

# THE ADVISOR

Newsletter of the Teachers' Retirement System of Oklahoma



## LEGISLATURE RESTORES TRS FUNDING

### Passes Other TRS Measures

**HB 2894 (Rep. Wallace & Hilbert; Sen. Thompson & Hall)** - In an important and welcome bill for TRS' financial future, the Legislature enacted HB 2894 which restores TRS's state dedicated revenue apportionments that were reduced during the 2020 legislative session. Last year, the Legislature temporarily reduced the dedicated revenue that TRS receives from certain taxes (individual and corporate income taxes, sales tax, and use tax). The reduction was made to stabilize the Education Budget in light of the COVID-19 pandemic and was originally to last for two years. But the reduction was eliminated for FY 2022 and beyond under the legislation. The original rate of 5% will be restored next fiscal year, and provides an increased rate of 5.25% for fiscal years 2023-2027.

#### **Retiree Incentive to Return to Work!**

**SB267 (Sen. Pemberton; Rep. Nollan)** SB 267 was passed as an effort to recruit recently retired educators back to the classroom to help with the current teacher shortage. This bill removes the current limits on post-retirement employment earnings for three years (July 1, 2021, through June 30, 2024)

for educators who retired on or before July 1, 2020, and who had not worked for any public school during the year following their retirement date. These retirees may be hired as active classroom teachers without any limitation on earnings. Retirees and their employers must jointly submit an application (TRS Form 10) establishing the retiree's eligibility for this exception. This bill takes effect July 1, 2021. Additional information on this bill, as well as the application, may be found on the TRS website at <https://oklahoma.gov/trs/about-us/frequently-asked-questions.html>

#### **Optional Personnel Membership upon Employment**

**SB 683 (Sen. Kidd; Rep. Lepak)** This bill modifies eligibility requirements related to optional employee membership in TRS after July 1, 2021. Optional employees are generally those employees in non-teaching, non-supervisory positions who work at least 20 hours per week with a TRS employer. These employees can choose whether to participate in TRS as part of their employment. Under prior law, these employees had to wait until they had been employed one year to begin

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participating in TRS. SB 683 allows these employees to join TRS and begin contributing upon being hired. Effective July 1, 2021, optional employees will have to make an irrevocable election whether to participate in TRS. This election will follow them throughout employment with any TRS employer with the exception of employers who have an ARP and cannot be changed. Additional information on this bill, as well as the election form, may be found on the TRS website at <https://oklahoma.gov/trs/about-us/frequently-asked-questions.html>.

**Employer “Matching” Contributions - Summer Programs HB 2293 (Rep. Roberts; Sen. Paxton)** This bill modifies certain provisions related to TRS matching contribution rates. Under state statute, TRS collects an actuarially determined “matching contribution” on employment positions that are paid for by a private or federal grant; this contribution is in addition to employer and employee contributions. Because TRS does not receive any additional state dedicated revenue for privately or federally funded positions, this matching contribution acts as a

surrogate for state dedicated revenue and ensures that these positions do not burden the System. The matching contribution rate was 7.7% for FY2021.

HB 2293 creates a reduced matching contribution rate for summer programs. Under this provision, there will be two separate rates for TRS matching contribution: one for summer programs, and one for any other employment. Both rates must be actuarially determined; however, the summer school rate will be limited to one half of the regular matching rate. Because this bill does not take effect until August 25, 2021, matching contributions due on current summer programs are unaffected.

