



TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



Comprehensive Annual Financial Report

A Component Unit of the State of Oklahoma

Fiscal Year Ended June 30, 2020



TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

Mission Statement

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

Vision

The vision of the Teachers' Retirement System of Oklahoma is to:
Provide quality service to our clients in an efficient, economical manner,
Provide our members on-demand and accurate access to their personal financial information, Educate our clients about their retirement benefits, manage the assets of the plan competently and prudently while achieving long-term risk-adjusted net returns in excess of market benchmarks as identified in the Board's Investment Policy, as well as exceeding the actuarial assumed return, and inform our members about the financial status of TRS so they will be confident in our ability to provide their benefits.

Core Values

We value the following in delivering our service:

Customer Service

Teamwork

Reputation

Adequate Funding

Competency

Ethical Behavior



TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

A Component Unit of the State of Oklahoma

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Tom Spencer

Executive Director

Prepared by the Finance Department of the Teachers' Retirement System of
Oklahoma

Teachers' Retirement System of Oklahoma

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



Introductory Section



TOM SPENCER
EXECUTIVE DIRECTOR

J. KEVIN STITT
GOVERNOR

STATE OF OKLAHOMA
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

December 11, 2020

The Board of Trustees
Teachers' Retirement System of Oklahoma
301 NW 63rd Street Suite 500
Oklahoma City, OK 73116

Dear Board of Trustees:

We are honored to present the 2020 Comprehensive Annual Financial Report (CAFR) of the Teachers' Retirement System of Oklahoma (the System) for the fiscal year ended June 30, 2020. The information included in this report not only defines our purpose, but represents our commitment to protecting the financial future of our active and retired members. We accomplish this by monitoring and evaluating our daily operations as well as prudently managing the \$16.9 billion of net assets in the fund. The Teachers' Retirement System of Oklahoma is a component unit of the state of Oklahoma.

Profile of System

Established by legislation, the System began operations on July 1, 1943. The System provides retirement allowances and other benefits to public education employees in the common schools, career technology centers, colleges and universities, and other local and state educational agencies of the state of Oklahoma.

The mission of the System is to collect, protect and grow assets to provide a secure retirement income for public education employees. The System also strives to provide outstanding customer service to all of our active and retired clients. All services provided by the staff are performed to meet these objectives.

Management Responsibility

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that the transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes written policies and procedures. Responsibility for the preparation, accuracy, completeness and fairness of this presentation, including all disclosures, rests firmly with the System's management. To the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The System maintains a comprehensive internal control framework designed to assure that assets are safeguarded from theft or misuse, transactions are completed accurately, and financial statements are

fair and reliable. Internal control is designed to provide reasonable assurance, but not absolute assurance, that these objectives are met. The concept of reasonable assurance recognizes first, that the cost of a control should not exceed the benefits likely to be derived, and second, the valuation of cost and benefits requires estimates and judgments by management. The System has its own internal audit program and uses a private firm retained by the Board of Trustees that answers directly to the Board. The firm not only analyzes financial issues and risk, but also provides advice on workflow and internal processes improvements.

The System operates according to an administrative budget approved annually by the Board. Although revenue is not appropriated from the state's General Revenue Fund, the budget is submitted to the Legislature as part of the Governor's recommended budget. The System operates under the same budgetary controls that apply to all state agencies.

The basic financial statements are prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. An independent auditing firm, Eide Bailly LLP, has audited the financial statements included in this report and its opinion letter is presented in the Financial Section of this CAFR. Readers are encouraged to review the Management's Discussion and Analysis (MD&A) in the Financial Section for an in-depth discussion of the financial statements and the cause and effect of market conditions, legislation and changes in operations affecting the System's financial results.

Economic Condition and Outlook

Global markets faced a challenging macro-economic backdrop in FY 2020. The COVID-19 pandemic and the resulting monetary and fiscal stimulus were the significant market-moving events. The U.S. Government and Federal Reserve implemented wide-ranging stimulus to maintain liquidity in the capital markets and to mitigate the effects from widespread lockdowns.

The U.S. unemployment rate rose to 14.7% in April 2020 due to the lockdown measures implemented by government authorities, before settling at 11.1% at the end of the fiscal year. U.S. GDP declined by a record 31.4% in the final quarter of fiscal year 2020 due to a large decrease in exports, personal consumer expenditures, and private inventory investment.

Global equities ended the year in positive territory, with the MSCI ACWI up 2.1% fiscal-year-to-date. The U.S. equity market led the way as the Russell 3000 returned 6.5%. This was largely due to the success of large technology companies which was illustrated by the NASDAQ Composite hitting new all-time highs. There was also a significant performance difference between large and small capitalization equities shown by the Russell 1000 returning 7.5% and the Russell 2000 returning -6.6%. International equity markets were not able to overcome the pandemic's headwinds as the MSCI ACWI ex- U.S. IMI returned -4.3% over the fiscal year.

Global fixed income performed well due to a significant decrease in interest rates, a widespread flight to safety, and massive Federal Reserve intervention. The Bloomberg Global Aggregate Index returned 4.2% and was led by long-dated U.S. Treasury bonds, which returned 25.4% for the fiscal year. U.S. credit markets also performed well, with the Bloomberg U.S. Credit index returning 9.1%.

Commodities faced the most difficult set of challenges as global lockdowns significantly reduced short-term demand. The Bloomberg Commodity index returned -17.4% for the fiscal year, led by a -32.5% change in the WTI spot price. WTI futures hit an astonishing -\$37 per barrel in April 2020 after crude oil stockpiles ran out of capacity. Gold, as expected, performed well as economic uncertainty led investor sentiment, returning 26.3%.

Looking ahead to FY 2021, investors will be monitoring economic activity and medical breakthroughs to curtail the global COVID-19 pandemic. As global economies begin to re-open, government stimulus, development activity, and consumer demand will likely be determining factors for capital market returns.

Investments

For FY 2020, the System earned a positive 0.77% rate of return and ended the year with a total market value of \$16,897,902,888.

On June 30, 2020, the System's investment portfolio mix at market value was 59.9% equities, 21.8% fixed income, 7.1% real estate, 9.5% private capital, and cash of 1.7%. As fiduciaries for the retirement funds, the Board of Trustees is responsible for investment of the funds under the prudent investor standard. This standard allows the System to allocate trust funds across a diversified group of asset classes. The Board of Trustees has elected to limit investments to stocks and bonds, Treasury Bills and Notes, commercial paper, foreign currency exchange contracts, private debt and private equity, and bank deposits collateralized by U.S. Government securities.

Returns were mixed across asset classes. The System's domestic equity composite returned -3.2%, due to an overweight of small capitalization equities. International equities returned -4.9%. Total fixed income returned 10.5%. The alternate asset classes returned 2.4%. Private equity led the alternative asset classes returning 11.0%, while real estate and special opportunities returned -1.6% and -8.22% respectively. The Master Limited Partnership asset class was eliminated in September 2019, well before the major asset-class downturn in March 2020. A summary of the System's investment activities during FY 2020 and historic performance results is presented in the Investment Section of the Comprehensive Annual Financial Report.

Revenue and Funding

The major sources of revenue for the System are member contributions, employer contributions, dedicated revenue from the state of Oklahoma, and investment income.

Active member contributions for fiscal year 2020 were \$340 million, which represents 7.0% of covered payroll. This compares to \$325.7 million for the fiscal year ending June 30, 2019. Member contributions include direct payments by members to reestablish service credit, purchase Oklahoma service, out-of-state or military service, and payments required to qualify for the Education Employees Service Incentive Plan (EESIP).

Contributions from local employers, the state of Oklahoma, and federal sources for fiscal year 2020 totaled \$817.6 million, compared to \$818.7 million for fiscal year 2019. Contributions from local school districts on regular employees and federally or privately funded positions increased by \$12.0 million as the state's dedicated revenue decreased by \$13.1 million.

A properly funded pension plan continues to be the Board's most significant challenge. As of June 30, 2020, 67.3% of the System's actuarial liabilities were covered by the net position of the Plan. This is a decrease from the 72.4% funded ratio reported for June 30, 2019. The decrease is due to a lower return on the market value of assets, assumption changes and an unfunded cost-of-living increase. Based upon the current statutory contribution schedule, the funding period is 24 years. This is an increase to the funding period of 2019.

Expenses

The System's expenses are attributable to making retirement benefit payments including health insurance subsidies, death and survivor benefits, refunds of member contributions and administrative expenses. During fiscal year 2020, the System paid \$17.2 million more in retirement, survivor and insurance benefits than in the preceding year, \$2.8 million less in refunds to active clients who terminated accounts, and \$400,000 less in distributions from the Systems 403(b) Tax Sheltered Annuity Plan. The increase in retirement and insurance benefits is attributed to a net increase in the number of retired members and the average benefit payments. Administrative expenses increased \$71.5 thousand primarily due to an increase in payroll costs and depreciation expense.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Teachers' Retirement System of Oklahoma for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This is the twenty-seventh consecutive year the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the System must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition to the award for the CAFR the System was awarded its fifth consecutive Certificate of Achievement for the Popular Annual Finances Report (PAFR). The purpose of this report is to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

This report reflects the combined efforts of the System's staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, determining compliance with legal provisions, and as a means for determining responsible stewardship of the assets contributed by the members and their employers.

Notice is being mailed to the Governor, members of the Oklahoma Legislature, and the Oklahoma State Pension Commission that the CAFR is available on our website at www.ok.gov/TRS.

We would like to take this opportunity to express our gratitude to you, the staff, the advisors, and other people who have worked so diligently to assure the continued successful operation of the Teachers' Retirement System of Oklahoma.

Respectfully submitted,



Tom Spencer
Executive Director



Sam Moore, CPA
Chief Financial Officer

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

Street Address:
301 N.W. 63rd Street, 5th Floor
Oklahoma City, Oklahoma 73116

Mailing Address:
Post Office Box 53524
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BOARD OF TRUSTEES

Chairman

Vernon Florence

Vice-Chairman

Roger Gaddis, CPA/CFP

Secretary

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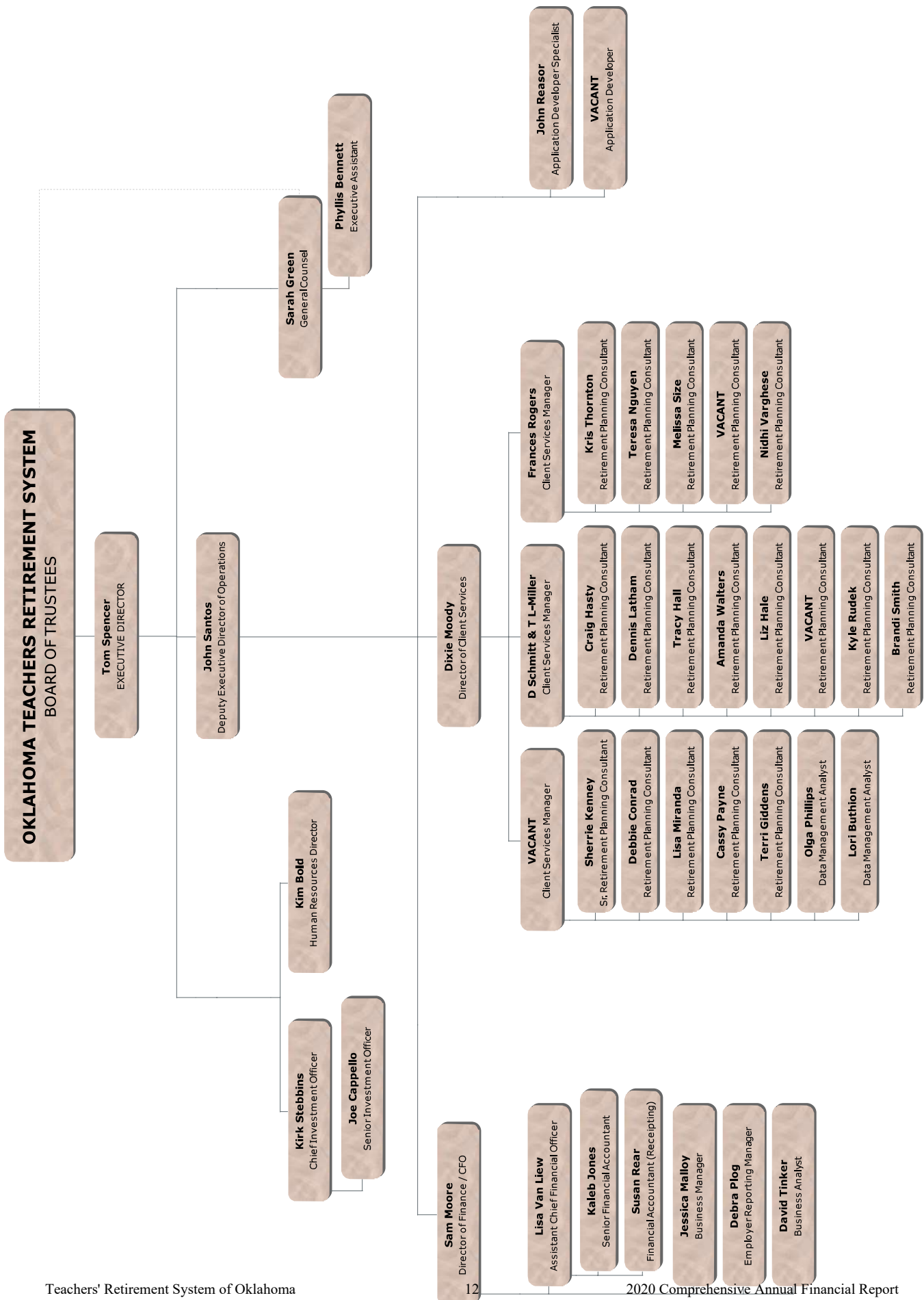
Members

Rod Boles, M.Ed.
Steven Harpe
Lisa Henderson
Joy Hofmeister
Michael Kellogg, M.Ed.
Marcy Mack, Ed. D.
Randy McDaniel, CPTM
Brandon Meyer, J.D,
Christopher A. Rector
Stephen Streeter, RIA
Drew Williamson, CFP/CPWA
Bill Bentley, (nonvoting)

Designees

Tim Allen, for Treasurer McDaniel
Brandi Manek, for Director Budd
Mathangi Shankar, CPA, for Superintendent Hofmeister
Greg Winters, Ph.D. for Director Mack

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

Professional Consultants

Outside Legal Counsel

Ice Miller
1 American Sq. Ste. 2900
Indianapolis, IN 46282

Phillips Murrah
Corporate Tower, Thirteen Floor
101 N. Robinson Ave.
Oklahoma City, OK 73102

Actuary

Gabriel, Roeder, Smith & Company
5605 N. MacArthur
Suite 870
Irving, TX 75038-2631

External Auditor

Eide Bailly LLP
877 West Main Street
Suite 800
Boise, ID 83702-5838

Internal Auditors

Stinnett & Associates
825 N. Broadway Avenue
Oklahoma City, OK 73102

Investment Custodian

Northern Trust Corporation
50 South La Salle Street
Chicago, IL 60603

Investment Consultants

AndCo Consulting
531 West Morse Road
Suite 200
Winter Park, FL 32789

Alternative Investment Administration

Meketa Investment Group
80 University Avenue
Westwood, MA 02090

The schedule of Investment Expenses and Professional Consultant Fees in the Other Supplementary Information Section and the Schedule of Investment Fees (pgs.72-73) & Broker Commissions (pgs. 75-78) in the Investment Section contain additional information regarding professional advisors and consultants.



TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

Plan Summary 2019-2020

BEGINNINGS

The Teachers' Retirement System of Oklahoma (the System) was established July 1, 1943, to provide retirement allowances and other specified benefits for qualified employees of state-supported educational institutions.

ADMINISTRATION

A 15 member Board of Trustees oversees the administration of the System and acts as fiduciary for investing its funds.

CONTRIBUTIONS

As a member of the System, your contribution rate is 7% of your total compensation (salary and your fringe benefits).

Statutes also require employers to contribute a percentage of applicable employee earnings. The employer contribution rate for K-12 school districts, career-techs, and junior colleges is 9.5%. The employer contribution rate for comprehensive universities (University of Oklahoma and Oklahoma State University and their entities) and the state's four-year regional universities is 8.55%.

MEMBERSHIP

Oklahoma statutes require classified personnel to be members of the System. The definition of classified personnel in 70 O.S. § 17-101 includes teachers and other certified employees of common schools, faculty and administrators in public colleges and universities, and administrative personnel of state educational boards and agencies. Membership is optional for all other regular employees of public educational institutions who work at least 20 hours per week.

Employees of a charter school may join the System if the Teachers' Retirement System Board of Trustees approves the school's application for membership.

New employees at the University of Oklahoma, OU Health Sciences Center, and Oklahoma State University have the option to participate in an alternate retirement plan provided by the universities. Employees choosing the alternate retirement plan are not eligible to participate in the System as long as they remain employees of the universities.

SERVICE CREDIT

Service credit of up to 1 year is earned for every year of full-time employment. Fractional service is earned for periods of employment that are less than 8 months or for part-time employment. Members may purchase credit for out-of-state service, adjunct service, substitute teaching service, sabbatical leave, military service, service with certain Oklahoma governmental entities, incentive credit, and employment in Oklahoma schools before your date of membership.

Retiring members may count up to 120 days of unused accumulated sick leave toward an additional year of service credit. Unused sick leave of less than 120 days is granted a fractional year of service credit.

RETIREMENT ANNUITY

Members who joined the System prior to November 1, 2017 are fully vested after five years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after seven years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit. A vested member is eligible to receive a retirement benefit when one of the following requirements is met:

Age 62 or Combination 80. Those who joined the System prior to July 1, 1992 may retire with an unreduced benefit at age 62 or when the client's age and years of creditable service total 80 points. The highest three salaries are used in the calculation of the benefit. A reduced annuity is available at the minimum age of 55.

Age 62 or Combination 90. Those who joined the System after July 1, 1992 and before November 1, 2011 may retire with unreduced benefits at age 62 or when the client's age and years of creditable service total 90 points. Those who qualify under Combination 90 use the highest consecutive five contributory salaries to calculate their benefit in the retirement formula. A reduced annuity is available at the minimum age of 55.

Age 65 or Combination 90 at Age 60. Those who joined the System on or after November 1, 2011 may retire with an unreduced benefit at age 65 or when the client's age is at least 60 and years of creditable service total at least 90 points. Those who qualify under this rule use the highest consecutive five contributory salaries to calculate their benefit in the retirement formula. A reduced annuity is available at the minimum age of 60.

The Teachers' Retirement System of Oklahoma is a governmental defined benefit plan under Section 401(a) of the Internal Revenue Code. The retirement benefits paid to our members are not determined by the market value of their retirement account, but rather by a formula. The formula includes years of service and highest average salary multiplied by a 2% computation factor.

The final average salary is not limited to the highest average salary defined under the Rule of 80 (highest three salaries) or Rule of 90 (highest five consecutive salaries), but may include any years previously capped.

The Education Employees Service Incentive Plan (EESIP) provides the opportunity for capped years to be diminished by two years for every one year worked in common education or career technology district beyond the full retirement eligibility date. If salaries earned prior to July 1, 1995 are greater than \$40,000, there will be a cost to participate in EESIP. Clients retiring from a four year university, college or other related entity are not eligible to participate in this plan.

If a member works for a comprehensive university (OU/OSU) or other associated entity, the retirement benefit calculation may involve a multi-step process. First, the capped average salary prior to July 1, 1995 is determined. Next the capped average salary between July 1, 1995 and June 30, 2007 is determined. Finally, years of service that did not meet the caps as well as service credit earned after July 1, 2007, will be incorporated into the retirement benefit formula using the highest average of actual total compensation, not to exceed the IRS compensation limits. There may be as few as one average salary or as many as four weighted averages to determine the final average salary used in the final benefit calculation.

Each of the Systems' five retirement options provides a lifetime benefit to the member. After the member's death, the designated beneficiary(ies) receive either a lump-sum payment or continued payments to one joint annuitant, depending upon the elected option's provisions.

DISABILITY BENEFITS

Members may qualify for disability retirement benefits if a medical condition keeps them from performing their regular job duties. A member may be considered for a disability retirement benefit if he or she is active and has at least 10 years of contributory service, a disability

retirement application detailing the medical condition (which must have existed while employed by the public schools of Oklahoma) is received, and an application is approved by the System's Medical Review Board.

If a member is awarded Social Security Disability benefits, the member may receive disability benefits with the System if the disability is incurred while employed by the public schools and the System is provided with proof of the Social Security award.

HEALTH INSURANCE BENEFIT

If members have at least 10 years of creditable service and retire or terminate employment, they may elect to continue coverage in the insurance program the employer provides to active employees.

If members are not enrolled in the state plan, coverage is subject to the provisions of the plan in which they are enrolled.

Dependent and dental coverage is available if the member is enrolled in the State and Education Employees Group Health and Dental Insurance Plan.

Once a member begins receiving a monthly annuity, Teachers' Retirement System of Oklahoma will pay the first \$100 to \$105 of monthly premiums for the member but not for dependents. The amount paid by the System is determined by the member's total service and average salary at retirement.

If members have fewer than 10 years of employment, they have certain rights under federal law to continue health insurance coverage after employment ends. Specific information about continued coverage may be requested from the employer or the Employees Group Insurance Division of the Office of Management and Enterprise Services before termination.

SURVIVOR BENEFITS

Members' designated beneficiaries or estates are entitled to survivor benefits if the members are active in-service or retired at the time of their death.

If a member is an active in-service member at the time of death, the beneficiary(ies) will receive an \$18,000 death benefit, plus the contributions in the member's account and interest on those contributions. "Active in-service" is defined in the System's rules, but generally means a member currently employed by an Oklahoma public education institution. If a member dies, and the member is an active in-service member who qualified for service retirement and has one designated primary beneficiary, he or she may choose a monthly benefit instead of the lump-sum payment.

When an inactive member dies, the beneficiaries receive the amount of the contributions in the member's account, plus interest on those contributions, but will not qualify for the \$18,000 death benefit or the monthly retirement benefit payment payable to the surviving beneficiary of active in-service members.

If a retiree dies, the beneficiaries or estate will receive a \$5,000 death benefit, plus the survivor benefits provided by retiree's chosen retirement plan option. Certain plan options provide surviving joint annuitants with a continuing monthly retirement benefit.

WITHDRAWING CONTRIBUTIONS

If a member leaves a job that was qualified for membership, the member may request a refund of his or her contributions any time after the last day on that job. The member will be eligible to receive the refund four months after termination. The refund includes all member contributions, even if these contributions were made on the member's behalf by the employer, plus any applicable portion of interest earnings. When a member accepts a refund, all service credit is forfeited.

If a member returns to qualifying employment, the amount of the withdrawal may be redeposited after contributing to the System for 12 months.

Redepositing withdrawn contributions reinstates the initial membership date. If withdrawn contributions are not redeposited, the official membership date will be the date the member rejoined the System.

If the member redeposits, the entire amount withdrawn must be repaid to the System. In addition, 10% simple interest must be redeposited on the withdrawn amount for each year the account was withdrawn. This amount may be paid in one lump sum or through installment payments for up to 60 months.

Only an optional member (support personnel) can terminate membership in the System without terminating employment. If an optional member withdraws his or her account without leaving employment, the IRS requires that pre-tax contributions remain on deposit with the System and cannot be refunded until the member leaves employment.

If a member continues to work for the employer after terminating membership, the member can rejoin the System only under special provisions of an Internal Revenue Service private letter ruling requiring a period of non-membership and loss of the right to redeposit withdrawn service or purchase prior service credits. In this case, the member would become a new member as of the date he or she resumes making contributions to the System.

A member may also leave the contributions in his or her account. If a member is vested (have at least five or seven years of Oklahoma service), the account will continue earning interest until the member withdraws it or begins drawing a retirement benefit. If a member is not vested, the account will continue earning interest for five years, unless withdrawn before then.

THE 403(b) TAX SHELTERED ANNUITY PLAN

The System sponsors a tax sheltered annuity program qualified under § 403(b) of the Internal Revenue Code. A member may deposit funds into this plan if the member's local Board of Education or other governing board adopts a resolution making the plan available to its employees.

The tax sheltered annuity program was managed internally since its inception in 1964. In July 2009, the Board of Trustees hired Voya Financial Inc. to be the service provider for the 403(b) Plan.

Under the new plan, participants may access their accounts 24 hours a day by phone or the internet. Customer service representatives are available each weekday from 7:00 am to 8:00 pm. The investments are flexible and diversified with fifteen options to choose from.

The plan has the comprehensive educational strategy developed by Voya and a dedicated representative from Voya is available to meet with a participant at least annually to discuss retirement goals and needs.

*The 403(b) Plan will be terminated effective January 29, 2021.

RIGHTS AND RESPONSIBILITIES

Teachers' Retirement System of Oklahoma publications provide answers to general questions. A member is responsible for resolving any questions about his or her retirement account. Members are entitled to counseling from the staff concerning any questions they have about their retirement account. The System will not be held accountable for information that is contrary to statutes or administrative rules, regardless of who provides that information.

For details of how statutes and administrative rules may affect a retirement account, contact

Teachers' Retirement System of Oklahoma
Mailing Address

PO Box 53524
Oklahoma City, OK 73152-3524

Street Address
Oliver Hodge Building
2500 N. Lincoln Blvd. – 5th Floor
Oklahoma City, OK 73105

Phone Numbers
405-521-2387 (OKC Area)
877-738-6365 (Toll Free)

Website:
<http://www.ok.gov/TRS>

This Plan Summary provides general information summarizing the basic benefits available to members of the System. If conflict arises between information contained in this summary and state statutes or official Teachers' Retirement System of Oklahoma rules, the law and/or rule takes precedence.

Revised 12/1/20



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Teachers' Retirement System
of Oklahoma**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



Financial Section



Independent Auditor's Report

To the Board of Trustees
Teachers' Retirement System of Oklahoma
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Teachers' Retirement System of Oklahoma (the System), a component unit of the state of Oklahoma, which comprise the statement of fiduciary net position as of June 30, 2020, and the related statement of changes in fiduciary net position, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of fiduciary net position of the Teachers' Retirement System of Oklahoma, as of June 30, 2020, and the respective changes in fiduciary net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

What inspires you, inspires us. | eidebailly.com

Report on Summarized Comparative Information

We have previously audited the System's June 30, 2019 financial statements, and we expressed an unmodified opinion on the statement of fiduciary net position and the statement of changes in fiduciary net position in our report dated October 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Alternative Investments

As discussed in Notes 2 and 3 to the financial statements, total system investments include investments valued at \$2,777,337,842 (15.1% of total assets), as of June 30, 2020, whose fair values have been estimated by management in the absence of readily determinable values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 22 to 27 and 50 to 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information accompanying financial information listed as other supplementary information on pages 60 to 62 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed as supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Handwritten signature in cursive script that reads "Eric Bailly LLP".

October 16, 2020
Oklahoma City, Oklahoma

**Management's Discussion and Analysis
Teachers' Retirement System of Oklahoma
June 30, 2020 and 2019**

Management is pleased to present this discussion and analysis of the financial activities of the Teachers' Retirement System of Oklahoma ("TRS" or the "System") for the years ended June 30, 2020 and 2019. The System is responsible for administering retirement benefits for the following plans: an Internal Revenue Code (IRC) section 401(a) defined benefit plan (401(a) Plan) and an IRC Section 401(h) medical supplement defined benefit plan (OPEB Plan), (collectively "the Plans"). The 401(a) Plan is available for all educational employees of the state of Oklahoma. The 401(h) Plan is available for all eligible members. Finally the 403(b) Plan is a tax-advantaged retirement savings plan also available to all educational employees of the State.

The System was established on July 1, 1943, for the purpose of providing these retirement benefits and other specific benefits for qualified persons employed by public educational institutions. The main purpose of the System is to provide a primary source of lifetime retirement benefits relative to years of service at the time of retirement. It is the objective of the System to provide these benefits in a prudent, responsible, and cost-effective manner. Plan net assets are used to pay current and future benefits to retired clients.

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. TRS's basic financial statements are comprised of three components: 1) *statement of fiduciary net position*, 2) *statement of changes in fiduciary net position*, and 3) *notes to the financial statements*. This report also contains *required supplementary information* and *other supplementary information* in addition to the basic financial statements' themselves.

The *Statement of Fiduciary Net Position* presents information on all of the System's assets and liabilities, with the difference between these reported as *net position restricted for pensions and OPEB*. Over time, increases or decreases in plan net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating. Information relating to the System's ability to meet the cost of future benefit payments is not shown on the *statement of fiduciary net position* but is located in both the *notes to the financial statements* and the *required supplementary information*.

The *Statement of Changes in Fiduciary Net Position* presents information showing how the System's net position changed during the most recent fiscal year. Changes in net position are recognized using the accrual basis of accounting, in which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned and become measurable.

The *notes to the financial statements* are critical to the reader's understanding of the financial status of the System. These notes include a description of the System, details on the cash and investments of the System, as well as contribution and benefit information.

The *required supplementary information (RSI)* presents various required schedules for pensions and OPEB.

The *other supplementary information* includes the Schedule of Administrative Expenses, the Schedule of Investment Expenses, and the Schedule of Professional/Consultants Fees. These schedules provide additional analysis of the information provided in the financial statements.

The following are condensed schedules of financial information about the Plans in the System for the years ended June 30, 2020, 2019 and 2018 and the results of the years then ended.

