



OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

Spring 2021

*A publication of the Oklahoma Police Pension and Retirement System*

## Letter from the Executive Director

**Ginger Sigler**

### A YEAR OF HOPEFULNESS

As I sit and ponder what to write about, I take stock of the events that are happening in my personal life. By the time you read this newsletter, I will become a first time grandmother aka "Gigi". I am filled with so much joy and happiness! I look forward to watching her grow and become her own individual. I look forward to teaching her things about life. Of course I plan to make cookies, color Easter Eggs, watch all of her dance recitals or softball games. But the most important thing I can teach her is to love God and those around her. They say that physical touch is important to babies because it gives them security and strengthens bonds between parent and child. I think hugs are essential to anyone at any age. So later in this newsletter you will all get a virtual hug from me!

This was an interesting legislative session. There are two bills that were presented and voted on in the their respective branches and immediately sent to the legislative actuary. These bills could greatly benefit our membership. The first bill is Senate Bill 929 that would grant a 2% COLA to those who had been retired for more than a year. The second one is House Bill 2461 that would increase the death benefit from \$5,000 to \$15,000. These bills are to have cost analysis' completed and returned to the legislature by December 1, 2021. Then the bills can proceed for passage in the 2022 Legislative Session. We had one bill that allowed members to leave final payments to trust and a bill to increase the Required Minimum Distributions from 70 1/2 to 72. We also had a bill to allow a final benefit to be made to a Trust.

Let's talk about fun stuff. Have you seen the new website? We are so excited that we have brought our website into the 21st Century. The old website was very busy and hard to navigate. I think we have made the new one a lot more user friendly. I hope everyone has a Member's Direct account where they can go to get vital information. Active members can access information and do retirement projections. Retired members can access remittances for their monthly pension benefits or 1099R's for tax purposes. It's a great tool. If you are having trouble accessing your account, don't hesitate to contact our office and we can help you or let you reset your account. Zip Codes are a big trigger with this system, so if you have moved recently, it might be time to update your

Continued

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## OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM SPRING 2021

Now let's talk about the really exciting news!!! Oklahoma Police Pension and Retirement System now has over \$3,000,000,000. Yes that is right! Our assets are over \$3 Billion. Our Board Members take their job very seriously and have done an excellent job protecting and investing your funds. As a pension system, there are always the good years and the bad years. But when you are a long term investor, you position your investments to where you might not have the best returns when the market is good, but you lose less when the market is really bad. The baseball analogy is you don't swing for homeruns, but you swing for singles and doubles. We look forward to great investment returns in the future!

Take Care and Be Safe!

Ginger Sigler

### STAFF

Ginger Sigler, Executive Director

Sean Ruark, Deputy Director

Deric Berousek, Chief Financial Officer

Ann Burrows, Comptroller

Darcie Gordon, Administrative Officer

Elizabeth Marshall, Accountant

Katie Luttrell, Pension Operations Administrator/IT

Leeandra Galutia, Pension Analyst

Angela McCullough, Senior Pension Analyst

Nancy Nethercutt, Customer Assistance Representative

Lauren Holmes, Administrative Assistant

### 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

## THE BENEFITS OF A FINANCIAL ADVISOR

At the conclusion of the 5 year DROP plan, police officers are walking out the door with a sizable lump sum. If the member takes the lump sum in cash, there will be large amount of taxes withheld from the amount. OPPRS is required by the IRS to withhold 20% for federal taxes and it is recommended that they withhold 5% for state taxes. If the member has not reached the year in which they will turn 50 years of age, an additional 10% tax penalty may be assessed when they file their taxes that include that distribution. OPPRS tries to make sure that everyone who takes a distribution from us directly knows the tax implications that they may face. That is why it is important to have a financial advisor or have an Individual Retirement Account set up.

**Is it necessary to hire a financial advisor who is going to charge you fees to manager your money?** The retiring member can always elect to have the money rolled into an individual retirement account that can easily be set up at most local banks. Or the member can roll the money into another Individual Retirement Account they already have set up. According to the magazine Wealthy Retirement 82% of their readers manage their own investments. These investors don't have to worry about being taken advantage of by their advisors. They always know where they stand in terms of being financially ready to retire. They take pride in the decisions they have made concerning their finances. However, are they truly getting the best bang for their buck? Research from Vanguard says that a financial advisor can add about 3% in relative returns to your investment portfolio. Most financial advisors will generally charge 1% to 1.5% in fees. Every manager may charge differently. With a financial advisor, you know that a professional is handling those tough decisions about how to invest your money and plan for your retirement.

