable. It's the difference between Box 1 and Box 2A.

Item A – Insurance premiums withheld during the year.

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Important General Tidbits!!!**CHECKING YOUR INFORMATION**

When a member leaves a Police Department, more often than not they will take a refund of contributions. If that same member joins another department, they have the option to repurchase that time and use it towards their service credit eligibility. Lately, we have come across several members who are asking to repurchase previous time who find out they didn't have as much time as they thought they had.

Follow us on

**@OPPRS.ok.gov****@oklahoma_police_pension**

**PLEASE GET
YOUR FLU SHOT!**



**COMING SOON!!!
OPPRS WILL HAVE A NEW
WEBPAGE!**



Hoping that **FUN** is the
only thing on your agenda!

Congratulations!



OKLAHOMA POLICE PENSION
1001 NW 63RD STREET, STE 305
OKLAHOMA CITY, OK 73116

PLEASE KEEP YOUR ADDRESS CURRENT WITH US, WE
ARE HAVING LOTS OF RETURNED MAIL! WE WANT TO
KEEP YOU
UPDATED AND INFORMED. IT'S GETTING CLOSE TO
1099R TIME!

CONTACT OPPRS

Mailing Address:

Oklahoma Police Pension & Retirement System
1001 NW 63rd Street, Suite 305
Oklahoma City, OK 73116-7335

Local Phone: (405) 840-3555

Toll Free Phone: (800) 347-6552

Fax: (405) 840-8465

Website: www.opprs.ok.gov

This newsletter is for informational purposes only. Individual requirements and benefits may differ, depending on circumstances. Consult the plan provisions or OPPRS for detailed information.

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