**Management's Discussion and Analysis
Teachers' Retirement System of Oklahoma
June 30, 2020 and 2019**

Condensed Financial Information

Fiduciary net position as of June 30:

	OPEB Plan	401(a) Plan	403(b) Plan	System Total			2020	2019
				2020	2019	2018	% Change	% Change
Assets								
Cash	\$ -	\$ 26,064,064	\$ -	\$ 26,064,064	\$ 22,473,742	\$ 14,647,016	16.0%	53.4%
Receivables	4,845,720	242,462,013	-	247,307,733	309,141,320	336,640,442	-20.0%	-8.2%
Long- and short-term investments, at fair value	443,636,929	16,507,118,019	153,884,145	17,104,639,093	17,537,310,521	16,785,027,025	-2.5%	4.5%
Capital assets, net	112,611	4,088,623	-	4,201,234	4,419,523	4,500,123	-4.9%	-1.8%
Total investments and other assets	448,595,260	16,779,732,719	153,884,145	17,382,212,124	17,873,345,106	17,140,814,606	-2.8%	4.3%
Securities lending institutional daily assets fund	27,665,653	1,004,474,122	-	1,032,139,775	1,400,061,005	1,729,963,543	-26.3%	-19.1%
Total assets	476,260,913	17,784,206,841	153,884,145	18,414,351,899	19,273,406,111	18,870,778,149	-4.5%	2.1%
Liabilities								
Investment settlements and other liabilities	8,006,767	290,706,675	-	298,713,442	589,414,537	345,111,757	-49.3%	70.8%
Payable under securities lending agreement	27,665,653	1,004,474,122	-	1,032,139,775	1,400,061,005	1,729,963,543	-26.3%	-19.1%
Total liabilities	35,672,420	1,295,180,797	-	1,330,853,217	1,989,475,542	2,075,075,300	-33.1%	-4.1%
Net Position								
Net position restricted for pensions and OPEB	\$ 440,588,493	\$ 16,489,026,044	\$ 153,884,145	\$ 17,083,498,682	\$ 17,283,930,569	\$ 16,795,702,849	-1.2%	2.9%

**Management's Discussion and Analysis
Teachers' Retirement System of Oklahoma
June 30, 2020 and 2019**

Changes in fiduciary net position for the year ended June 30:

	OPEB Plan	401(a) Plan	403(b) Plan	System Total			2019	2018
				2020	2019	2018	% Change	% Change
Additions:								
Member contributions	\$ -	\$ 340,057,646	\$ -	\$ 340,057,646	\$ 325,766,148	\$ 312,866,576	4.4%	4.1%
Employer contributions	914,797	457,391,205	-	458,306,002	447,039,679	415,981,030	2.5%	7.5%
Matching contributions	-	28,745,259	-	28,745,259	27,969,601	26,437,350	2.8%	5.8%
Dedicated tax revenue	-	330,620,451	-	330,620,451	343,701,556	318,172,751	-3.8%	8.0%
Member tax shelter contributions	-	-	2,349,639	2,349,639	1,660,076	1,723,454	41.5%	-3.7%
Net investment income gain (loss)	3,045,318	110,576,703	8,139,442	121,761,463	810,595,831	1,500,561,135	-85.0%	-46.0%
Security lending net income	177,243	6,435,280	-	6,612,523	6,282,180	7,746,700	5.3%	-18.9%
Total additions	4,137,358	1,273,826,544	10,489,081	1,288,452,983	1,963,015,071	2,583,488,996	-34.4%	-24.0%
Deductions:								
Benefit payments	35,672,198	1,396,258,730	-	1,431,930,928	1,414,686,012	1,360,875,891	1.2%	4.0%
Refund of member contributions and other payments	-	35,183,705	16,499,697	51,683,402	54,902,369	60,496,096	-5.9%	-9.2%
Administrative expenses	4,165	5,266,375	-	5,270,540	5,198,970	4,211,448	1.4%	23.4%
Total deductions	35,676,363	1,436,708,810	16,499,697	1,488,884,870	1,474,787,351	1,425,583,435	1.0%	3.5%
Net increase (decrease) in net position	(31,539,005)	(162,882,266)	(6,010,616)	(200,431,887)	488,227,720	1,157,905,561	-141.1%	-57.8%
Net Position Restricted for Pensions and OPEB								
Beginning of year	472,127,498	16,651,908,310	159,894,761	17,283,930,569	16,795,702,849	15,637,797,288	2.9%	7.4%
End of year	\$ 440,588,493	\$ 16,489,026,044	\$ 153,884,145	\$ 17,083,498,682	\$ 17,283,930,569	\$ 16,795,702,849	-1.2%	2.9%

**Management's Discussion and Analysis
Teachers' Retirement System of Oklahoma
June 30, 2020 and 2019**

Financial Highlights and Analysis

The pension system's net position decreased 1.0 percent and the OPEB net position decreased 6.7 percent. The decrease was due to modest investment returns in an environment dominated by the global pandemic. The domestic equity portfolio earned a negative net return of (3.24) percent. The international equity portfolio also earned a negative net return of (4.87) percent. The fixed income portfolio earned a strong net return of 10.51 percent as it benefited from falling interest rates. The System's core and non-core real estate portfolios earned modestly negative net returns of (2.32) percent and (0.21) percent respectively. The System exited its exposure to Master Limited Partnerships in September of 2019 avoiding the 2020 oil-price disruption and subsequent significant pandemic-related downdraft in the energy sector. The System's private equity portfolio earned strong net returns of 11.02 percent while the private credit portfolio earned negative net returns of (8.22) percent. In total, the System's portfolio earned a net return of 0.77 percent falling short of the portfolio's policy benchmark return of 3.54 percent and the System's actuarial assumed return of 7 percent.

	OPEB Plan	401(a) Plan	403(b) Plan	System Totals		
				2020	2019	2018
Plan net position	\$ 440,588,493	\$ 16,489,026,044	\$ 153,884,145	\$ 17,083,498,682	\$ 17,283,930,569	\$ 16,795,702,849
Yearly % change	-6.7%	-1.0%	-3.8%	-1.2%	2.9%	7.4%

The total investment return for the five-year period of 5.8 percent is below the 7.0 percent actuarial assumed rate of investment return. The five-year return is lower than the previous year due to weak returns for 2020.

Total Returns	1 Year	3 Year	5 Year	10 Year
2020	1.0%	5.5%	5.8%	9.5%
2019	5.5%	10.2%	6.3%	11.1%
2018	10.0%	7.5%	9.5%	8.6%

Benefit payments increased 1.2 percent in FY2020 compared to FY2019. The increase is a result of a 1.5 percent increase in the number of benefit recipients and a 1.3 percent increase in the average monthly benefit. Benefit payments to retired members in FY2020 exceeded contributions from members and employers by \$323 million, or a ratio of 1.23 to 1. A ratio of more than one signifies that the System is receiving fewer contributions than it pays out in benefits. In a mature pension system like TRS a significant percentage of the benefits is paid out of investment earnings that are not reflected in this ratio. The table on the following page reflects the ongoing employer and member contributions.

	OPEB Plan	401(a) Plan	403(b) Plan	System Totals		
				2020	2019	2018
Member contributions	\$ -	\$ 340,057,646	\$ 2,349,639	\$ 342,407,285	\$ 327,426,224	\$ 314,590,030
Employer contributions	914,797	457,391,205	-	458,306,002	447,039,679	415,981,030
State matching funds	-	28,745,259	-	28,745,259	27,969,601	26,437,350
Dedicated tax revenue	-	330,620,451	-	330,620,451	343,701,556	318,172,751
Total contributions	\$ 914,797	\$ 1,156,814,561	\$ 2,349,639	\$ 1,160,078,997	\$ 1,146,137,060	\$ 1,075,181,161
Benefit payments	\$ 35,672,198	\$ 1,396,258,730	\$ -	\$ 1,431,930,928	\$ 1,414,686,012	\$ 1,360,875,891
Refund of contributions	-	35,183,705	16,499,697	51,683,402	54,902,369	60,496,096
Total payments	\$ 35,672,198	\$ 1,431,442,435	\$ 16,499,697	\$ 1,483,614,330	\$ 1,469,588,381	\$ 1,421,371,987
Ratio of benefit payments to contributions	38.99:1	1.21:1	7.02:1	1.23:1	1.28:1	1.32:1

**Management's Discussion and Analysis
Teachers' Retirement System of Oklahoma
June 30, 2020 and 2019**

Financial Highlights and Analysis (Continued)

The number of pension benefit recipients increased 1.5 percent in FY2020 as compared to 1.6 percent in FY2019 and 2.3 percent in FY2018. There was a net increase of 957; 1,025 and 1,405 members that retired for FY 2020, FY2019 and FY2018, respectively. The number of OPEB benefit recipients increased 1.0 percent in FY2020 as compared to 1.1 percent for FY2019 and 1.7 percent for FY2018. There was an increase of 567 members that retired and opted to receive the OPEB benefit in FY2020 as compared to 644 for FY2019.

	OPEB Plan 2020	401(a) Plan 2020	OPEB Plan 2019	401(a) Plan 2019	OPEB Plan 2018	401(a) Plan 2018
Benefit recipients	59,077	65,778	58,510	64,821	57,866	63,796
Yearly % change	1.0%	1.5%	1.1%	1.6%	1.7%	2.3%
Net increase	567	957	644	1,025	965	1,405

The following table reflects the average monthly benefit for service retirements. While the table above reflects an increase in the number of retirees in the past year of 1.5 percent, the table below reflects the average benefit per retiree has only increased by 1.3 percent in FY2020 as compared to 1.2 percent and 1.4 percent in FY2019 and FY2018 respectively. The increase in benefit recipients was 0.2 percent higher in FY2020 as compared to 0.4 percent in FY2019 and 0.9 percent in FY2018 than the increase in average benefit payment below.

	2020		2019		2018	
Average monthly benefit	\$	1,749	\$	1,726	\$	1,705
Yearly % change		1.3%		1.2%		1.4%

The following table shows the ratio of active members to retired members of the System is 1.39 to 1 in FY2020, compared to 1.39 to 1 in FY2019, and 1.39 to 1 in FY2018. The ratio for FY2020 remained the same as fiscal year 2019 due to retiring teachers being replaced by new hires. Contributing members increased by 1,457 in FY2020; 1,480 in FY2019 and 1,405 in FY2018, while benefit recipients increased by 957 in FY2020; 1,025 in FY2019 and 1,405 in FY2018.

	401(a) Plan 2020	401(a) Plan 2019	401(a) Plan 2018
Members contributing	91,471	90,014	88,534
Yearly % change	1.6%	1.7%	0.8%
Benefit recipients	65,778	64,821	63,796
Yearly % change	1.5%	1.6%	2.3%
Ratio contributing/retired	1.39	1.39	1.39

In the table below the ratio of the 401(a) plan fiduciary net position to the total 401(a) plan liability decreased by 8.1 percent in FY2020 and decreased by 1.1 percent in FY2019. The OPEB plan fiduciary net position to the total OPEB plan liability decreased by 12.8 percent in FY2020 and decreased by 0.3 percent in FY2019. The funded ratios of the 401(a) plan and the OPEB plan are 63.5 percent and 102.3 percent respectively for FY2020.

	OPEB Plan 2020	401(a) Plan 2020	OPEB Plan 2019	401(a) Plan 2019	OPEB Plan 2018	401(a) Plan 2018
Total pension liability	\$ -	\$ 25,979,258,830	\$ -	\$ 23,269,907,920	\$ -	\$ 22,196,455,995
Total OPEB liability	430,681,821		410,294,941	-	419,430,692	
Fiduciary net position -Pensions or similar	440,588,493	16,489,026,044	472,127,498	16,651,908,311	484,056,162	16,145,072,793
Employers' net pension liability	-	9,490,232,786	-	6,617,999,609	-	6,051,383,202
Employers' net OPEB asset	(9,906,672)	-	(61,832,557)	-	(64,625,470)	
Ratio of Employers' fiduciary net position to applicable liabilities	102.3%	63.5%	115.1%	71.6%	115.4%	72.7%

**Management's Discussion and Analysis
Teachers' Retirement System of Oklahoma
June 30, 2020 and 2019**

Financial Highlights and Analysis (Continued)

Under GASB Statement 67 the 401(a) plan ratio above represents the Total Pension Liability compared to the Plan's total net position at fair value. Prior to GASB Statement 67 this ratio was calculated using the actuarial value of the Plan's net position.

Under GASB Statement 74 the ratio above represents the Total OPEB Liability compared to the Plan's total net position at fair value.

Based on the actuarial value of assets or the market value of assets at the end of FY 2019, and the projected continuation of contribution rates and other revenue, and all assumptions hold constant, the Plan's actuary projects a "funding period" of 21 years.

In June of 2018 TRS purchased the Harvey Parkway building located on the northwest corner of NW 63rd and N. Harvey Place in Oklahoma City. The six story office building was purchased as a real estate investment, but TRS also plans to relocate the TRS office to the new building by December 1, 2020. The move in date was delayed because of the onset of COVID-19.

House Bill 3350 passed in the 2020 Legislative Session. This granted Cost of Living Adjustments (COLAs) for retirees who had been retired at least two (2) years as of July 1, 2020. Retirees who had been retired for at least two (2) years but under five (5) years, received 2% COLAs. Those who had been retired for at least five (5) years or more received 4% COLAs. The increased benefit began with the retirees' July 2020 benefit payment.

House Bill 2741 also passed in the 2020 session. This bill temporarily changes the rate of dedicated revenue from state sales and use tax, as well as personal and corporate income tax, for FY 2021 through FY 2027. The rate was reduced to 3.50% for FY 2021 and 3.75% for FY 2022. The rate then increases to 5.50% for FY 2023 through FY 2027 and returns back to 5.00% beginning in FY 2028.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all those with an interest in the System. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Oklahoma 73152 or (405) 521-2387.

Teachers' Retirement System of Oklahoma

Statement of Fiduciary Net Position
June 30, 2020 (With Comparative Totals as of June 30, 2019)

	OPEB Plan	401(a) Plan	403(b) Plan	Totals June 30,	
				2020	2019
Assets					
Cash	\$ -	\$ 26,064,064	\$ -	\$ 26,064,064	\$ 22,473,742
Short-term investments	15,898,315	577,230,039	-	593,128,354	498,543,221
Accrued interest and dividends receivable	1,629,846	59,175,844	-	60,805,690	65,929,644
Member contributions receivable	-	26,608,835	-	26,608,835	27,636,163
Employer contributions receivable	1,154,611	41,921,176	-	43,075,787	45,263,083
Receivable from the State of Oklahoma	-	39,916,588	-	39,916,588	42,010,878
Due from brokers for securities sold	2,061,263	74,839,570	-	76,900,833	128,301,552
Security lending institutional daily assets fund	27,665,653	1,004,474,122	-	1,032,139,775	1,400,061,005
Long-term investments:					
Mutual funds	-	-	153,884,145	153,884,145	159,894,761
U.S. government securities	32,160,584	1,197,727,956	-	1,229,888,540	1,496,701,473
U.S. corporate bonds	51,041,100	1,900,878,195	-	1,951,919,295	1,934,923,665
International corporate bonds and government securities	11,143,029	414,989,885	-	426,132,914	476,412,832
Equity securities	260,768,778	9,711,579,225	-	9,972,348,003	10,127,480,600
Private equity	42,206,150	1,571,846,013	-	1,614,052,163	1,509,462,971
Real estate	30,418,973	1,132,866,706	-	1,163,285,679	1,333,890,998
Total long-term investments	427,738,614	15,929,887,980	153,884,145	16,511,510,739	17,038,767,300
Capital assets, net	112,611	4,088,623	-	4,201,234	4,419,523
Total assets	\$ 476,260,913	\$ 17,784,206,841	\$ 153,884,145	\$ 18,414,351,899	\$ 19,273,406,111
Liabilities					
Benefits in process of payment	\$ 2,615,474	\$ 94,961,639	\$ -	\$ 97,577,113	\$ 94,727,185
Due to brokers for securities purchased	5,167,904	187,634,306	-	192,802,210	483,459,869
Payable under security lending agreement	27,665,653	1,004,474,122	-	1,032,139,775	1,400,061,005
Other liabilities	223,389	8,110,730	-	8,334,119	11,227,483
Total liabilities	\$ 35,672,420	\$ 1,295,180,797	\$ -	\$ 1,330,853,217	\$ 1,989,475,542
Net Position					
Net position restricted for pensions and OPEB	\$ 440,588,493	\$ 16,489,026,044	\$ 153,884,145	\$ 17,083,498,682	\$ 17,283,930,569

See Notes to Financial Statements.

