



OkMRF Features and Benefits

Exclusively committed to serving Oklahoma's
local government retirement plans



Saving for retirement is one of the biggest challenges your employees will face during their working years. A savings opportunity provided through the Oklahoma Municipal Retirement Fund (OkMRF) can help them meet that challenge by setting the course for a more secure future in retirement.

OkMRF: Features to assist your employees plan and save for the future!

Robust support for monitoring and managing savings

- Planning tools and resources with access to professional investment advice*
- State-of-the-art plan website, mobile app and information line
- Low non-profit structure with no broker/dealer or add-on fees
- Customized Defined Benefit (DB) illustrations
- Various Defined Contribution (DC) investment options

Superior customer services

- Dedicated staff to help enroll, educate and support
- Plan document preparation including all resolutions, ordinances and joining documents for your governing body's approval
- English and Spanish speaking customer service representatives
- Electronic statements and confirmations
- ACH direct deposit on withdrawals
- Online address changes

Recordkeeping – OkMRF DC Program

- Account information updated daily
- Capability to make transactions daily
- 24/7 account access at okmrforg.voya.com or 844-GO-OKMRF/(844)-466-5673

Accounting – OkMRF DB Program

- Annual employee statements
- GASB compliant actuarial studies
- Customized projections @okmrf.org or 888-FYI-OMRF/(888) 394-6673

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OkMRF: Leveraging the strength of working together!

Created in 1966 to serve Oklahoma's cities, towns and municipal agencies, OkMRF is a cooperative program owned by its members that offers a selection of customizable, cost-effective retirement programs. Because we serve the governmental community exclusively, the dedicated staff and consultants of OkMRF can provide an unparalleled level of expertise and specialization.

Today, more than 200 municipalities representing over 11,000 employees and retirees are members of OkMRF.

- We're member-owned and operated, with plans and services developed by our members through their representatives in the OkMRF Board of Trustees
- Because we specialize, we have a deep understanding of the needs, objectives and plan requirements of the government sector
- Shared administrative costs enable municipalities to provide plans which might not otherwise be affordable
- As a non-profit, municipal trust, OkMRF does not participate in revenue sharing nor pay any sales commissions to employees or consultants
- Our coalition of municipalities and municipal owned agencies enables us to provide a full range of programs and services, all administered here in Oklahoma

OkMRF: Delivering excellence for more than 50 years!

OkMRF offers four major retirement savings opportunities that can be tailored to your employer needs. These programs include:

- ✓ OkMRF Defined Contribution Program
- ✓ OkMRF Customized Manager Option Program
- ✓ OkMRF Defined Benefit Program
- ✓ OkMRF Retiree Medical Program

The features of these programs differ in a number of ways, but all of them offer:

Exceptional plan services

- Expert assistance to help you determine the right plan offering
- Guidance for efficient administration and plan transactions
- Convenient, ongoing access to information and plan support
- Continual updates on program alternatives
- Reliable actuarial and recordkeeping services
- IRS compliance to maintain qualified plan status
- Independent audited financial statements
- Recognition of service credit in other OkMRF plans

Prudent, diversified investing

- Each municipality's plan is funded separately
- OkMRF Trustees retain professional investment managers to invest the funds
- DB assets are pooled and invested for conservative long-term growth using complimentary asset classes with various risk levels

- DC assets are participant directed
- An independent investment consultant evaluates each investment manager in accordance with policies and guidelines established by the OkMRF Trustees

Fiduciary responsibilities

The Trustees are responsible for the overall implementation and success of the retirement programs, assisted by the OkMRF staff and a team of professional advisors. OkMRF assumes the fiduciary duties so your Council or Board doesn't have to. Some of the specific fiduciary duties are:

- Amend the plan upon Member request or as needed to maintain its qualified status
- Adopt an investment policy, the governing document from which the retirement plan's objectives and investment menu are developed and measured
- Conduct investment manager searches, due diligence, selection, hiring and, if necessary, termination
- Monitor the performance of managers compared with their peer groups and benchmarks
- Monitor managers and consultants to ensure fees and expenses being charged are reasonable for services provided
- Obtain training and education on new laws, regulations, industry trends and best practices
- Comply with the Oklahoma Open Meetings and Records Act
- Secure fiduciary liability coverage to protect the trust

Ongoing participant education

A key ingredient to a successful retirement plan is education. OkMRF dedicates staff members who periodically meet with your management team and participants to review the plan administration, provide retirement planning tools and investment education.

Low program costs

OkMRF can keep costs low because they are shared among all the members. Administrative costs, investment fees and consultant fees are shared pro rata based on plan assets and result in only minimal expenses to individual plans. The low fee you pay is all-inclusive – there are no additional fees for preparing plan documents or for meeting with an OkMRF representative to review your retirement program. Our primary commitment is to provide you with a premier retirement program at an affordable cost.