*If employers or members have questions regarding these bills, please don't hesitate to contact us. Employers with questions regarding these bills should contact David Tinker ([David.Tinker@trs.ok.gov](mailto:David.Tinker@trs.ok.gov)) or Haley Drusen ([Haley.Drusen@trs.ok.gov](mailto:Haley.Drusen@trs.ok.gov)). Members having questions should contact TRS Client Services Division (toll-free at (877) 738-6365 or at (405) 521-2387).*

## Health Insurance Benefits for TRS Members

TRS members who retire or terminate employment with at least 10 years of creditable service are eligible to continue the insurance provided by their employer if such election to continue in force or begin is made within 30 days from the date of termination of service. This provision applies to both the OMES Employees Group Insurance Plan offerings or a private health insurance plan provided by the local school district, college or university. Dependent and dental coverage may also be available when you are enrolled in the OMES Plan. If insurance is continued into retirement, TRS will pay a supplement of \$100 - \$105 toward the members' monthly health insurance premiums. The amount paid by TRS is set by statute and is determined by your total service and average salary at retirement ([74 O.S. § 1316.3](#)).

Members will enroll in the insurance program through their employer's insurance coordinator or directly with EGID. If you are enrolled in the OMES Plan, TRS deducts the balance of monthly premiums, including dependent coverage, and forwards your premiums and the supplement to the insurance plan. When you are covered by an employer health insurance plan other than the state plan, TRS pays the supplement directly to the local employer on your behalf, but TRS cannot deduct the balance of premiums from your monthly benefit check.

Questions regarding eligibility for insurance coverage and monthly premiums should be referred to EGID or your local school district's health insurance coordinator.

### Employees Group Insurance Division

<https://omes.ok.gov/services/employees-group-insurance-division>

## Disability Retirement – What You Need to Know

If you become disabled while you are an active contributing member of TRS, you may be eligible for disability retirement. The disability must have been incurred while you were employed by an Oklahoma public education employer and rendered you unable to perform regular employment duties. To qualify, you must have 10 years of service, and not be eligible for regular retirement.

To apply, you will need to submit an Application for Disability Retirement, a written statement from you and your employer, and certain medical information provided by your physician. Your application will be reviewed by three doctors who serve on our Medical Board.

If you have already qualified for disability benefits through the Social Security Administration, please submit a copy of your Social Security Award Notice to begin the retirement process.

## TRS Death Benefits Explained

Upon the death of an in-service member, TRS pays the member's beneficiary (or member's estate if no beneficiary is named) a lump sum payment of \$18,000.00. This benefit is paid in addition to contributions and interest payable from the member's account. The in-service member may list one or multiple beneficiaries to receive this benefit and must file a designation of beneficiary form with TRS. The member should review his or her status with TRS periodically to ensure the named beneficiary is current.

For retired members, TRS provides a \$5,000.00. death benefit payable to his or her designated beneficiary. This benefit is

paid separately from the benefits being paid pursuant to the retirement contract. The retired member may list one or more beneficiaries to receive this benefit or may even list a funeral home as the beneficiary. Additionally, the named beneficiary may disclaim the benefit to be paid directly to a funeral home. A separate beneficiary form must be completed if the retired member would like the death benefit to be paid to someone other than the beneficiary or joint annuitant listed on his or her retirement contract. Retired members are also encouraged to review their status with TRS periodically to ensure accuracy of the named beneficiary.

## New TRS Trustees Appointed

### Marla Tharp



Marla Tharp was appointed to the Board of Trustees of TRS by Governor Kevin Stitt on November 18, 2020. Marla will be completing Judie Harris' term.

She is a high school graduate of Alex High School and earned a Bachelor of Science degree in Business Administration from Southwestern Oklahoma State University. Marla worked for The Bank of Verden for 12 years before going to Amber-Pocasset Public Schools for the last 29 years. She is the Encumbrance Clerk, Payroll Clerk, Child Nutrition Facilitator, Insurance Coordinator, and claims Federal Program funds.

She was the recipient of the Non-Certified/Support Professional Merit Award in April of 2019 from The Professional Oklahoma Educators Foundation. Marla has been married to her husband Gary for 42 years. They live on a farm in Caddo county where they raise cattle.

