To All Oklahoma County Defined Benefit Retirees

October 2025

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 2024-25 financial statements and the Actuarial Valuation Report for the Plan year ending June 30, 2025. 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, 2024 to June 30, 2025, as well as the Plan's financial condition (funded status) as of June 30, 2025. 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, 2025, the Defined Benefit Plan had the following membership:

- 1 active employees, with an average age of 61.58 years, and an average of 42.47 years of service and average pay of $103,316;
- 7 former employees with vested benefits, with an average age of 65.28 years and an expected average monthly benefit of $453;
- 47 retirees currently receiving benefits, with an average age of 76.95 years and an average monthly benefit of $1,338
- 29 Beneficiaries currently receiving benefits, with an average age of 84.02 and an average monthly benefit of $944

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 2024-25

The following section describes income and disbursements in the Plan for the 2024-25 Oklahoma County fiscal year (July 1, 2024 to June 30, 2025). 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 2024-25. Non-benefit disbursements covered Plan administration expenses such as auditing, actuarial services, bank fees and printing costs.

Plan Income & Disbursements for 2024-25

Income	
County Contributions	$811,480
Total Investment Income	$397,830
Total Plan Income	**$1,209,310**
Disbursements	
Retiree Benefits	$1,177,007
Administration Expense	$18,688
Total Plan Disbursements	**$1,195,695**

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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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, 2025 appear in the table below.

Plan Assets as of June 30, 2025

Cash and Interest	$97,739
Certificate of Deposit	$250,000
Treasury Money Market	$5,170,000
Judgments	$955,225
Total Investments	$6,375,225
Total Net Assets	**$6,472,964**

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, 2025. The Plan actuary estimates the present value of expected benefits to retirees, former vested employees and current employees to total $14,163,656. 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, 2025

Retirees and beneficiaries currently receiving benefits, former employees not yet receiving benefits & active employees	$14,163,656
Total Pension Liability	**$14,163,656**
Plan Fiduciary Net Position	**$6,472,964**
Net Pension Liability	**$7,690,692**

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 45.70%, change from the 46.14% ratio of June 30th, 2024.

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, 2025.

Plan Investments as of June 30, 2025

Investment Type	Cost	Current Value
Certificates of Deposit	$250,000	$250,000
Treasury Money Market	$5,170,000	$5,170,000
Judgments	$955,225	$955,225
Total Investments	**$6,375,225**	**$6,375,225**

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