Teachers' Retirement System of Oklahoma

Statement of Changes in Fiduciary Net Position

For the year ended June 30, 2020 (With Comparative Totals for the Year Ended June 30, 2019)

	OPEB Plan	401(a) Plan	403(b) Plan	Totals	
				Year Ended June 30,	
				2020	2019
Additions:					
Members	\$ -	\$ 340,057,646	\$ -	\$ 340,057,646	\$ 325,766,148
Contributions to 403(b) plan	-	-	2,349,639	2,349,639	1,660,076
Employer statutory requirement from local school districts	914,797	457,391,205	-	458,306,002	447,039,679
Matching funds	-	28,745,259	-	28,745,259	27,969,601
Dedicated tax	-	330,620,451	-	330,620,451	343,701,556
Total contributions	914,797	1,156,814,561	2,349,639	1,160,078,997	1,146,137,060
Investment income:					
Interest and dividends	9,803,888	355,960,031	6,630,994	372,394,913	413,162,007
Net appreciation (depreciation) in fair value of investments	(5,201,217)	(188,835,392)	1,508,448	(192,528,161)	465,040,551
Investment expenses	(1,557,353)	(56,547,936)	-	(58,105,289)	(67,606,727)
Gain from investing activities	3,045,318	110,576,703	8,139,442	121,761,463	810,595,831
Income from securities lending activities:					
Securities lending income	196,937	7,150,311	-	7,347,248	6,980,200
Securities lending expenses:					
Management fees	(19,694)	(715,031)	-	(734,725)	(698,020)
Net income from securities lending activities	177,243	6,435,280	-	6,612,523	6,282,180
Net investment gain	3,222,561	117,011,983	8,139,442	128,373,986	816,878,011
Total additions	4,137,358	1,273,826,544	10,489,081	1,288,452,983	1,963,015,071
Deductions:					
Retirement, death, survivor and health benefits	35,672,198	1,396,258,730	-	1,431,930,928	1,414,686,012
Refund of member contributions and other payments	-	35,183,705	16,499,697	51,683,402	54,902,369
Administrative expenses	4,165	5,266,375	-	5,270,540	5,198,970
Total deductions	35,676,363	1,436,708,810	16,499,697	1,488,884,870	1,474,787,351
Net increase (decrease) in net position	(31,539,005)	(162,882,266)	(6,010,616)	(200,431,887)	488,227,720
Net position restricted for:					
Beginning of year	472,127,498	16,651,908,310	159,894,761	17,283,930,569	16,795,702,849
End of year	\$ 440,588,493	\$ 16,489,026,044	\$ 153,884,145	\$ 17,083,498,682	\$ 17,283,930,569

See Notes to Financial Statements.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 1. Description of the System

The following brief description of the Teachers' Retirement System of Oklahoma (the "System" or "TRS") is provided for general information purposes only. The plan's benefits are established and amended by State Statute and participants should refer to Title 70 of the Oklahoma Statutes, 1991, Sections 17-101 through 121, as amended.

The System was established as of July 1, 1943 for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The System is a part of the state of Oklahoma financial reporting entity, which is combined with other similar funds to comprise the fiduciary-pension trust funds of the state of Oklahoma (the "State"). The System administers a cost-sharing multiple-employer pension plan which is a defined benefit pension plan ("DB Plan"), a cost-sharing multiple-employer benefit plan other than pensions ("OPEB Plan") as well as a tax-deferred defined contribution plan ("DC Plan").

The supervisory authority for the management and operation of the System is a 15-member Board of Trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The Board of Trustees is comprised of six appointees from the Governor's Office, two appointees by the Senate Pro Tempore, two appointees by the House Speaker, four Ex Officio positions, and one non-voting member representing Retired Professional Oklahoma Educators. Out of the six appointees from the Governor's Office, one must be a Higher Education representative, one is a non-classified optional personnel, and the remaining four must work in the public or private funds management, banking, law or accounting field. Out of the two Senate Pro Tempore's as well as the House Speaker's appointees, one must be an active classroom teacher while the other be a retired member of Oklahoma Teachers Retirement. The Ex Officio trustees are the State School Superintendent, the Office of Management and Enterprise Services Director, the Career-Tech Director or their designee, and the State Treasurer.

DB Plan: Oklahoma teachers and other certified employees of common schools, faculty and administrators in public colleges and universities, and administrative personnel of state educational boards and employees of agencies who are employed at least half-time must join the System's DB Plan. Membership is optional for all other regular employees of public educational institutions who work at least 20 hours per week. There are 600 contributing employers in the System. The DB Plan's membership consisted of the following as of June 30, 2020:

Pension

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	65,778
Inactive Plan Members Entitled to But Not Yet Receiving Benefits*	13,091
Active Plan Members	91,471
	170,340

* Does not include 13,686 of non-vested terminated members entitled to a refund of their member contributions.

OPEB Plan: TRS will pay a monthly health insurance premium supplement for each retired member who is enrolled in the health insurance plan provided by the State and Education Employees Group Health and Dental Insurance plan or in an insurance program provided by a participating education employer who provides health insurance coverage to former employees, provided the retired member had at least ten (10) years of Oklahoma service prior to retirement. The supplement paid by TRS shall be the premium rate of the Medicare supplement charged to the retired employees not to exceed an amount between \$100 and \$105, depending on length of service and the final average salary of the retired member.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 1. Description of the System (Continued)

OPEB Plan: The OPEB Plan's membership consisted of the following as June 30, 2020:

OPEB	
Inactive Plan Members or Beneficiaries Currently Eligible to Receive Benefits	59,077
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5,409
Active Plan Members	91,471
Total Plan Members	<u>155,957</u>

DC Plan: Members are also offered a tax-deferred defined contribution plan qualified under the Internal Revenue Code ("IRC") Section 403(b). The DC Plan is also referred to by the System as the Tax-Sheltered Annuity Plan. Membership in the DC Plan is voluntary, and investments primarily consist of mutual funds and are participant directed. Voya, a service provider, is responsible for administrative services, including custody and record keeping services.

The DC Plan had approximately 2,772 participants as of June 30, 2020. Contributions are voluntary and require a minimum of \$200 per year. The maximum deferral amount is the lesser of 100 percent of the participant's compensation or the maximum amount allowed by the IRC, currently \$19,500. Participants age 50 and older may contribute an additional \$6,500 if they qualify for the catch up provision.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The System has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America and using the economic resources measurement focus. The financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are established by Oklahoma Statutes as a percentage of salaries and are recognized when due, pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Oklahoma Statutes. Administrative expenses are funded through investment earnings.

Budgetary control: The System prepares and submits an annual budget of operating expenses on the cash basis for monitoring and reporting to the Office of Management and Enterprise Services. The System's budget process follows the budget cycle for State operations as outlined by the Office of Management and Enterprise Services.

The Executive Director may approve changes within the budget, but a change to the total budget must be handled according to the provision of Title 62 O.S. Sec. 41.12 of the Oklahoma Statutes.

Investments: The System is authorized to invest in eligible investments as approved by the Board of Trustees as set forth in the System's investment policy. The Board reviews and updates the plan investment policy at least annually, making changes as deemed necessary to achieve policy goals. An investment policy change can be made at any time during the year at the discretion of the Board.

System investments are reported at fair value within the hierarchy established by generally accepted accounting principles, most recently by Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The short-term investment fund is comprised primarily of investments in a money market fund, which are reported at cost, which approximates fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The System also invests as a limited partner in alternative investments. These investments employ specific strategies such as leveraged buyouts, venture capital, growth capital, distressed investments, and mezzanine capital. The strategies of all such funds are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Alternative investment partnerships are valued using their respective net asset value (NAV) and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors and consultation with valuation specialists. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

The System's real estate investments are primarily through limited partnerships. Properties owned by the partnership are subject to independent third-party appraisals performed every three years in accordance with the Uniform Standards of Professional Appraisal Practice. The System's real estate investments are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Limited partner interests are valued by the System using the NAV of the partnership. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually, and may be periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment. The System evaluates investments in conjunction with their custodial bank and investment managers for impairment whenever events or changes in circumstances indicate that the carrying or fair value of the asset may not be recoverable. Should investments be deemed permanently impaired, the carrying or fair value is adjusted to the impaired value with an adjustment to investment income.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from foreign currency translation gains and losses, securities lending income and expenses, and investment expenses, which includes investment management and custodial fees and all other significant investment related costs.

International investment managers use forward foreign exchange contracts to enhance returns or to control volatility. Currency risks arise due to foreign exchange rate fluctuations. Forward foreign exchange contracts are negotiated between two counter-parties. The System could incur a loss if its counter-parties failed to perform pursuant to the terms of their contractual obligations. The gains and losses on these contracts are included in the income in the period in which the exchange rates change. See Note 3 for additional information regarding investment derivatives as of June 30, 2020.

The System's investment policy provides for investment diversification of stocks, bonds, fixed income securities, real estate, alternative investments, and other investment securities along with investment in commingled or mutual funds. Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market, and credit risks.

Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term, and those changes could materially affect the amounts reported in the statements of fiduciary net position.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

At June 30, 2020, the asset allocation guidelines established by the Board's investment policy were:

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Domestic Equity	43.5%
International Equity	19.0%
Domestic Fixed Income	22.0%
Real Estate	9.0%
Alternative Assets	6.5%
Total	<u>100.0%</u>

Capital assets: Capital assets are stated at cost when acquired, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, which range from five to ten years.

Risks and uncertainties: Contributions to the System and the actuarial information included in Note 10 and the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Income taxes: The System is exempt from federal and state income taxes and has received a favorable determination from the Internal Revenue Service (the "IRS") under Internal Revenue Code (the "IRC") Section 401(a). The System's 403(b) Plan is also tax-exempt and has received a private letter ruling from the IRS.

Compensated absences: It is the State's policy to permit employees to accumulate earned but unused vacation and sick leave. Employees earn annual vacation leave based upon their start date and years of service. All accrued vacation leave is payable upon termination, resignation, retirement, or death. Sick leave does not vest to the employee and therefore is not recorded as a liability. Amounts due to the employees for compensated absences were approximately \$290,000 at June 30, 2020.

Plan termination: In the event the System terminates, the board of trustees will distribute the net position of the System to provide the following benefits in the order indicated:

Accumulated contributions will be allocated to each respective member, former member, retired member, joint annuitant, or beneficiary then receiving payments.

The balance of such assets, if any, will be allocated to each member then having an interest in the System based upon the excess of their retirement income under the System less the retirement income, which is equal to the actuarial equivalent of the amount allocated to them in accordance with the preceding paragraph in the following order:

- Those retired members, joint annuitants, or beneficiaries receiving payments
- Those members eligible to retire
- Those members eligible for early retirement
- Former members electing to receive a vested benefit
- All other members

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the System's management to make significant estimates and assumptions. Management of the System has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements, note disclosure and required supplementary information (RSI) in conformity with U.S. generally accepted accounting principles (GAAP). Actual results could differ from these estimates.

Note 3. Cash and Investments

At June 30, 2020, the carrying amount of the System's bank deposits was approximately \$26,064,000. The bank balance of the System's bank deposits at June 30, 2020 was approximately \$22,230,000.

Custodial credit risk: Custodial credit risk is the risk that in the event of the failure of a counterparty, the System will not be able to recover the value of its bank deposits or investments. Bank deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. In relation to its bank deposits, the System is not considered to be exposed to custodial credit risk. Although the System does not have a formal bank deposit policy for custodial credit risk, the State Treasurer holds all of the System's bank deposits. As required by Oklahoma Statutes, all bank deposits held by the State Treasurer are insured by Federal Deposit Insurance Corporation, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations.

Fair Value Measurements – The System categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) as follows:

- Level 1 Unadjusted quoted prices for identical instruments in active markets.
- Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured using the net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The following table shows the fair value levels of the investments for the System as of June 30, 2020:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments by fair value level				
Mutual Funds	\$ 153,884,145	\$ 153,884,145	\$ -	\$ -
Total mutual funds	153,884,145	153,884,145	-	-
Fixed Income securities				
Asset Backed Securities	234,905,827	-	234,382,192	523,635
Bank Loans	13,064,664	-	13,000,793	63,871
Commercial Mortgage-Backed	142,067,247	-	141,442,418	624,829
Corporate Bonds	1,892,756,556	-	1,884,969,381	7,787,175
Corporate Convertible Bonds	23,833,274	-	23,833,274	-
Government Agencies	9,536,642	-	9,536,642	-
Government Bonds	1,009,426,843	-	1,009,426,843	-
Government Mortgage Backed Securities	208,967,329	-	208,967,329	-
Gov't-issued Commercial Mortgage-Backed	2,351,528	-	2,351,528	-
Index Linked Government Bonds	31,504,587	-	31,504,587	-
Municipal/Provincial Bonds	14,032,642	-	14,032,642	-
Non-Government Backed C.M.O.s	25,493,610	-	22,686,485	2,807,125
Total fixed income securities	3,607,940,749	-	3,596,134,114	11,806,635
Equity securities				
Common Stock	9,671,834,923	9,654,647,227	7,647,722	9,539,974
Convertible Equity	10,197,004	10,197,004	-	-
Funds - Equities ETF	24,077,836	24,077,836	-	-
Preferred Stock	24,625,102	24,625,102	-	-
Rights/Warrants	422,357	311,840	-	110,517
Other Securities	149,837	-	36,000	113,837
Total equity securities	9,731,307,059	9,713,859,009	7,683,722	9,764,328
Total investments by fair value level	\$ 13,493,131,953	\$ 9,867,743,154	\$ 3,603,817,836	\$ 21,570,963
Investments measured at the net asset value (NAV)				
Alternative investments				
Private Equity Investments	1,614,052,163			
Real Estate Investments	1,163,285,679			
Total alternative investments	2,777,337,842			
Commingled Mutual Funds	241,040,944			
Total Investments measured at the NAV	3,018,378,786			
Total Investments measured at fair value and NAV	\$ 16,511,510,739			

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Equity, derivative securities, and governmental debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and debt derivative securities classified in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price feed by the applicable day's Index Ratio.

Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Level 3 debt securities use proprietary information or single source pricing. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities.

Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

Investments in Entities that Calculate Net Asset Value per Share

The System holds shares or interests in investment companies at where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The System's policy is to obtain an external appraisal a minimum of every year for properties or portfolios over which the System has some degree of control or discretion. In practice, some investments are appraised annually. Appraisals are performed by an independent appraiser with preference for Member Appraisal Institute (MAI) designated appraisers. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

At year end, the NAV value, unfunded commitments, and redemption rules of those investments is as follows:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Equity investments	\$ 1,614,052,163	\$ 491,753,924	N/A	N/A
Real Estate investments	1,163,285,679	310,585,445	N/A	N/A
Commingled Mutual Funds	241,040,944		Daily	1 Day
Total investments measured at the NAV	<u>\$ 3,018,378,786</u>			

Real Estate Investments: This type includes 18 real estate funds that invest primarily in commercial real estate. The values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Private Equity Funds: This type includes 7 private equity funds that invest primarily in leveraged buyouts. The values of the investments in this type have been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital. These investments can never be redeemed from the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 20 years. Because it is not probable that any individual investment will be sold, the value of each individual investment has been determined using the NAV per share (or its equivalent) of the portfolio's ownership interest in partners' capital.

Commingled Mutual Funds: This type includes investments in an open-end mutual fund that emphasizes broad diversification and consistent exposure to emerging market small company stocks. The value of the investment in this type has been determined using the NAV per share of the investment.

The System does not anticipate restrictions, other than those outlined in the table, on the ability to sell individual investments at the measurement date. Additionally, the System does not anticipate that NAV-driven investments will become redeemable at valuations materially different from the corresponding NAV listed above. The System has no prescribed time frame to liquidate the investments.

Custodial Credit Risk of Investments: Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the System, and are held by a counterparty or the counterparty's trust department but not in the name of the System. While the System's investment policy does not specifically address custodial credit risk, it does limit the amount of cash equivalents and short-term investments to no more than 5 percent of each manager's portfolio. At June 30, 2020, the System had uninsured and uncollateralized deposits translated to approximately \$6,011,000 with its custodial agent.