**When selecting a financial advisor, it is essential that you feel comfortable with who you are allowing to invest your money.** Trust is the key in hiring your new financial advisor. There are many levels of trust, and of course you want someone you can trust who won't steal your money or reveal confidential financial information. On a deeper level however, you need to trust your financial advisor the way you would trust a therapist. When getting started, most people are focused on the numbers. They think their advisor will tell them where to put their money and help them make more money - but there is so much more than this. Just thinking about money makes many people feel nervous, anxious or ashamed. Money is a sensitive, complicated and deeply personal subject. On your first call with a financial advisor, at the very least you need to be sure you feel comfortable talking with them about money matters. You should interview more than one advisor and your gut feeling can also be a good indication.

**So lastly, when should I get a financial advisor?** A good financial advisor can help you look at the big picture of your retirement goals and future. They can look at your financial needs and help you achieve the goals you have set. An advisor is very valuable when you are getting near to a life changing event such as a new baby, buying a house, or sending kids to college. A good financial advisor will be with you helping you to make informative decisions along your career path. It's always easier to start early when planning for retirement. Once you get in the rhythm of putting aside money for your retirement at an early age, it just becomes the norm for you. As a parent, I started my children with their own Individual Retirement Accounts as soon as they got their first adult jobs. My sons don't have a pension plan like The Oklahoma Police Pension. Every month a small amount goes into their IRA straight from their checking account. They don't miss it. The earlier you start the better off you are.

## EMPLOYEE OF THE YEAR 2020!

This year's Employee of the Year for the Oklahoma Police Pension and Retirement System was Ann Burrows. Ann has worked for OPPRS since November of 2016. Ann is our Comptroller and does a great job keeping our financials in shape and investments accounted for.

Ann grew up in Dale Oklahoma. After she graduated from high school, her life took lots of turns. Ann had started attending Rose State College after graduation and after her father's sudden passing she decided to move to Arkansas to be with her mother and attend the University of Arkansas. In 1993 Ann and her mom moved to Georgia. It was in Georgia that Ann finished her Political Science degree at Kennesaw State University. It was while she was completing her Political Science Degree that she started working at a local Kroger's store. While she worked at Kroger's, she was working in the accounting department closing out nightly registers and monthly books. Her love for accounting was growing. Ann's best friend was a CPA and encouraged her to get her Accounting Degree. So, Ann went back to school and got a second degree in Accounting in 2001 also at Kennesaw State. Her accounting degree brought her to a job at ADP working with Tax Credits. Ann worked for ADP from 2001 through 2011. In 2011, after being laid off from her job with ADP, Ann and her mother decided it was time to move back to Oklahoma. Ann worked at several temp agencies, a law firm, and Brewer Carpets before landing the job her at The Oklahoma Police Pension.

Ann loves to read. One of her guilty pleasures is reading romance novels which a lot of us females enjoy from time to time. Ann is also an avid runner and hiker. Our staff sometimes think she is a little crazy when she tells us that she has had a great run in the morning and it was 20 degrees outside. Ann adores her 7 nieces and nephews and loves to spend time with them. She is always good for a chocolate or peanut butter dessert when her birthday rolls around. My personal favorite is when her mom makes us popcorn balls around Christmas.

Ann and her mom have a very close bond. One of Ann's bucket list items is to take her mom to the United Kingdom someday. She looks forward to one day being able to retire and travel. When that day comes, the Oklahoma Police Pension will lose a wonderful person and comptroller.





## Does A Fixed Income Allocation Still Make Sense?

March 2021

## OVERVIEW

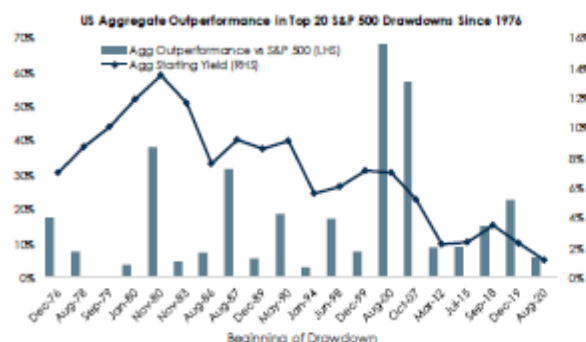
- Investments in fixed income have historically generated solid risk-adjusted returns.
- Higher yielding sectors within fixed-income have performed well in rising interest rate environments.
- Following the recent surge in debt and money supply, are these historic relationships likely to hold going forward?