The OkMRF Defined Contribution Program (OkMRF DC Program)

This plan type helps participants accumulate a portable account balance in their name. The participants bear the risk/reward of choosing where their funds are invested by selecting from the diversified investment options offered by OkMRF. Gains and losses are credited directly to each participant's account, and upon retirement, termination, disability or death, the vested portion of this account is paid to the participant or their beneficiary. The benefit they receive is based on the accumulation of employee and employer contributions, interest earnings/losses and forfeitures, if applicable. Eligibility to participate is determined by the employer, with many alternatives available within the DC program structure.

Choose from a variety of options to customize your plan design

DC plans are funded by employee and employer contributions. In designing the plan, the employer may select from the following list of contribution options:

- Mandatory pre-tax employee contributions
- Voluntary after-tax employee contributions
- Fixed rate employer contributions which are stated upfront by the employer
- Variable rate employer contributions which are determined each year during your budget process
- Matching employer contributions which are based on voluntary employee contributions

Vesting

Vesting is defined as how much of the employer contributions the participant owns. The participant always owns 100% of their own contributions, but may become vested in the employer portion based on length of service, death, disability or turning age 65. Vesting may begin immediately or after several years of service. Most vesting schedules are based on 7 or 10 years of service.

Forfeitures

Upon termination of a participant's employment, the portion of employer contributions which is non-vested is "forfeited" and credited to the accounts of active participants or used to reduce future employer contributions.

Loans

If offered, loans must follow IRS and plan rules and can be requested on-line or by phone. Loan proceeds can be direct deposited to the participant's checking account.

Withdrawals

Upon termination, withdrawals can be requested on-line or by phone and can be direct deposited to the participant's checking account. Participants can choose to cash in, rollover or annuitize the balance. Remember, an individual can always leave funds invested with OkMRF. This could be appealing due to low fee structure, diversified investments and fiduciary oversight.

Investments

Participants may select a combination of investments that best meet individual objectives. The OkMRF Trustees simplify this process and offer the following investment options:

- Guaranteed fixed interest option that never pays less than a floor rate of interest
- Multiple white-labeled funds with complimentary underlying investment manager styles which help streamline participant decision making
- Stock and bond index funds give broad market exposure for low investment management fees
- Target retirement portfolios provide broad diversification and professional asset allocation based on a participant's year of birth to simplify choices
- Self-Directed Brokerage provides access to investments not available in OkMRF's core lineup of investment options

- Automatic account rebalancing is offered on a quarterly, semiannual and annual basis

Planning Tools

Your participants have access to myOrangeMoney®, Personal Financial Dashboard, on-line advice free of charge or professional investment advice with a tiered fee schedule.

Adjustment and revaluation

Each day, participant accounts are updated. Participants can view their information on-line or on the mobile app. They can also call the 24/7 interactive voice response system.

Statements

Printed statements are mailed annually to your employee's home address. Participants can view their quarterly statements or generate a statement for any given time-period on-line or simply call the OkMRF offices for reproduction.

Personal data changes

Your participants have the ability to change beneficiary elections and addresses on-line or by phone.

The OkMRF Customized Manager Option (OkMRF CMO Program)

This plan is a variation of the DC style plan and was created by OkMRF to accommodate City Managers, Town Administrators and CEOs. Today more than 90 managers across the state utilize the CMO program. It is viewed as a good recruiting tool with portability. The Employer contributions are not subject to FICA/Medicare taxes unlike the CMO's 457(b) counterpart.

Features of the OkMRF CMO Program

- A qualified plan status offering tax privileges prior to retirement
- Employer contributions may fluctuate from year-to-year without plan amendment
- Employer contributions are not subject to FICA/Medicare taxes

- Tax-Deferred employee contributions
- Loan feature available
- 100% immediate vesting of all contributions
- Rollovers accepted from any qualified plan
- Fund distributions may be rolled into traditional IRAs or qualified plans (excludes Roth plans)
- Multiple investment options including Self-Directed Brokerage
- Ability to generate participant statements for any time period
- Capability to transact daily
- Financial planning tools
- Internet, mobile app and toll-free phone access to daily updated account information

The OkMRF Defined Benefit Program (OkMRF DB Program)

This plan offers your employees a guaranteed monthly retirement income for life. In order to evaluate whether the OkMRF DB Program is right for your municipality, simply prepare your employee census data. Then, request a study to determine the costs of providing these benefits. This study is provided to potential members at no cost.

Upon joining OkMRF, the funding costs will be automatically re-evaluated each year and you'll be notified of any contribution rate changes. Any specialized studies will be charged directly to the requesting member.

For all DB members, OkMRF also provides individual participant statements and GASB studies.

DB Program Highlights

Benefits are based on the employee's length of service and their compensation prior to retirement. Normal retirement occurs after vesting at age 65, 62 with 30 years of service, Rule of 80 or as otherwise stated in the plan document.

Vesting for benefits occurs when employees have completed a required number of years of continuous service.

Lifetime monthly payments are guaranteed, with 60 or 120 payments at a minimum.