Credit risk: Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The System's investment policy places limits on the amount of the fixed income portfolio that may be invested in bonds rated Ba1 or lower by Moody's or BB+ or lower by Standard & Poor's. Short-term investments include United States Treasury bills that mature in less than 90 days.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

The following table presents the System's fixed income securities subject to credit risk (amounts in thousands):

Investment Type	AAA	AA	A	BBB	BB	B
Asset backed securities	\$ 78,531	\$ 12,393	\$ 13,220	\$ 17,314	\$ 2,521	\$ -
Bank loans	-	-	-	-	2,249	7,422
Collateralized Bonds	-	-	-	-	-	-
Commercial mortgage-backed	36,221	13,368	6,610	3,921	3,210	4,678
Corporate bonds	-	11,781	111,435	884,321	490,052	271,620
Corporate convertible bonds	-	-	-	-	933	-
Government agencies	-	843	-	7,966	-	-
Government bonds	-	8,811	683	12,175	2,722	3,976
Government mortgage-backed securities	-	-	-	-	-	-
Gov't-issued commercial mortgage-backed	-	-	-	-	-	-
Index linked government bonds	-	-	-	-	-	-
Municipal/Provincial bonds	1,215	8,497	3,756	-	-	-
Non-government backed C.M.O.s	7,855	-	-	1,576	-	-
Total fixed income	123,822	55,693	135,704	927,273	501,687	287,696
Short-term investments	-	-	-	-	-	-
	\$ 123,822	\$ 55,693	\$ 135,704	\$ 927,273	\$ 501,687	\$ 287,696

Investment Type	CCC	CC	C	D	Not Rated	US Government Securities		Total
Asset backed securities	\$ 2,841	\$ -	\$ -	\$ -	\$ 108,086	\$ -	\$ -	\$ 234,906
Bank loans	1,115	-	-	57	2,222	-	-	13,065
Commercial mortgage-backed	2,064	-	-	-	71,992	3	-	142,067
Corporate bonds	74,858	850	9	415	47,416	-	-	1,892,757
Corporate convertible bonds	10,110	-	-	136	12,654	-	-	23,833
Government agencies	728	-	-	-	-	-	-	9,537
Government bonds	-	-	-	-	15,688	965,372	-	1,009,427
Government mortgage-backed securities	-	-	-	-	-	208,967	-	208,967
Gov't-issued commercial mortgage-backed	-	-	-	-	-	2,351	-	2,351
Index linked government bonds	-	-	-	-	-	31,505	-	31,505
Municipal/Provincial bonds	-	564	-	-	-	-	-	14,032
Non-government backed C.M.O.s	169	-	-	-	15,894	-	-	25,494
Total fixed income	91,885	1,414	9	608	273,952	1,208,198	-	3,607,941
Short-term investments	-	-	-	-	-	17,604	-	17,604
	\$ 91,885	\$ 1,414	\$ 9	\$ 608	\$ 273,952	\$ 1,225,802	\$ -	\$ 3,625,545

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. Effective duration estimates the sensitivity of a bond's price to interest rate changes and makes assumptions regarding the most likely timing and amounts of variable cash flows arising from investments such as callable bonds, collateralized mortgage obligations, and other mortgage-backed securities. While all investments are subject to market changes, securities invested in index funds are more sensitive to market risk. Although the System's investment policy does not specifically address the duration of fixed-income securities, the System's management does monitor interest rate risk by monitoring the performance of each investment manager. As of June 30, 2020, the System had the following investments with maturities (dollars in thousands):

Investment Type	Fair Value	Effective Duration in Years
Asset-backed securities	\$ 234,906	2.2
Bank Loans	11,369	2.0
Commercial mortgaged-backed	142,067	3.1
Corporate bonds	1,892,400	6.5
Corporate convertible bonds	23,833	5.0
Government agencies	9,537	7.4
Government bonds	1,009,427	20.1
Government mortgage- backed securities	208,967	2.9
Government issued commercial mortgaged-backed	2,352	3.5
Index linked government bonds	31,505	5.2
Municipal/Provincial bonds	7,161	14.8
Non-government backed CMOs	25,493	3.3
Other fixed income securities	8,924	13.0
Total fixed income and portfolio duration	<u>\$ 3,607,941</u>	<u>9.6</u>

Concentration of credit risk: Investments can be exposed to concentration of credit risk if significant amounts are invested in any one issuer. The System's investment policy places limits on the amount that may be invested in securities of any single issuer. As of June 30, 2020, the System did not hold 5% or more of its total investments in any one issuer.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Foreign currency risk: Foreign currency risk is the potential risk for loss due to changes in exchange rates. The System's investment policy provides that international investment managers invest no more than 30 percent of their portfolio's total assets in one or more issuers in a single country, provided that in the U.K. or Japan such limit shall be 35 percent. Investment in cash and cash equivalents, foreign equities, and fixed-income securities as of June 30, 2020 is shown in the following table by monetary unit to indicate possible foreign currency risk (dollars in thousands):

Currency	Equities	Corporate Bonds	Government Bonds	Foreign Exchange Contracts	Cash and Cash Equivalents	Other Investments	Grand Total
Argentine Peso	\$ -	\$ -	\$ 564	\$ -	\$ 662	\$ -	\$ 1,226
Australian Dollar	80,726	-	-	-	10	-	80,736
Brazilian Real	17,404	-	-	-	4	-	17,408
British Pound Sterling	270,824	-	-	77	(77)	-	270,824
Canadian Dollar	91,202	1,987	-	(4,168)	3,946	-	92,967
Chilean Peso	-	-	-	214	-	-	214
Czech Koruna	459	-	-	-	-	-	459
Danish Krone	33,933	-	-	-	-	-	33,933
Euro	593,111	232	-	(124)	134	15,335	608,688
HK offshore Chinese Yuan Renminbi	35,982	-	-	-	4	-	35,986
Hong Kong Dollar	214,302	-	-	-	125	-	214,427
Hungarian Forint	2,954	-	-	-	-	-	2,954
Indonesian Rupiah	11,493	-	-	-	-	-	11,493
Japanese Yen	418,556	-	-	(557)	581	-	418,580
Malaysian Ringgit	4,662	-	-	-	5	-	4,667
Mexican Peso	9,626	-	-	-	-	-	9,626
New Israeli Shekel	6,900	-	-	-	-	-	6,900
New Taiwan Dollar	122,579	-	-	(43)	127	-	122,663
New Zealand Dollar	3,196	-	-	-	-	-	3,196
Norwegian Krone	8,873	-	-	-	113	-	8,986
Phillipine Peso	374	-	-	-	-	-	374
Polish Zloty	2,390	-	-	-	-	-	2,390
Qatari Rial	566	-	-	-	-	-	566
Singapore Dollar	9,162	-	-	(41)	41	-	9,162
South African Rand	6,573	-	-	-	-	-	6,573
South Korean Won	73,738	-	-	(68)	-	-	73,670
Swedish Krona	53,741	-	-	(316)	316	-	53,741
Swiss Franc	184,114	-	-	1	20	-	184,135
Thai Baht	11,161	-	-	(661)	-	-	10,500
Turkish Lira	6,384	-	-	-	-	-	6,384
UAE Dirham	229	-	-	-	-	-	229
Total	\$ 2,275,214	\$ 2,219	\$ 564	\$ (5,686)	\$ 6,011	\$ 15,335	\$ 2,293,657

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Derivative instruments: The System's investment derivatives include forward currency and futures contracts. These investments are not speculative in nature and do not increase investment risk beyond allowable limits specified in the System's investment policy. A futures contract is a contract to buy or sell units of an index or financial instrument at a specified future date at a price agreed upon when the contract is originated. The System purchases and sells futures contracts as a means of adjusting the System portfolio mix at a lower transaction cost than the transactions, which would otherwise occur in the underlying portfolios. During fiscal year ended June 30, 2020, S&P 500 futures and U.S. Treasury note futures were utilized. Upon entering into such a contract, the System pledges cash or U.S. government securities to the broker equal to the minimum initial margin requirement of the futures exchange. Additionally, TRS receives or pays a daily variation margin, which is an amount of cash equal to the daily fluctuation in value of the contract. The change in fair value of the futures contracts is presented in the statement of changes in fiduciary net position as "Net change in fair value of investments." The net change in fair value from futures contracts for fiscal year ended June 30, 2020 was (\$58,326). At June 30, 2020, the foreign currency futures contracts outstanding were as follows:

Description	Expiration Date	Open Position	Number of Contracts	Notional Contract Size	Fair Value	Notional Value
U.S. Treasury note	September 2020	Long	1	10-year U.S. Treasury note	\$ 5,288,531	\$ 5,273,464
U.S. Treasury bond	September 2020	Long	2	U.S. Treasury bond	62,392,688	61,949,466
U.S. Treasury note	September 2020	Long	1	U.S. Treasury note	2,047,297	2,037,953
Russell 2000	September 2020	Long	1	N/A	143,760	140,144
S&P 500 Index	September 2020	Long	3	N/A	35,382,790	35,351,360
Russell Mid Cap	September 2020	Long	3	N/A	13,165,340	13,084,984
U.S. Treasury bond	September 2020	Long	1	U.S. Treasury bond	14,999,250	14,907,714
U.S. Treasury note	September 2020	Long	2	2-year U.S. Treasury note	138,017,578	137,935,547
U.S. Treasury note	September 2020	Short	1	10-year U.S. Treasury note	(15,030,563)	(14,979,908)
U.S. Treasury note	September 2020	Short	2	5-year U.S. Treasury note	(42,878,086)	(42,794,674)
U.S. Treasury note	September 2020	Short	2	U.S. Treasury note	(135,436,563)	(134,845,524)
German Gov't Bond	September 2020	Short	1	Eurx Eur-Bond	(2,577,360)	(2,531,288)
U.S. Treasury note	September 2020	Short	1	U.S. Treasury note	(4,999,750)	(4,956,000)
					<u>\$ 70,514,912</u>	<u>\$ 70,573,238</u>

A foreign currency forward contract is an agreement that obligates the parties to exchange given quantities of currencies at a pre-specified exchange rate on a certain future date. The fair values of the forward contracts are estimated based on the present value of their estimated future cash flows.

The foreign currency forward contracts subject the System to foreign currency risk because the investments are denominated in international currencies. The risks are described in the foreign currency risk schedule where the fair value of the foreign currency contracts in U.S. dollars is presented. The System enters into foreign exchange forward contracts for TRS to manage foreign currency exposure, as permitted by portfolio policies. The fair values of the contracts are presented in the Statement of Fiduciary Net Position as Investments, at fair value – Equities. The change in fair value of the forward contracts is presented in the statement of changes in fiduciary net position as "Net change in fair value of investments." The net change in fair value from foreign currency forward contracts for fiscal year ended June 30, 2020 was \$11,924. At June 30, 2020, the foreign currency forward contracts outstanding were as follows:

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 3. Cash and Investments (Continued)

Description	Fair Value (U.S. Dollars)	Currency	Value Date	Notional Value
Forward sale	\$ (464,017)	AUD	7/1/2020	\$ (461,760)
Forward sale	\$ (652,020)	DKK	7/1/2020	(651,494)
Forward sale	\$ (1,416,435)	GBP	7/1/2020	(1,407,283)
Forward sale	\$ (1,493,072)	USD	7/1/2020	(1,493,072)
Forward sale	\$ (338,664)	AUD	7/2/2020	(338,245)
Forward sale	\$ (446,848)	CAD	7/2/2020	(445,244)
Forward sale	\$ (16,801)	USD	7/2/2020	(16,801)
Forward sale	\$ (1,498,095)	HKD	7/6/2020	(1,498,086)
Forward purchase	\$ 3,510,182	USD	7/1/2020	3,510,182
Forward purchase	\$ 569,224	CAD	7/2/2020	567,181
Forward purchase	\$ 1,583,935	USD	07/02/2020	1,583,935
Forward purchase	\$ 1,281,135	USD	9/16/2020	1,281,135

Rate of return - Pension: For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.71 percent. The money-weighted rate of return expresses investment performance, net of investment expense, as adjusted for the changing amounts actually invested.

Rate of return - OPEB: For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 0.70 percent. The money-weighted rate of return expresses investment performance, net of investment expense, as adjusted for the changing amounts actually invested.

Note 4. Commitments

At June 30, 2020, the System has total capital commitments related to alternative and real estate investments of \$3,435,400,000. Of this amount, approximately \$802,339,000 remained unfunded.

Note 5. Securities Lending Activity

The System's investment policy and State statutes provide for its participation in a securities lending program. The program is administered by the System's master custodian, and there are no restrictions on the amount of loans that can be made. Certain securities of the System are loaned to participating brokers, who must provide collateral in the form of cash, U. S. Treasury or government agency securities, or letters of credit issued by approved banks.

Under the terms of the agreement, collateralization of the fair value of the loaned securities must be provided in the amount of 102 percent when the security to be loaned and the collateral are in the same currency and 105 percent when the loan and collateral currencies are dissimilar. The securities on loan as of June 30, 2020 collateralized by cash were approximately \$1,012,793,000 and the cash collateral received for those securities on loan was approximately \$1,032,140,000. Securities on loan as of June 30, 2020 consisted of equity loans, corporate fixed income and US government and agencies securities collateralized by cash and non-cash securities. Because the System cannot pledge or sell collateral securities and letters of credit received unless the borrower defaults, the collateral and related liability are not presented in the accompanying statements of fiduciary net position. The following table describes the types of securities lent and collateral as of June 30, 2020 (dollars in thousands):

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 5. Securities Lending Activity (Continued)

	Fair Value of Securities on Loan	Collateral Value	Collateral Percentage
Governmental loans compared to collateral	\$ 77,546	\$ 79,372	102%
Equity loans compared to collateral	830,906	846,160	102%
Corporate loans compared to collateral	104,341	106,608	102%
	<u>\$ 1,012,793</u>	<u>\$ 1,032,140</u>	

At June 30, 2020, the System had no credit risk exposure since the amounts the System owed to borrowers exceeded the amounts borrowers owed the System. The contract with the System's lending agent requires it to indemnify the System if the borrowers fail to return the lent securities. In the event of a collateral shortfall due to a loss in value of investments made with cash collateral, such loss would be the responsibility of the System.

All securities loans can be terminated on demand by either the System or the borrower. Cash collateral is invested in a separate account for the System in accordance with investment guidelines approved by the System. At June 30, 2020, the weighted average maturity of the cash collateral investments was 19 days. The dollar-weighted average maturity of cash collateral investments shall not exceed ninety days. For purposes of this restriction, the average maturity of variable rate instruments will be calculated to the next interest reset date. The Cash Collateral Account's minimum overnight liquidity level shall not be less than twenty percent. The cash collateral investments are structured and maintained by the lending agent's investment desk utilizing an asset and liability methodology designed to manage to an appropriate extent any mismatch between the investment maturities and the System's loans.

Note 6. Capital Assets

Capital assets consist of the following at June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Furniture, fixtures and equipment	\$ 5,265,743	\$ 343,901	\$ -	\$ 5,609,644
Accumulated depreciation	(846,219)	(562,191)	-	(1,408,410)
Capital assets, net	<u>\$ 4,419,524</u>			<u>\$ 4,201,234</u>

The System has commitments to lease building space as well as leases on certain equipment. The future minimum commitment for operating leases as of June 30, 2020 was approximately \$200,000. The System's leases are one-year renewable contracts. Rental expense for all operating leases amounted to approximately \$200,000 for the year ended June 30, 2020.