## Background

Amidst tight credit spreads, historically low total yields and uncertainty regarding the path of interest rates, investors have questioned the value of fixed income allocations within their portfolios. A fixed income allocation has traditionally provided three key benefits: (1) Diversification, (2) Capital Preservation, and (3) Income. While every economic environment has some unique characteristics, the historical performance of fixed income can still provide guidance for future outcomes.

## Portfolio Stability

Since the inception of the Bloomberg Barclays Aggregate Bond Index in 1976, the index has generated positive returns 91% of the time over a rolling 12-month period. Importantly, core bonds have provided capital preservation and liquidity when equity markets are declining. This capital preservation component has persisted in providing protection of capital across a range of yield environments suggesting that low starting yields do not negate the diversification and capital preservation benefits of a core fixed income allocation.

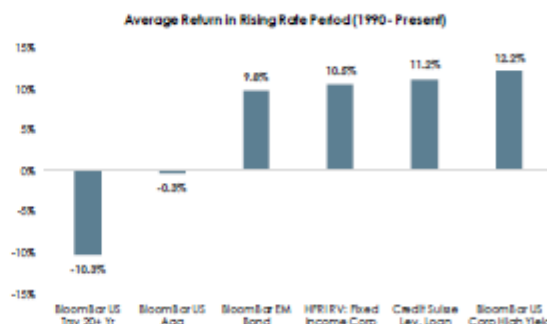


Source: Bloomberg, ACG Research

Historical results demonstrate that combining low to negatively correlated assets like equity and fixed income has resulted in better risk-adjusted returns. This correlation relationship has held throughout multiple market cycles and yield environments, but given low starting yields, it's worth re-examining the relationship to see if prior trends will persist. In the US, we saw evidence of this relationship holding in a low-yield environment as the Fed kept rates near zero in the period following the Global Financial Crisis, when the US Aggregate Index recorded a correlation of -0.04 to the S&P 500. This negative correlation continued when the Fed started raising rates in 2015, with a US Agg vs S&P 500 correlation of -0.16. Considering correlations in the context of negative interest rates (using Germany as an example), we see the correlations continuing to hold. German Sovereign bonds produced a correlation of 0.01 to the MSCI Germany equity index over the last five years.

## Rising Rates and Return Generation

Rising interest rates also pose a potential hurdle for fixed income investors. Rising rates aren't uniformly negative for fixed income returns though. Higher returning, lower duration sectors like high yield, bank loans, emerging market bonds, and hedge funds can do well even as US interest rates rise. These sectors tend to have lower interest rate sensitivity, and in the case of some assets, such as bank loans, benefit from floating rate provisions that will directly adjust coupon payments as rates rise or fall. The tradeoff however, is increased credit risk, and a tendency toward higher correlation with equities. Historical results indicate that there are several solutions for investors seeking a middle ground between core fixed income and equity that can generate positive returns during rising rate periods.



Source: Bloomberg, Credit Suisse, Hedge Fund Research, Inc., Morningstar Direct, MSCI, ACG Research

## Balancing Preservation and Return

While evidence suggests that core fixed income can continue to play a diversifying and defensive role in portfolios, inflation creates an additional challenge for investors seeking positive real returns. Inflation in the US has remained contained (around 2%) for the last 25 years and forward-looking estimates (inflation break-evens) suggest this may continue for some time. However, over the next few years, investors remain concerned that a combination of fiscal stimulus, a "zero-bound" Fed, a decline in the COVID-19 virus, and pent-up consumer demand, could result in a near-term overshoot of the Fed's 2% inflation target. While longer-term return expectations may eventually return to normal, investors will need to seek allocations outside of core fixed income to generate returns in excess of inflation in the near-term.

## ACG's Position

Despite expectations of lower return and higher volatility, we believe fixed income can continue to provide portfolio protection while offering opportunities for return enhancement. It is important to remember that different parts of the fixed income market react in dissimilar ways to changes in available risk premiums, inflation expectations, and shifts in interest rates. Fixed income portfolios can be customized to reflect individual investor's return objectives and risk tolerances.

## **OPPRS Accountant Solves Cold Cases Using DNA, Forensic Genealogy**

On weekends and evenings, our Accountant, Elizabeth Marshall helps solve cold cases, identify unknown victims and finds birth parents for adoptees.

“Liz” is a senior intern and genetic genealogist with a Massachusetts company called Redgrave Research Forensic Services. Her team uses DNA analysis and online genealogy databases to match chromosomes, build family trees and identify suspects, victims and adoptees.