Contribution refund is the sum of an employee's contributions and interest. This is the minimum payable to an employee or beneficiary after termination of service, retirement, disability or death.

Deferred retirement benefits are payable at age 65 in the event of termination of employment prior to age 55; however payments on a reduced basis may begin as early as age 55.

Joint and survivor benefits are available when an employee is retiring at age 55 or older. These alternatives potentially reduce the retiree's monthly income; yet, provide benefits that continue for the lifetime of the retiree's spouse.

Disability retirement benefits are payable for as long as the employee is totally disabled.

Beneficiaries receive benefits in the event of an active employee's death before retirement or if a retiree has not yet been paid in full.

DB Program Contributions and Benefits

Employer Contributions are determined each year through an independent actuarial review. The employer is obligated to fund the plan based on those results, net of the employee contributions. The study determines the contribution needed to provide specified plan benefits using demographic factors such as the age, service duration and pay of participants who are covered under the plan.

Employee Contributions are determined by the employer subject to maximum employee contributions in the applicable benefit levels offered. Once employee contributions are adopted, they are designated in the plan, and eligible employees must contribute through payroll deductions.

Benefits offered upon retirement to vested employees are based on a formula that multiplies a percentage of salary by the participant's years of service. The multiplier is determined by the plan level selected by the employer.

The chart below lists Plan levels with values for:

- Maximum employee contribution rate:** shown as a percentage of annual compensation
- Benefit formula maximum percentages:** where average compensation is the average of the five highest consecutive years out of the last 10 years of service, and credited service is the last period of consecutive years of employment. This period can be limited in the plan at the time of adoption.

Plan Level	Max employee contribution	Benefit formula by Plan level
Plan AAA	6.00%	3.000% of average compensation X credited service years
Plan AA	5.25%	2.625% of average compensation X credited service years
Plan BB	4.50%	2.250% of average compensation X credited service years
Plan CC	3.75%	1.875% of average compensation X credited service years
Plan A	3.00%	1.500% of average compensation X credited service years
Plan B	2.25%	1.125% of average compensation X credited service years
Plan C	1.50%	0.750% of average compensation X credited service years

DB Program Participation and Contributions

Participation is optional to all current employees when a municipality first establishes the OkMRF DB Program. After implementation, participation is mandatory for all eligible employee classes as defined in the plan document. Police and fire employees are excluded, if covered, under their own state-wide programs.

OkMRF DB Program Options and Customized Designs

Choose from a variety of options to customize your DB plan design

Many options are available within the OkMRF DB Program to help you tailor a retirement program to fit your specific needs, including the following alternatives:

Cost of living adjusts monthly pensions on July 1st, with the change being the lessor of CPI or a maximum of 3% adjusted up or down, based on the CPI change in the previous year.

Government pick-up allows employers to create a mandatory, tax-deferred employee contribution. This alternative helps lower employee's taxes today.

Vesting schedule determines when an employee is entitled to a life-time benefit. OkMRF offers cliff vesting for a five-year, seven-year and ten-year schedule. Cliff vesting requires the employee to complete the total designated years of service to become vested.

Length of benefit payment is for the retiree's lifetime. However, benefits will be paid to each retiree for a minimum of 60 or 120 months, as designated by the employer.

Plan level determines the amount of benefits payable to the retiree based on a formula. Various levels are available to allow the employer to develop an affordable program.

Unreduced early retirement benefits can be offered in one of three ways:

1. When completed age and length of service total 80 points
2. At age 62 with 30 years of service
3. As otherwise stated in the plan document

Participant statements are provided annually with the actuarial evaluation.

Hybrid feature provides increased benefits by paying the retiree his/her employee contributions adjusted with real investment gains/losses in addition to the formula-based pension.

The OkMRF Retiree Medical Program (OkMRF RM Program)

This plan assists retirees with insurance premium expenses. The Employers must sponsor an OKMRF DB Program to offer this type of benefit. This plan type, funded by employers, pays a monthly benefit based on a formula that the employer defines. For example, an employer could define the benefit as a payment of \$10 a month for each year of service. This plan is similar in structure to a defined benefit plan, and offers the following features:

- Qualified plan status establishing a sub-account inside a defined benefit plan (IRC 401h)
- Plan is funded with employer contributions only
- Plan costs are actuarially determined and updated annually
- Benefit amount is based on the length of service with the municipality
- Benefits are paid to the Employer to offset the individual's insurance premiums
- Benefits must be paid only for the medical plan sponsored by the municipality
- Benefits are tax-free to the retiree
- Benefits are paid upon retirement, until Medicare age (65)
- Benefits might be continued for a spouse upon retiree's death
- Plan assets are invested in the OkMRF Defined Benefit pool



Working together for Oklahoma's local government employers and employees

Want more information about OkMRF Retirement Programs?

Call Katie Girardi or Chris Whatley at **1-888-394-6673 ext. 110 or 103**, respectively, or visit our website at **www.okmrf.org**. We'll be happy to set up an appointment with you to answer all your questions.