Note 7. Member and Employer Contributions

All contribution rates are defined or amended by the Oklahoma Legislature. All active members contribute to the System; however, the employer may elect to pay all or part of the contribution for its employees. There are special provisions for members of higher education who joined the System before July 1, 1995. The annual employer contributions reported for the year ended June 30, 2020 were \$458,306,002. Employers satisfied 100 percent of their contribution requirements for 2020.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 7. Member and Employer Contributions (Continued)

All members must contribute 7.0 percent of regular annual compensation, not to exceed the member's maximum compensation level, which for the year ended June 30, 2020 was the full amount of regular annual compensation.

The employers are required to contribute a fixed percentage of annual compensation on behalf of active members. The employer contribution rate was 9.5 percent beginning on January 1, 2011 for all remitting entities other than comprehensive and four year regional universities. The employer contribution rate was 8.55 percent starting on January 1, 2011 for comprehensive and four year universities. The rates for fiscal year 2020 are applied on the full amount of the member's regular annual compensation up to certain limits prescribed by the IRC.

Note 8. Benefits

The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Benefit provisions include:

- Members who join TRS after July 1, 1991 become fully vested in retirement benefits earned to date after five years of credited service. Members who join TRS on or after November 1, 2017 become fully vested after seven years of credited service. Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable service, or for any person who initially became a member prior to July 1, 1992, whose age and number of years of creditable service total eighty (80) may be retired upon proper application for retirement on forms established by the System and executing a retirement contract. Any person who became a member after June 30, 1992, but prior to November 1, 2011, whose age and number of years of creditable service total ninety (90) may be retired upon proper application for retirement and executing a retirement contract. Any person who becomes a member on or after November 1, 2011, who attains the age of sixty-five (65) years or who reaches a normal retirement date having attained a minimum age of sixty (60) years may be retired upon proper application for retirement and executing a retirement contract.
- Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, the System will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 8. Benefits (Continued)

- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2 percent of final average compensation for the applicable years of credited service.
- Upon separation from the System, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

Supplemental Health Insurance Program (OPEB Plan)

The System makes payments to certain retiree health insurance providers that are subsidies to help pay for certain supplemental health benefits that are available to eligible retired members who elect such coverage. The subsidy payments are made to the Employees Group Insurance Division (EGID) of the Office of Management and Enterprise Services (OMES) for retirees who opt to continue their employer-provided insurance and are also made to employers who provide health insurance options through other insurers as long as the plans provide health insurance options to both the employers' active and retired employees.

All retirees are eligible except for special retirees (as defined) and spouses and beneficiaries as long as they have at least 10 years of service. Retirees who elect such coverage receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between \$100 and \$105 per month, depending on service and final average compensation. Payments are made on their behalf monthly (i) to EGID as described above, if the member continues health coverage under that Plan, or (ii) to the member's former employer, if the member retains health coverage under a plan maintained by the former employer as described above. The amounts paid to EGID or local employers were approximately \$35,672,000 in 2020 and are included in retirement and other benefits expense.

Employer and employee contributions are made based upon the TRS Plan provisions contained in Title 70 of the Oklahoma Statutes, as amended. However the statutes do not specify or identify any particular contribution source to pay the health insurance subsidy. The cost of the subsidy averages 0.13% of normal cost, as determined by an actuarial valuation.

Each employer in the OPEB Plan discloses the employer's own apportioned elements of the OPEB plan.

Assumptions: For OPEB, the actuarial valuation date was performed as of June 30, 2020. The measurement date was June 30, 2020. The benefits are only available to those retirees that participate and have at least 10 years of service credit at retirement.

Note 9. Dedicated Tax

The plan receives funds provided by the State of Oklahoma, a non-employer contributing entity, through 5.0 percent of the State's sales, use, and corporate and individual income taxes collected as dedicated tax. The System receives 1.0 percent of the cigarette taxes collected by the State and receives 5.0 percent of net lottery proceeds collected by the State. The System received approximately \$330,620,000 from the State in 2020. Amounts due from the State were approximately \$39,917,000 at June 30, 2020.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 10. DB Plans (Pension and OPEB Actuarial Information)

The components of the net pension liability of the employers at June 30, 2020 were as follows:

Total pension liability	\$ 25,979,258,830
Plan fiduciary net position	(16,489,026,044)
Employers' net pension liability	<u>\$ 9,490,232,786</u>

Plan fiduciary net position as a percentage of the total pension liability 63.47%

The components of the net OPEB asset at June 30, 2020 were as follows:

Total OPEB liability	\$ 430,681,821
Plan fiduciary net position	(440,588,493)
Employers' net OPEB asset	<u>\$ (9,906,672)</u>

Plan fiduciary net position as a percentage of the total OPEB asset 102.30%

The total pension and OPEB liability and total pension and OPEB asset as of June 30, 2020, were determined based on actuarial valuations prepared as of June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost Method—Entry Age Normal
- Inflation—2.25 percent
- Future Ad Hoc Cost-of-living Increases—None
- Salary Increases—Composed of 2.25 percent wage inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
- Investment Rate of Return—7.00 percent
- Retirement Age— Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019
- Mortality Rates after Retirement— Males and females: 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
- Mortality Rates for Active Members— Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.

Measurement of the net pension liability: The net pension liability is measured as the total pension liability, less the amount of the plan's fiduciary net position. In actuarial terms, this is analogous to the accrued liability as measured using the individual entry age normal actuarial cost method less the fair value of assets (not the smoothed actuarial value of assets seen in actuarial valuations based on the Board's adopted assumptions and methods).

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 10. DB Plans (Pension and OPEB Actuarial Information) (Continued)

For the valuation period ending June 30, 2020, a single discount rate of 7.00% was used to measure the total pension liability. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payroll. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	43.5%	7.5%
International Equity	19.0%	8.5%
Domestic Fixed Income	22.0%	2.5%
Real Estate	9.0%	4.5%
Alternative Assets	6.5%	6.2%
Total	100.0%	

** The Real Estate total expected return is a combination of US Direct Real Estate (unleveraged) and US Value added Real Estate (unleveraged).

Sensitivity of the net pension liability and net OPEB asset to the single discount rate assumptions: The following table provides the sensitivity of the net pension liability and net OPEB asset to changes in the discount rate as of June 30, 2020. In particular, the table presents the plan's net pension liability and net OPEB asset, if they were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

Note 10. DB Plans (Pension and OPEB Actuarial Information) (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 12,666,237,617	\$ 9,490,232,786	\$ 6,860,995,248
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB asset	\$ 35,962,469	\$ (9,906,672)	\$ (48,803,044)

Due to the structure of the OPEB plan, healthcare cost trend rate sensitivity analysis is not meaningful.

Note 11. New Accounting Pronouncements Issued, Not Yet Adopted

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, provides clarity and consistency in the reporting of potential component units that are defined contribution pension or OPEB plans as well as other employee benefit plans, such as certain (not all) Internal Revenue Code Section 457 plans. Upon implementation, the provisions of GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans are superseded. Some of the elements of GASB Statement No. 97 became effective immediately, including the provisions exempting governments such as the System, that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans. Another provision that became effective immediately was the limitation of the applicability of the financial burden criterion in GASB Statement No. 84 solely to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts. The remaining provisions of GASB Statement No. 97 will become effective for the fiscal year ended June 30, 2022. The System is analyzing the effect of this pronouncement.

GASB Technical Bulletin No. 2020-1, Accounting and Financial Reporting Issues Related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Diseases became effective upon issuance at the close of this fiscal year. The provisions of the Technical Bulletin provide six questions and answers related to the CARES Act, of which five had no impact on the System as it did not receive CARES Act funding. Question 6 of the Technical Bulletin discusses the reporting of outflows of resources incurred in response to the coronavirus disease, such as funds used to slow the spread of the virus, adjustments in the provision of services and the implementation of 'stay-at-home' orders. GASB pronouncements require that these outflows of resources not be reported as extraordinary nor special items and therefore, no impact on the System occurred despite the flows as a result of the pandemic.

Due to the issuance of GASB Statement No. 95, (GASB-95) *Postponement of the Effective Dates of Certain Authoritative Guidance*, the System exercised the option to delay implementation of previously issued GASB pronouncements that were supposed to be implemented during the fiscal year ended June 30, 2020.

Teachers' Retirement System of Oklahoma

Notes to Financial Statements

As adjusted by GASB-95, the System is due to implement the following GASB pronouncements during the following fiscal years then ended:

Fiscal Year Ended June 30, 2021:

GASB Statement No. 84, *Fiduciary Activities*, clarifies fiduciary relationships and reporting. The System is analyzing the effect of this pronouncement along with amendments made to the Statement by GASB Statement No. 92 and GASB Statement No. 97 (both discussed herein).

GASB Statement No. 90, *Majority Equity Interests*, clarifies reporting of when a government has a majority equity position in another entity, which may result in the equity method of reporting or a component unit relationship. This pronouncement will likely not apply as the System is precluded by State statute from holding a majority equity position in another entity.

Fiscal Year Ended June 30, 2022:

GASB Statement No. 87, *Leases*, changes reporting of nearly all leasing arrangements for lessors and lessees. The System is analyzing the effect of this pronouncement.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, removes the GAAP related to capitalization of interest costs. The pronouncement will likely not apply.

As introduced previously, GASB Statement No. 92, *Omnibus 2020*, includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements, including GASB Statement No. 84. Issued clarified by GASB Statement No. 92 include the reporting of intra-equity transfers of assets to other bodies within a reporting entity, including plans such as the System and applicability of certain provisions of recently issued GASB pronouncements. In addition, terminology used to refer to derivatives and other investments is converting to the use of the word 'instruments' as part of a global change and became effective upon issuance. The System is analyzing the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, includes the removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate for variable rate payments. The removal is a result of global reference rate reform. LIBOR is expected to cease to exist in its current form at the end of 2021. Financial instruments benchmarked to such rates may be amended as part of this global change. GASB Statement No. 93 provides exceptions to recognition of a gain or loss on termination when the replacement provisions are enabled, among other elements in the pronouncement. GASB Statement No. 93 is effective for reporting periods ending after December 31, 2021. However, the removal of LIBOR and other reference rate reform may be further delayed by central banks as a result of the pandemic, which may cause an extension of the implementation of GASB-93. The System is analyzing the effect of this Statement.

Fiscal Year Ended June 30, 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the reporting of conduit debt. The pronouncement will not apply to the System as the System does not issue such obligations, nor is it a party to such obligations.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides guidance to improve accounting and financial reporting such transactions (commonly referred to as P3s). The System is analyzing the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for such arrangements (also known as SBITAs). The framework for the accounting and financial reporting is based on the provisions established in GASB Statement No. 87, *Leases*. The System is analyzing the effect of this Statement.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of Changes in Employers' Net Pension Liability (Unaudited)
Fiscal Year Ended June 30,

	Year Ended June 30						
	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	\$ 482,233,224	\$ 444,005,366	\$ 432,592,587	\$ 446,728,754	\$ 428,904,761	\$ 415,702,261	\$ 409,199,801
Interest	1,709,647,749	1,628,247,388	1,586,869,029	1,599,025,933	1,609,511,334	1,538,893,982	1,491,722,137
Benefit changes	425,115,415	-	18,410,937	-	-	-	-
Difference between actual and expected return	247,417,000	418,186,187	(99,947,351)	(373,928,623)	(36,212,168)	(159,980,414)	(105,344,633)
Assumption changes	1,276,379,957	-	-	(482,042,966)	933,294,515	346,488,630	-
Benefit payments	(1,396,258,730)	(1,378,984,998)	(1,323,912,271)	(1,281,816,606)	(1,257,276,705)	(1,201,350,907)	(1,153,051,607)
Refunds	(35,183,705)	(38,002,018)	(42,940,983)	(40,944,298)	(36,109,832)	(35,240,176)	(28,718,256)
Net change in total pension liability	2,709,350,910	1,073,451,925	571,071,948	(132,977,806)	1,642,111,905	904,513,376	613,807,442
Total pension liability:							
Beginning	23,269,907,920	22,196,455,995	21,625,384,047	21,758,361,853	20,551,132,567	19,646,619,191	19,032,811,749
Ending (a)	25,979,258,830	23,269,907,920	22,196,455,995	21,625,384,047	22,193,244,472	20,551,132,567	19,646,619,191
Plan fiduciary net position:							
Contributions-Employer/State	816,756,915	817,833,074	757,678,568	698,695,713	725,425,216	728,442,070	707,052,675
Contributions-Members	340,057,646	325,766,148	312,866,576	292,949,337	294,459,090	303,677,304	301,300,811
Net investment income	117,011,982	785,418,295	1,455,605,848	1,945,898,975	(357,443,247)	428,855,747	2,571,707,952
Benefit payments	(1,396,258,730)	(1,378,984,998)	(1,323,912,271)	(1,281,816,606)	(1,257,276,705)	(1,201,350,906)	(1,153,051,607)
Refunds	(35,183,705)	(38,002,018)	(42,904,983)	(40,944,298)	(36,109,832)	(35,240,176)	(28,718,256)
Administrative expense	(5,266,375)	(5,194,983)	(4,200,021)	(4,028,080)	(4,458,336)	(4,358,938)	(4,282,605)
Net change in plan fiduciary net position	(162,882,267)	506,835,518	1,155,133,717	1,610,755,041	(635,403,814)	220,025,101	2,394,008,970
Plan fiduciary net position:							
Beginning	16,651,944,311	16,145,108,793	14,989,975,076	13,379,220,035	14,449,506,469	14,229,481,368	11,835,472,398
Ending (b)	16,489,062,044	16,651,944,311	16,145,108,793	14,989,975,076	13,814,102,655	14,449,506,469	14,229,481,368
Plan's net pension liability (a)-(b)	\$ 9,490,196,786	\$ 6,617,963,609	\$ 6,051,347,202	\$ 6,635,408,971	\$ 8,379,141,817	\$ 6,101,626,098	\$ 5,417,137,823

See notes to required supplementary information

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of Employers' Net Pension Liability (Unaudited)

Fiscal Years Ended June 30,

	Year Ended June 30						
	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 25,979,258,830	\$ 23,269,907,920	\$ 22,196,455,995	\$ 21,625,384,047	\$ 22,193,244,472	\$ 20,551,132,567	\$ 19,646,619,191
Plan fiduciary net position	16,489,026,044	16,651,908,311	16,145,072,793	14,989,675,076	13,814,102,655	14,449,506,469	14,229,481,368
Employers' net pension liability	\$ 9,490,232,786	\$ 6,617,999,609	\$ 6,051,383,202	\$ 6,635,708,971	\$ 8,379,141,817	\$ 6,101,626,098	\$ 5,417,137,823
Employers' fiduciary net position as a percentage of the total pension liability	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%	72.43%
Covered payroll	\$ 4,739,701,022	\$ 4,473,511,671	\$ 4,149,557,077	\$ 4,070,723,673	\$ 4,206,558,429	\$ 4,338,247,200	\$ 4,304,297,300
Employers' net pension liability as a percentage of covered payroll	200.23%	147.94%	145.83%	163.00%	199.19%	140.65%	125.85%

See notes to required supplementary information

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of Contributions From Employers
and Other Contributing Entities (Unaudited)

	2020	2019	2018	2017	2016
Actuarially determined contributions	\$ 810,488,875	\$ 760,496,984	\$ 705,424,703	\$ 689,580,590	\$ 723,528,050
Contributions in relation to the actuarially determined contribution:					
Employers (Schools)	457,391,205	446,161,917	413,068,467	396,743,812	409,753,221
State of Oklahoma, a non-employer contributing entity	359,365,710	371,671,157	344,610,101	301,951,901	315,671,995
Contribution deficiency (excess)	\$ (6,268,040)	\$ (57,336,090)	\$ (52,253,865)	\$ (9,115,123)	\$ (1,897,166)
Covered payroll	\$ 4,739,701,022	\$ 4,473,511,671	\$ 4,149,557,077	\$ 4,070,723,673	\$ 4,206,558,429
Contributions as a percentage of covered payroll	17.23%	18.28%	18.26%	17.16%	17.25%
	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 550,652,420	\$ 602,936,966	\$ 619,805,640	\$ 588,287,377	\$ 822,419,996
Contributions in relation to the actuarially determined contribution:					
Employers (Schools)	392,051,458	386,895,127	373,789,020	376,635,234	364,025,589
State of Oklahoma, a non-employer contributing entity	336,390,612	320,157,548	327,505,309	304,995,663	274,452,205
Contribution deficiency (excess)	\$ (177,789,650)	\$ (104,115,709)	\$ (81,488,689)	\$ (93,343,520)	\$ 183,942,202
Covered payroll	\$ 4,338,247,200	\$ 4,304,297,300	\$ 3,933,100,000	\$ 3,924,800,000	\$ 3,773,300,000
Contributions as a percentage of covered payroll	16.79%	16.43%	17.83%	17.37%	16.92%

See notes to required supplementary information

Notes to Schedule:

The covered payroll is an estimate of the actual payroll, imputed from individual member contributions.