In June of 2020, as a requirement of her internship with Redgrave Research, she completed their Forensic Genealogy for Law Enforcement Training Course, learning how to apply genetic genealogy to cold case identifications.

Her first case was a cold case from 1982. The body of an 18-month-old girl was discovered in the Escatawpa River in Mississippi. The girl became known as “Delta Dawn,” but she was never identified and what happened to her remained a mystery.

In March 2020, Redgrave Research received the unidentified child’s autosomal DNA profile from a forensic genomics lab. Utilizing both GEDMatch and Family Tree DNA databases, she and her genealogy team were able to develop parental candidates for ‘Delta Dawn’ in just under eight weeks. The Jackson County Sheriff’s Office then contacted the parental candidates’ families for a DNA sample and further questioning, confirming the identity of the child as 18-month old Alisha Ann Heinrich of Missouri.

Her mentor, Anthony Redgrave, is a co-founder of the company and a pioneer in the field. Redgrave, who’s trained law enforcement officers, often works on cold cases with DNA samples provided by police departments across the country. He teaches his team members how to compare DNA records and genealogy records to triangulate relationships within a family tree. The latter has been made easier in recent years with commercial genealogy websites, along with organizations such as NamUs, an information clearinghouse and resource center for missing person cases.

Liz and other interns are currently performing genetic genealogy to provide leads for law enforcement to identify decedents or suspects from cold cases when CODIS does not produce a match.

Liz has been working on her own family genealogy for over thirty years and hopes to be able to help Oklahoma law enforcement solve cold cases when she retires. She has recently consulted with the Tulsa County Sheriff’s Office Cold Case Task Force in helping them move into this exciting new field.

Liz says victims and their families have been waiting for justice for decades, and the addition of genealogical DNA is now helping to advance those efforts to achieve justice for crime victims. While it’s emotionally taxing, she says it’s the most rewarding work she has experienced.

## Understanding the Difference in IRA's and Roth IRA's

The SECURE Act increased the age for Required Minimum Distribution age from 70 ½ to 72. OPPRS had legislation to change our statutes to reflect this change. What an opportune time to discuss the differences between a Traditional Individual Retirement Account "IRA" and a Roth IRA. While both are long-term savings vehicles with tax benefits, each has different rules concerning contributions, age, and income that may change from one year to the next. As always, talking to a qualified financial professional will give you a better understanding of which one fits your personal needs better.

The biggest difference between traditional IRAs and Roth IRAs is how and when taxes apply to the contributions and earnings. Contributions to traditional IRAs can be pre-tax (deductible on your income tax return). Although contributions and earnings accumulate on a tax-deferred basis, income taxes are due when IRA distributions are taken and become penalty free after age 59 ½.

On the other hand, contributions to Roth IRAs are made with after-tax dollars, and contributions and earnings accumulate tax free. No income tax or penalty is due when distributions are taken from a Roth IRA after age 59 ½ and meet the five-year rule. For tax year 2021, the combined maximum contribution to a traditional IRA or Roth IRA is \$6,000 (\$7,000 for individuals age 50 or older).

Contributions to traditional IRAs may be made at any age from earned income. Required minimum distributions (RMDs) must begin by April 1 of the year after an individual reaches age 72 (or a considerable tax penalty may apply). Roth IRAs have neither an age limit for contributions nor minimum distribution requirements. However, both traditional and Roth IRAs have a minimum age for distributions: 59 ½. Distributions taken prior to age 59 ½ may be subject to a 10% Federal income tax penalty.

There are benefits to both types of IRA's. Which one is most beneficial to you is a personal choice.







This photo was in a Sunday edition of the Tulsa World sometime in Spring of 1981. It was titled, "The Last Posse." This was Darrell's Fugitive-Warrants squad.

Standing from left: Bob Kurowski, Greg Kragel, Mackie Bradshaw, Kay Orndorff, Grady McFadden, Mike Eubanks.

Sitting from Left: Lowell Sprague, Sgt Darrell Harris, Sam McCullough

Do you recognize any of these people? What a great story! Thank you so much Darrell Harris for sharing this picture with us!



## Important General Tidbits!!!

### REVIEW 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. Be sure you know when you officially joined OPPRS. It might not coincide with the date you started with your city.

# Follow us on



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Have you seen our new website? It's in the same location, [www.opprs.ok.gov](http://www.opprs.ok.gov). It's new and improved and easier to navigate. All of the important information is still there for you to access. We were excited to get it rolled out this spring. We hope you like the new look and feel of it. If something is missing that you were used to seeing, please give us a call and let us know.



OKLAHOMA POLICE PENSION                      address with our office?  
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.

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