

To All Oklahoma
 County Defined
 Benefit Retirees

October 2024

Oklahoma County
 Retirement Board



Introduction

This report was prepared in accordance with Title 19 O.S. (2010) § 953.1 (H), which prescribes an annual report on the operations and financial status of the Oklahoma County Defined Benefit Retirement Plan (the “Plan”) during the past fiscal year. Information for this report was drawn primarily from the Plan’s audited 2023-24 financial statements and the Actuarial Valuation Report for the Plan year ending June 30, 2024. Also, supplemental investment information was obtained from the Oklahoma County Treasurer.

This report examines the Plan’s financial activity for the period of July 1, 2023 to June 30, 2024, as well as the Plan’s financial condition (funded status) as of June 30, 2024. In addition, this report provides information on the performance of Plan investments managed by the Oklahoma County Treasurer on behalf of Plan members.

Overview of the Defined Benefit Plan

The Plan is a self-funded retirement plan managed by the Oklahoma County Retirement Board of Trustees. The Board is comprised of nine members designated as follows: the County Treasurer, the County Clerk, the Chairman of the Board of County Commissioners, three members elected by County employees, a retiree elected by County employees, and two members appointed by the Board of County Commissioners. The Chairman of the Board of County Commissioners serves as Chairman of the Retirement Board.

Beginning in September 1991, Oklahoma County ceased to admit new employees to its defined benefit retirement plan, providing instead a new defined contribution retirement plan. In addition, employees were allowed to convert from the defined benefit plan to the defined contribution plan. As of June 30, 2024, the Defined Benefit Plan had the following membership:

- ◆ 1 active employees, with an average age of 60.58 years, and an average of 401.47 years of service and average pay of \$102,686;
- ◆ 7 former employees with vested benefits, with an average age of 64.28 years and an expected average monthly benefit of \$453;
- ◆ 52 retirees currently receiving benefits, with an average age of 76.96 years and an average monthly benefit of \$1,240
- ◆ 26 Beneficiaries currently receiving benefits, with an average age of 83.07 and an average monthly benefit of \$867

Employees retiring at age 62 receive a monthly benefit based on the following formula:

2 & 2/3% of the highest 3 years average compensation times years of service, not to exceed 15 years;

plus, 2% of the highest 3 years average compensation times years of service in excess of 15 years, not to exceed 15 years;

plus, 1% of the highest 3 years average compensation times years of service in excess of 30 years, not to exceed 5 years.

In addition, the Plan provides disability and death benefits to members and their beneficiaries.

Plan Financial Activity for 2023-24

The following section describes income and disbursements in the Plan for the 2023-24 Oklahoma County fiscal year (July 1, 2023 to June 30, 2024). As an employer-funded plan, all contributions to the Plan are made by Oklahoma County. Investment income forms the other source of Plan revenue. Benefit payments to retirees comprise the majority of Plan disbursements in 2023-24. Non-benefit disbursements covered Plan administration expenses such as auditing, actuarial services, bank fees and printing costs.

**Plan Income & Disbursements
 for 2024-23**

Income

County Contributions	\$1,011,416
Total Investment Income	\$451,365
Total Plan Income	\$1,462,781

Disbursements

Retiree Benefits	\$1,240,220
Administration Expense	\$18,459
Total Plan Disbursements	\$1,258,679

Financial Condition of the Plan at Year-End

The current financial standing of the Plan can be measured by the level of its assets, liabilities, and the “funded ratio.” Plan assets consist of cash on hand needed for benefit payments and other Plan expenses, and investments. Plan investments are allocated among certificate of deposits and judgments. The allocation of Plan assets to various investment options is governed by Oklahoma State statutes, which allow only investments with a high probability for security and return. Allowable

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Oklahoma County
 Retirement Board
 Brian Maughan -
 Chairman
 Forrest "Butch"
 Freeman - Vice-
 Chairman
 Maressa Treat -
 Member
 Jon Wilkerson -
 Member
 Dan Matthews-
 Member
 H. Keith Block -
 Member
 Brandon Holmes -
 Member
 Donna Jackson -
 Member
 Jonathan Clour -
 Member

investment options include direct and indirect obligations of the federal government, state and local government bonds, corporate bonds in the top three bond rating categories, and FDIC-backed certificates of deposit. Plan assets as of June 30, 2024 appear in the table below.

**Plan Assets
 as of June 30, 2024**

Cash and Interest	\$105,512
Certificate of Deposit	\$250,000
Treasury Money Market	\$4,156,000
Judgments	\$1,947,837
Total Investments	\$6,353,837
Total Net Assets	\$6,459,349

Judgments are civil court awards purchased by the Plan from governmental entities in which the Plan provides the entity with cash resources to satisfy the judgment immediately, with the Plan being repaid the principal and interest according to a rate of interest set forth by the State Courts Administrator.

The table below presents information from the Plan Actuarial Valuation Report for the Plan year ending June 30, 2024. The Plan actuary estimates the present value of expected benefits to retirees, former vested employees and current employees to total \$13,999,103. In order to create a meaningful comparison to the Plan's current assets, the value of future benefits are expressed in terms of today's dollars.

**Actuarial Liabilities
 as of June 30, 2024**

Retirees and beneficiaries currently receiving benefits, former employees not yet receiving benefits & active employees	\$13,999,103
Total Pension Liability	\$13,999,103
Plan Fiduciary Net Position	\$7,539,754
Net Pension Liability	\$6,459,349

The unfunded actuarial liability is determined by calculating the difference between the Plan's assets and the current actuarial liability. The current Unfunded Actuarial Liability yields a funding ratio of 46.14%, change from the 41.97% ratio of June 30th, 2023. The funding ratio is determined by dividing Plan Assets by the Actuarial Liability and represents a

widely used measure of retirement plan financial condition.

Investment Performance

As indicated earlier, Plan assets are invested by the County Treasurer only in financial instruments allowed by state law. The following table presents information on the cost and current value of investments held by the Plan as of June 30, 2024.

**Plan Investments
 as of June 30, 2024**

<u>Investment Type</u>	<u>Cost</u>	<u>Current Value</u>
Certificates of Deposit	\$250,000	\$250,000
Treasury Money Market	\$4,156,000	\$4,156,000
Judgments	\$1,947,837	\$1,947,837
Total Investments	\$6,459,349	\$6,459,349

The Plan's investments have yielded an average rate of return of 2.75%.