The assumption change in fiscal year 2015 is attributable to the new assumptions adopted by the Board in May 2015.

The assumption change in fiscal year 2016 is attributable to the new economic assumptions adopted by the Board in September 2016.

The beginning balances for the total pension liability and the plan fiduciary net position were both restated as of June 30, 2016 to remove \$434,882,619 which will be reported as an OPEB going forward.

The assumption change in fiscal year 2017 is attributable to the change in assumed election rate for the Supplemental Medical Insurance benefit adopted by the Board in August 2017.

The assumption change in fiscal year 2020 is attributable to the new assumptions adopted by the Board in July 2020.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of Pension Investment Returns (Unaudited)
Fiscal Year Ended June 30,

	Year Ended June 30						
	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	0.71%	4.95%	9.87%	14.72%	-2.50%	3.04%	21.95%

See notes to required supplementary information

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

Actuarially determined contribution rates are calculated as of June 30.

Members and employers contribute based on statutorily fixed rates. The State of Oklahoma contributes 5.0% of revenues from sales taxes, use taxes, corporate and individual income taxes and lottery proceeds. An additional contribution is made for members whose salary is paid from federal funds or certain grant money.

Beginning with fiscal year ending June 30, 2016, the Actuarially Determined Employer Contribution (ADEC) is determined as the employer contribution amount necessary to discharge the Unfunded Actuarial Accrued Liability over a period equal to the funding period for the current actuarial valuation for plan funding purposes (i.e., 17 years as of June 30, 2017). However, in no event shall the amortization period be in excess of a fixed period of twenty (20) years. ADEC rates are calculated as of June 30.

Beginning with the fiscal year ending June 30, 2017, an actuarially determined portion of the employers' contributions (0.07% of pay for FY2018) is allocated to the OPEB Plan and reported under GASB 74. As a result, these contributions are not included in either the actual or actuarially determined contributions above.

The ADEC was previously determined as the total employer contribution necessary to fund the normal cost and to amortize the UAAL as a level percentage of payroll over 30 years.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining Amortization period	20 years
Asset valuation method	5-year smooth market
Inflation	2.25%
Salary increase	Composed of 2.25% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
Investment rate of return	7.00%
Retirement age	Experience-based table of rates based on age, service and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019.
Mortality	2020 GRS Southwest Region Teacher Mortality Table for males and females. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
Notes	New assumptions were adopted in July 2020 and were effective as of June 30, 2020.

Information to present a 10 year schedule is not currently available

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of Changes in Employers' Net OPEB (Asset)/Liability (Unaudited)
Fiscal Years Ended June 30,

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 6,219,278	\$ 6,160,629	\$ 6,431,010	\$ 6,647,749
Interest on the total OPEB liability	29,667,636	30,349,537	31,012,327	31,728,895
Benefit changes	-	-	-	-
Difference between actual and expected return	(5,384,475)	(9,944,903)	(9,813,028)	(14,186,133)
Assumption changes	25,556,639	-	-	-
Benefit payments	(35,672,198)	(35,701,014)	(36,963,620)	(30,309,127)
Net change in total OPEB liability	20,386,880	(9,135,751)	(9,333,311)	(6,118,616)
Total OPEB liability:				
Beginning	410,294,941	419,430,692	428,764,003	434,882,619
Ending (a)	430,681,821	410,294,941	419,430,692	428,764,003
Plan fiduciary net position:				
Employer contributions	914,797	877,762	2,912,563	6,513,158
Employee contributions	-	-	-	-
OPEB net investment income	3,222,561	22,898,575	44,760,425	62,298,027
Benefit payments	(35,672,198)	(35,701,014)	(36,963,620)	(30,309,127)
Administrative expense	(4,165)	(3,987)	(11,427)	(26,457)
Net change in plan fiduciary net position	(31,539,005)	(11,928,664)	10,697,941	38,475,601
Plan fiduciary net position:				
Beginning	472,127,498	484,056,162	473,358,220	434,882,619
Ending (b)	440,588,493	472,127,498	484,056,161	473,358,220
Employers' Net OPEB liability (asset) (a)-(b)	\$ (9,906,672)	\$ (61,832,557)	\$ (64,625,469)	\$ (44,594,217)

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of Employers' Net OPEB Liability (asset) (Unaudited)
Fiscal Years Ended June 30,

	2020	2019	2018	2017
Total OPEB liability	\$ 430,681,821	\$ 410,294,941	\$ 419,430,692	\$ 428,764,003
OPEB fiduciary net position	440,588,493	472,127,498	484,056,162	473,358,220
Employers' net OPEB liability (asset)	\$ (9,906,672)	\$ (61,832,557)	\$ (64,625,470)	\$ (44,594,217)
Employers' fiduciary net position as a percentage of the total OPEB liability	102.30%	115.07%	115.41%	110.40%
Covered payroll	\$4,739,701,022	\$4,473,511,671	\$4,149,557,077	\$4,070,723,673
Employers' net OPEB liability (asset) as a percentage of covered OPEB payroll	(0.21)%	(1.38)%	(1.56)%	(1.10)%

See notes to required supplementary information

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of OPEB Contributions From Employers

	2020	2019	2018	2017
Actuarially determined contributions	\$ 914,797	\$ 877,762	\$ 2,912,563	\$ 6,513,158
Contributions in relation to the actuarially determined contribution:				
Employers	914,797	877,762	2,912,563	6,513,158
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$ 4,739,701,022</u>	<u>\$ 4,473,511,671</u>	<u>\$ 4,149,557,077</u>	<u>\$ 4,070,723,673</u>
Contributions as a percentage of covered payroll	<u>0.02%</u>	<u>0.02%</u>	<u>0.07%</u>	<u>0.16%</u>

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

Schedule of OPEB Investment Returns (Unaudited)
Fiscal Year Ended June 30,

OPEB Plan	Year Ended June 30			
	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	0.70%	4.91%	9.71%	14.72%

See notes to required supplementary information

Information to present a 10 year schedule is not currently available.

Teachers' Retirement System of Oklahoma

Required Supplementary Information

NOTES TO SCHEDULE OF CONTRIBUTIONS

The ADEC is the amount needed to fund the normal cost, the anticipated administrative expenses, and a payment towards eliminating the Unfunded Actuarial Accrued Liability (UAAL). The payment towards eliminating the UAAL is based on an closed period of twenty (20) years calculated as a level percentage of future payroll with the initial period beginning on July 1, 2016.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining Amortization period	20 years beginning on July 1, 2016
Asset valuation method	5-year smoothed market
Inflation	2.25%
Salary increase	Composed of 2.25% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
Investment rate of return	7.00%
Retirement age	Experience-based table of rates based on age, service and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019.
Mortality	2020 GRS Southwest Region Teacher Mortality Table for males and females. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
Notes	New assumptions were adopted in July 2020 and were effective as of June 30, 2020.

Information to present a 10 year schedule is not currently available

Teachers' Retirement System of Oklahoma

Supplementary Information

**Schedule of Investment Expenses
For the Year Ended June 30, 2020**

Investment managers	\$ 56,591,927
Investment consultants	1,157,659
Investment personnel	<u>355,703</u>
Total investment expenses	<u><u>\$ 58,105,289</u></u>

Teachers' Retirement System of Oklahoma

Supplementary Information

**Schedule of Administrative Expenses
For the Year Ended June 30, 2020**

Salaries and benefits	\$ 3,451,162
General and miscellaneous	579,396
Professional/consultant fees	647,273
Travel and related expenses	30,518
Depreciation expense	562,191
Total administrative expenses	<u>\$ 5,270,540</u>

Teachers' Retirement System of Oklahoma

Supplementary Information

**Schedule of Professional/Consultant Fees
For the Year Ended June 30, 2020**

Actuarial	\$	108,365
Medical		9,400
Legal		43,641
Audit		232,096
Data processing		186,192
Miscellaneous		67,579
Total professional/consultant fees	\$	647,273

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



Investment Section

TEACHERS RETIREMENT SYSTEM OF OKLAHOMA PROFESSIONAL CONSULTANTS AND ADVISORS

DOMESTIC EQUITY MANAGERS

Frontier Capital Management Co. LLC
 Boston, Massachusetts
 Geneva Capital Management Ltd.
 Milwaukee, Wisconsin
 Hotchkis & Wiley Investment,
 Los Angeles, California
 Neumeier Poma Investment Counsel, LLC
 Carmel, California
 Northern Trust Asset Management,
 Chicago, Illinois
 Shapiro Capital Management Company, Inc.
 Atlanta, Georgia
 Wasatch Advisors, Inc.
 Salt Lake City, Utah
 Wellington Management Company
 Boston, Massachusetts

INTERNATIONAL EQUITY MANAGERS

Allianz
 New York City, New York
 Causeway Capital Management, LLC
 Los Angeles, California
 State Street Global Advisors,
 Boston, Massachusetts
 Wasatch Funds
 Salt Lake City, Utah
 Wellington Management Company
 Boston, Massachusetts

FIXED INCOME MANAGERS

Hoisington Investment Management Co
 Austin, Texas
 Loomis, Sayles & Company
 Boston, Massachusetts
 Lord Abbett & Company
 Jersey City, New Jersey
 MacKay Shields
 New York City, New York

PRIVATE EQUITY MANAGERS

Franklin Park, LLC
 Bala Cynwyd, Pennsylvania

REAL ESTATE MANAGERS

AEW
 Boston, Massachusetts
 American Realty Advisors
 Glendale, California
 Angelo Gordon
 New York City, New York
 Antheus Capital
 Englewood, New Jersey
 Artemis Real Estate
 Washington D.C.
 Dune Real Estate Partners
 New York City, New York
 FCP Realty Advisor
 Chevy Chase, Maryland
 GreenOak
 New York City, New York
 Harbert Real Estate
 Birmingham Alabama
 Heitman Real Estate
 Chicago, Illinois
 Invesco Real Estate
 Dallas, Texas
 L & B Real Estate Advisors
 Dallas, Texas
 Landmark Partners
 Simsbury, Connecticut
 Starwood Capital
 Greenwich, Connecticut

ADVISORS AND CONSULTANTS

Northern Trust, *Global Custodian/Securities Lending*
 Chicago, Illinois
 AndCo, *Investment Consultant*
 Tulsa, Oklahoma
 Gabriel, Roeder, Smith & Company, *Actuary*
 Dallas, Texas
 Eide Bailly, LLP *Independent Auditor*
 Oklahoma City, Oklahoma

Statement of Investment Policies

The policies and procedures of the Teachers' Retirement System of Oklahoma provide for a prudent and systematic investment process on behalf of its members, allowing for reasonable expenses of administration of the Fund, and providing for an orderly means whereby employees may be retired from active service with all pension benefits allowed by Oklahoma statutes. The Board of Trustees must follow the "prudent investor standard." In making investments, the Board must exercise the judgment, care, skill, prudence, and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character.

The Board diversifies investments to minimize risk. The investment objectives of the Board, as fiduciaries, are long-term rather than short-term. Board policy takes into consideration actuarial assumptions of the retirement program and any unfunded liabilities.

All investment results are calculated using the net-of-fee time-weighted rate of return based on the market rate of return. The investment balances presented in this section and the financial section are presented using accrual-based accounting.

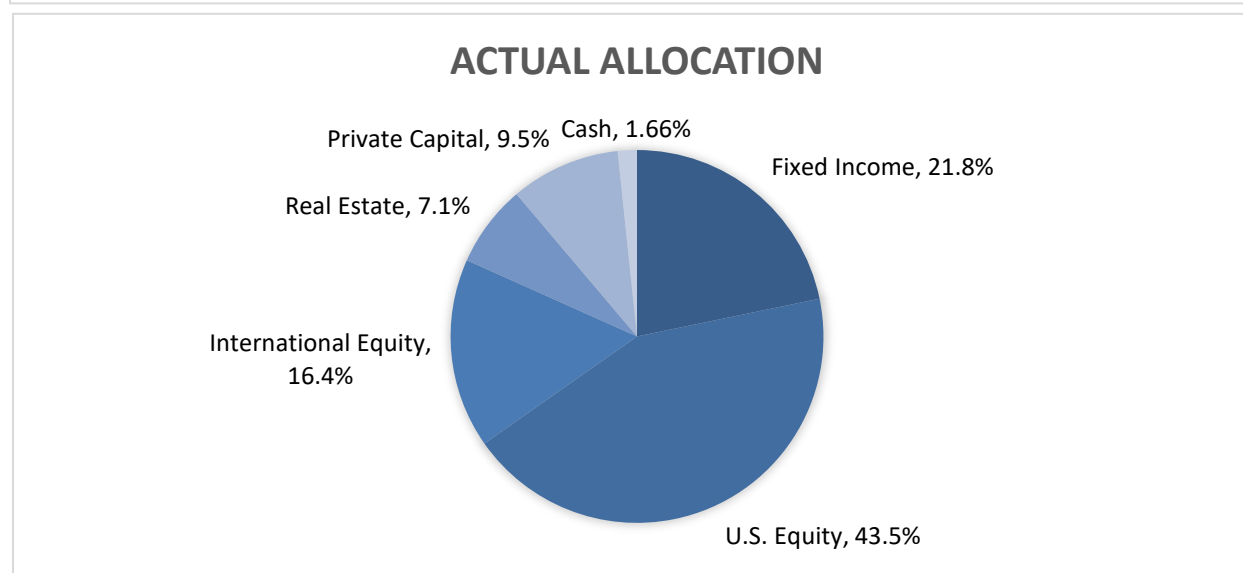
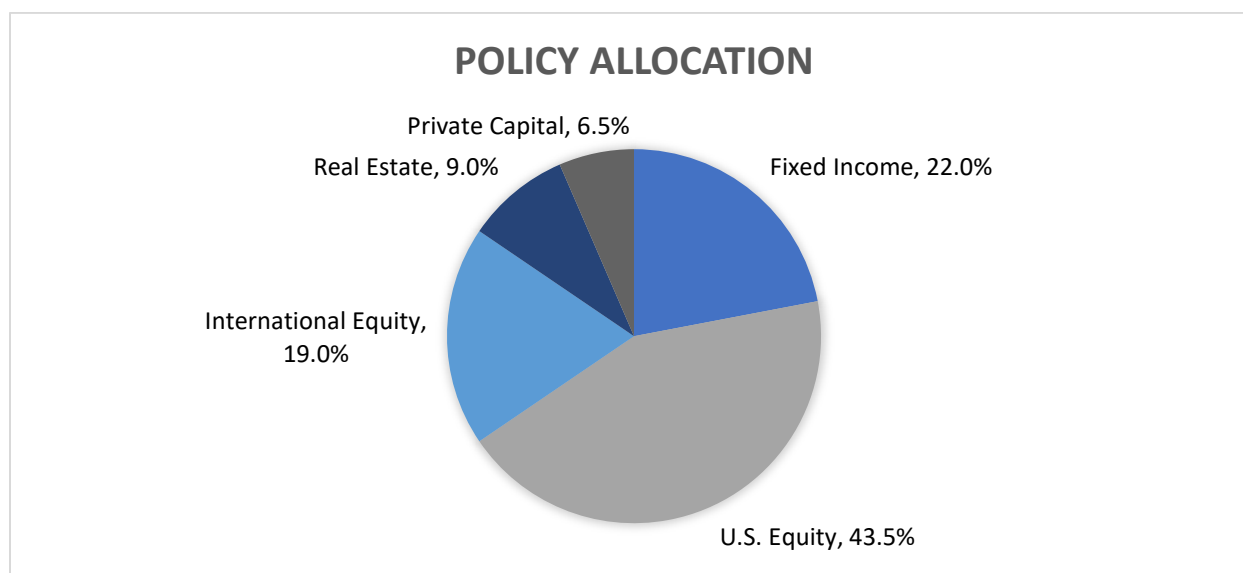
This report was prepared by,

A handwritten signature in black ink, appearing to read "Joseph Cappello". The signature is written in a cursive style with a large initial "J" and "C".

