

Oklahoma Senate Committee on Appropriations
2019-20 Performance Report
Oklahoma Teachers' Retirement System

Agency Mission Statement

We collect, protect and grow assets to provide a secure retirement income for public education employees.

Lead Administrator

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Governance

The Teachers' Retirement System of Oklahoma (TRS) is governed by a 15 member Board of Trustees. These trustees are a mixture of ex officio members, and appointees by the Governor, President Pro Tempore of the Senate and the Speaker of the House of Representatives. Two of the Governor's appointees are subject to Senate confirmation. One member is a nonvoting member selected by a retired member association. All appointed members serve 4 year terms.

The Board of Trustees is the chief policy making entity of TRS and have the exclusive power to select investment managers of the System and decide the size of each manager's mandate. The Board hires the Executive Director and the General Counsel, and the Executive Director selects all other personnel.

Governance Accountability

The Board generally meets on the fourth Wednesday day of each month to conduct business. There are several months in which the Board meets on the third Wednesday. There is an attendance policy for Trustees. The Board has a Governance Committee which ensures that Board Policy is being followed.

Modernization Efforts

TRS used a private firm to create a custom pension administration software package. It went live in 2012 and TRS has been improving its functionality ever since. There is an “employer portal” on which all participating employers in TRS (around 600 education entities) submit payroll data and electronically remit their employer and employee contributions. There is now a “client portal” on which active TRS members can get electronically generated pension estimates, and retirees can download annual tax documents or reprint them on demand. A substantial percentage of the TRS newsletter is distributed via email. TRS has a state-of-the-art information center that is not just a “call center.” Several TRS employee-agents can answer virtually every type of question by using an electronic database summarizing TRS statutes and rules on benefits, the retirement process and death benefits. These same employees respond to email requests and inquiries, and also initiate a variety of transactions such as withdrawals and requests to retire. This frees up time for our retirement counselors/consultants to calculate and audit benefit amounts and have personal meetings on request. Finally TRS has just acquired “board meeting software” that will permit board meetings to take place without paper. Agendas and material for each agenda item can be viewed electronically with easy navigation from one document to another.

Core Mission

TRS is the oldest statewide pension system and is also the largest in terms of membership and assets. TRS is a “customer service” agency and it must deliver service in the form of education, benefit calculation and the prompt payment of pension benefits, death benefits, other survivor benefits and withdrawals. At the same time it is one of the largest financial institutions in the State of Oklahoma. The Board, staff and its outside investment experts are charged with the highest fiduciary duty to its clients in managing about \$16 billion for the sole benefit of its participants. It takes thoughtful analysis and good financial controls. In FY 2018, TRS paid out more than \$1.3 billion in benefits which has a tremendous positive effect on the Oklahoma economy.

Private Alternatives

TRS is a great example of using primarily private and public sector partners in its operations. No TRS funds are managed internally. TRS hires many of the best and most talented money managers in the U.S. and globally. All of its I.T. services are provided by OMES and a private vendor. With a staff of only 38 employees, the administrative cost of TRS per member is one of the lowest in the nation.