### Kelsey Newman



Kelsey Newman is the Director of Operations and a Client Advisor for Gibraltar Capital Management. She is a licensed investment adviser representative (Series 65) and

Certified Financial Planner™. Kelsey has been an employee of Gibraltar since 2014. She started out in an administrative role but gradually took on more responsibilities giving her a wide range of experience from simple service tasks to collaborating on complex planning scenarios. Combined with her studies for the Series 65 and CFP program, Kelsey's history with Gibraltar has given her insights into every facet of investment management, financial planning, private equity fund management and charitable giving. She currently lives in Yukon and offices in Midtown Oklahoma City.

Gibraltar is a federally registered RIA firm based in Tulsa, Oklahoma that specializes in investment management, financial planning and family office services.

Kelsey has a Bachelor of Arts in Journalism from the University of Oklahoma where she studied marketing and advertising as part of Gaylord College. Kelsey is engaged to Grayson Ardies, the State Director of Aeronautics. Their wedding is scheduled for October 2021.

## New Board Officers

The new board officers for FY 2022 are Brandon Meyer, Chair; Stephen Streeter, Vice Chair; and Michael Kellogg, Secretary. Mr. Meyer is the Sr. Assoc. Athletic Director & Legal Counsel for the Athletic Department at Oklahoma State University. Mr. Streeter is a personal financial advisor in Tulsa. Mr. Kellogg is a retired school superintendent from Kiowa.

## Board of Trustees

### CHAIR

Brandon Meyer, J.D.

### VICE CHAIR

Stephen Streeter, RIA

### SECRETARY

Michael Kellogg, M.Ed.

### MEMBERS

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Kelsey Newman, CFP

Christopher A. Rector

Marla Tharp

Drew Williamson, CFP/CPWA

### DESIGNEES

Tim Allen, for Treasurer McDaniel

Brandi Manek, for Director Harpe

Mathangi Shankar, CPA,

For Superintendent Hofmeister

Greg Winters, Ph.D., for Director Mack



# OKLAHOMA

## Teachers' Retirement System

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### Have Questions? Need Help?

Here's how you can get in touch with us:

**In person:** Harvey Parkway Building, 5th Floor, 301 NW 63rd St, Suite 500, Oklahoma City, OK 73116

**On the phone:** 1-877-738-6365 or 405-521-2387

**On the web:** [www.oklahoma.gov/trs](http://www.oklahoma.gov/trs)

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## DIRECTOR'S CORNER

### When the Retirement Director Retires

*Tom Spencer, Executive Director*

I'm hoping this newsletter gets to the printer before my retirement, but who knows? I wanted to tell the members of the Teachers' Retirement System what an honor it has been to lead this pension system for the last 7 years. Many of you have kept me on my toes with good natured criticism. . . most of the time. I have had to say "no" to some of you when the law wouldn't let me do whatever it was that you were asking me to do. But I went into every such grievance with an attitude that I would help the member if I could. Everything is not black or white.

I have been presiding over an almost empty office since March of 2020. We have tried to keep up our levels of service while keeping our staff safe. We have had a huge number of retirement applications in the last several months. We set what we think is a record of 1,002 retirements for the month of June. My application is in the next pile with a July 1, 2021, date.

The Teachers' Retirement System is a special place. Our employees are empathetic. We all know that all of us will be retiring at some point. How would we like to be treated when that time comes?

I hope that I am leaving TRS better than when I got here. We have a much higher funded ratio than when I got here. I didn't get it that high, but I darned sure fought to keep it from being lower. We have an ethical culture here. I like to say that we may be the most audited state agency and we welcome that. We have a very professional staff that tries to follow best practices.

Finally, I am so fortunate to have worked for the best trustees a pension board could have. They know that they are fiduciaries to all of you which is the highest legal standard that exists in the financial community. Each one of them has put the interests of all of you over their personal or political interests. I have every confidence that this proud tradition will continue and that TRS active and retired members will have a secure retirement because of the hard work and dedication of the Board and the Staff.

I will miss my staff and miss my board. But I hope to see many of you wherever retired TRS members gather. I finally made it to the other side!