Joseph Cappello, CFA
Senior Investment Officer

Investment Allocation Policy

In the pursuit of long-term returns to meet or exceed our 7 percent actuarial assumption, while maintaining the goal of capital preservation, the System has adopted a policy of diversified asset allocation. The resulting diversified portfolio is designed to enhance long-term returns while mitigating short-term volatility. The System has a policy allocation of 43.5 percent to domestic equities, 19.0 percent to international equities and a 22 percent allocation to fixed income. In addition, the System's alternative market investments include a 6.5 percent allocation to private capital, and a 9 percent allocation to real estate. The private capital allocation represents both private equity and special opportunities. All investments are managed by external investment management firms with the exception of an office building expected to house the System. The office building has a market value of \$7,300,000 and it is managed by the Teachers' Retirement System. Our policy allocation versus our actual allocation as of June 30th, 2020 fiscal year end is shown below.

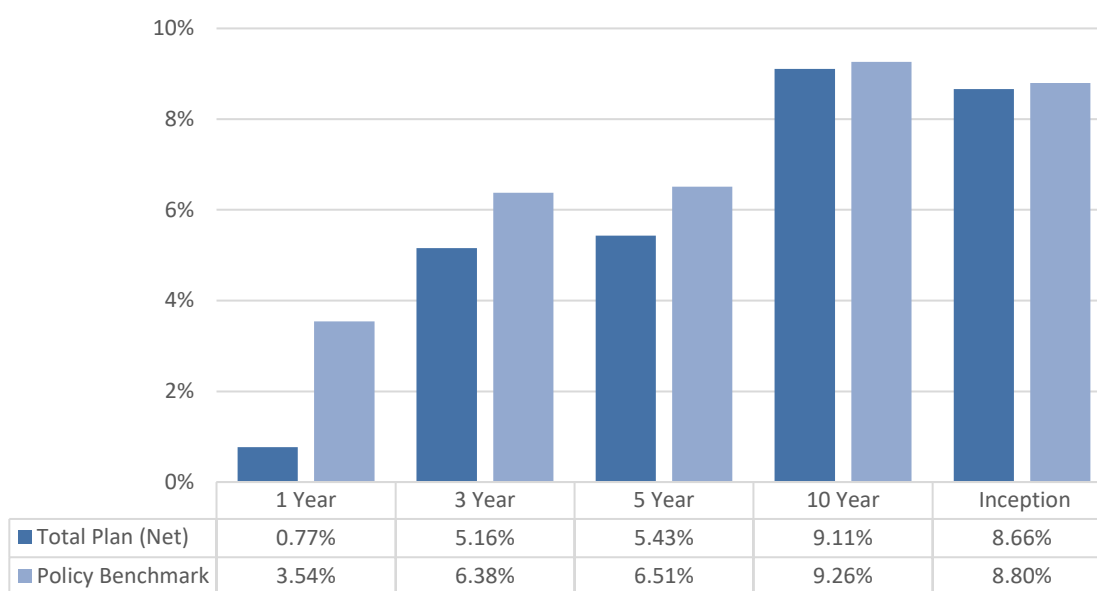


Investment Performance

For the Fiscal Year 2020 the Fund realized a time weighted net-of-fee 0.77 percent return based upon the market value of assets and accruals.

Since inception, December 1, 1991, the Teachers' Retirement System composite has a time-weighted 8.66 percent rate of return, net of fees, while the policy benchmark has returned 8.80 percent. Both return percentages are calculated using the time-weighted rate of return.

Teachers' Retirement System of Oklahoma Composite Returns

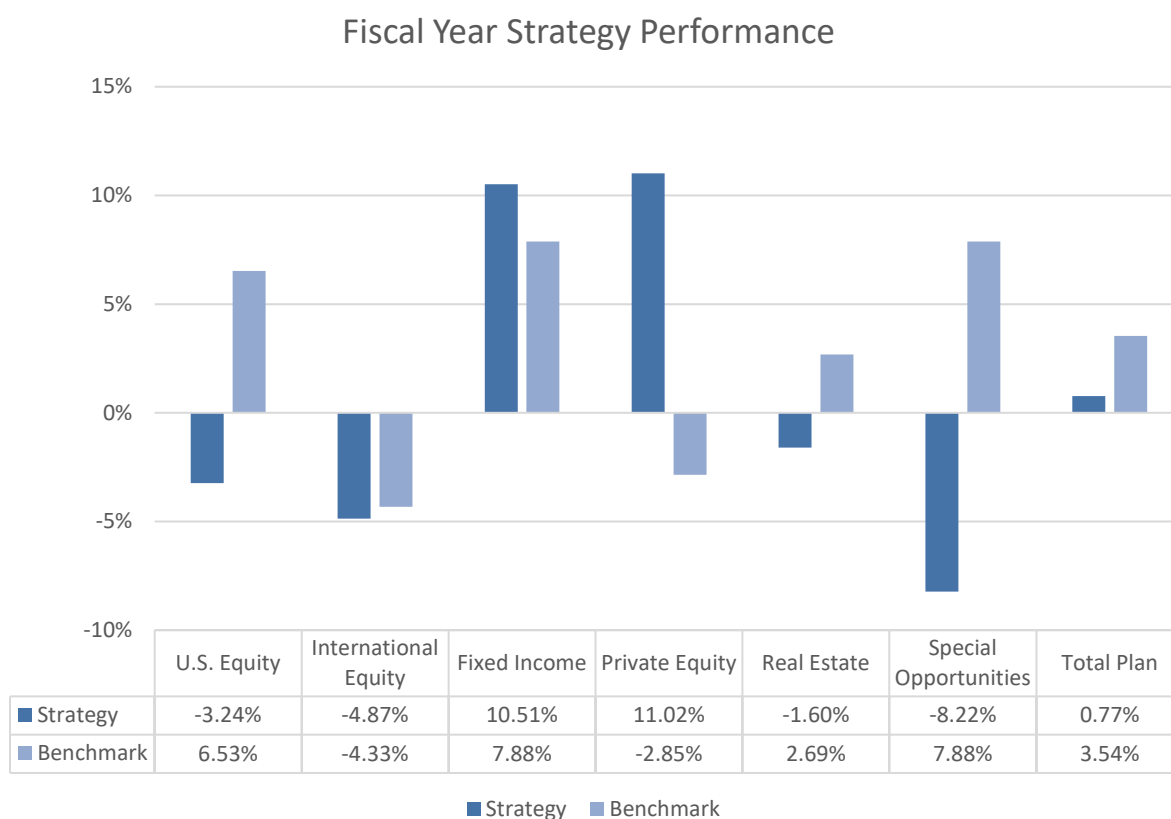


Strategy Performance

To achieve the investment goals set forth by the Oklahoma Teacher's Retirement System Investment Policy Statement, the Board of Trustees employ a strategy of active management. During fiscal year 2020, the Private Equity strategy was the best returning strategy with an annual time-weighted rate of return of 11.02 percent.

The System's U.S. and International Equity portfolios have a greater weighting to smaller companies with value characteristics than the overall strategy benchmark. While this small-cap emphasis has historically contributed to our performance versus our large-cap driven benchmark, this was not the case for 2020 fiscal year.

The net-of-fee time-weighted rates of return for fiscal year 2020 for each strategy is shown below.



Benchmark Returns

The policy benchmark consists of 43.5% Russell 3000, 19.0% MSCI All Country World Index Ex-USA IMI, 22.0% Barclays U.S. Universal, 9.0% NCREIF Property Index, 6.5% Russell 2000 + 400bp. Below you can see the full list of the System's benchmark time-weighted returns.

Domestic Equity	One Year	Three Year	Five Year
Oklahoma Teachers' Total Domestic Equity	-3.24%	3.94%	6.58%
<i>Russell 3000</i>	6.53%	10.04%	10.03%
<i>Russell 1000</i>	7.48%	10.64%	10.47%
<i>Russell Midcap</i>	-2.24%	5.79%	6.76%
<i>Russell Midcap Growth</i>	11.91%	14.76%	11.60%
<i>Russell Mid Cap Value</i>	-11.81%	-0.54%	3.32%
<i>Russell 2000</i>	-6.63%	2.01%	4.29%
<i>Russell 2000 Value</i>	-17.48%	-4.35%	1.26%
<i>Russell 2000 Growth</i>	3.48%	7.86%	6.86%
International Equity	One Year	Three Year	Five Year
Oklahoma Teachers' Total International Equity	-4.87%	0.58%	2.12%
<i>MSCI ACWI ex USA IMI</i>	-4.33%	1.42%	2.77%
<i>MSCI ACWI ex USA Value</i>	-14.78%	-3.38%	-0.67%
<i>MSCI ACWI ex USA Growth</i>	6.13%	6.45%	5.99%
<i>MSCI ACWI ex USA Small Cap ND</i>	-3.99%	0.20%	2.89%
<i>MSCI EAFE Small Cap</i>	-3.19%	0.90%	4.19%
<i>MSCI EM Small Cap</i>	-8.47%	-2.62%	-1.06%
Fixed Income	One Year	Three Year	Five Year
Oklahoma Teachers' Total Fixed Income	10.51%	6.59%	5.73%
<i>BB Barclays US Universal</i>	7.88%	5.15%	4.42%
<i>70% BB Barclays US Aggregate/ 30% ML High Yield</i>	5.87%	**	**
Real Estate	One Year	Three Year	Five Year
Oklahoma Teachers' Real Estate	-1.60%	4.72%	6.99
<i>NCREIF ODCE Price Index</i>	0.68%	2.50%	3.96%
<i>NCREIF Property</i>	2.69%	5.44%	6.77%
Private Equity*	One Year	Three Year	Five Year
Oklahoma Teachers' Private Equity	11.02%	15.29%	14.45%
<i>Russell 2000 + 4%</i>	-2.85%	8.09%	10.65%
Special Opportunities*	One Year	Three Year	Five Year
Oklahoma Teachers' Special Opportunities	-8.22%	2.03%	4.54%
<i>BB Barclays US Universal</i>	7.88%	5.15%	4.42%
Oklahoma Teachers' Total Fund	0.77%	5.16%	5.43%

*Private Equity and Special Opportunities rolls up into Private Capital for asset allocation purposes

**Oklahoma TRS does not have long-term data for this benchmarks

Top Holdings

The System's ten largest stock and fixed income holdings by fair value as of June 30, 2020 are listed below.

Security	Ticker	Market Value	Shares
Apple Inc.	AAPL	\$ 102,286,272	280,390
Microsoft Corp.	MSFT	\$ 98,105,455	482,067
Amazon	AMZN	\$ 86,966,283	31,523
Alibaba	BABA	\$ 63,004,460	292,093
Tencent	700 HK	\$ 57,248,823	889,900
Walmart Inc.	WMT	\$ 53,642,515	447,842
Fedex Corp.	FDX	\$ 51,271,443	365,650
Pfizer	PFE	\$ 49,358,459	1,509,433
Nestle	NESN	\$ 42,507,052	384,548
Hanesbrands Inc.	HBI	\$ 41,135,059	3,643,495

Security	Par Value	Market Value
U.S. Treasury Bond 2.25% Due 8-15-2046	\$ 272,550,000	\$ 323,259,206
U.S. Treasury Bond 2.50% Due 5-15-2046	\$ 156,910,000	\$ 194,611,306
U.S. Treasury Bond 2.50% Due 2-15-2046	\$ 82,290,000	\$ 101,914,236
U.S. Treasury Strip Due 2-15-2046	\$ 109,700,000	\$ 75,025,321
U.S. Treasury Strip Due 11-15-2045	\$ 108,000,000	\$ 74,213,204
U.S. Treasury Strip Due 8-15-2045	\$ 96,750,000	\$ 66,738,264
FNMA Single Family Mortgage 4% Due 7-1-2039	\$ 45,613,000	\$ 48,336,417
U.S. Treasury Strip Due 5-15-2045	\$ 64,350,000	\$ 44,561,911
FNMA Single Family Mortgage 3.5% Due 7-1-2041	\$ 27,771,000	\$ 29,208,366
U.S. Treasury Note 0.125% Due 4-30-2022	\$ 27,260,000	\$ 27,238,703

A comprehensive list of the Plan's investments at June 30, 2020 may be obtained by contacting the Investment Department.

Investment Expenses by Strategy

For the Fiscal Year 2020, investment fees paid to investment management firms employed by TRS were as follows:

Domestic Equity			
Account Manager	Strategy	AUM (\$)	Total Fees (\$)
Hotchkis & Wiley*	Domestic Large Cap	110,224	433,502
Sawgrass*	Domestic Large Cap	35	427,038
Aronson, Johnson & Ortiz*	Domestic Mid Cap	78	277,049
Frontier*	Domestic Mid Cap	13	1,540,524
Hotchkis & Wiley	Domestic Mid Cap	265,587,899	649,870
Wellington	Domestic Mid Cap	580,005,429	1,324,666
Frontier	Domestic Small Cap	167,829,675	1,538,960
Geneva Capital	Domestic Small Cap	234,271,189	1,493,603
Neumeier Poma	Domestic Small Cap	224,718,972	1,461,931
Shapiro Cap	Domestic Small Cap	689,654,028	4,621,772
Wasatch Adv	Domestic Small Cap	241,326,469	1,706,141
Northern Trust	Russell 1000 Index Fund	1,772,829,079	117,348
Northern Trust	Russell Mid Cap Index Fund	899,364,123	31,751
Northern Trust	SciBeta US 6 Factor Index	2,275,236,990	1,394,409
Total		7,350,934,203	17,018,564
International Equity			
Account Manager	Strategy	AUM (\$)	Total Fees (\$)
Allianz	International Large Cap	973,182,198	2,580,563
Causeway Capital	International Large Cap	459,572,956	1,506,612
Northern Trust Intl*	International Large Cap	12,814	-
Wellington	International Large Cap	543,243,661	2,891,223
Advisory Research*	International Small Cap	818,257	-
Epoch*	International Small Cap	402,326	286,923
Wasatch	International Small Cap	328,584,546	2,350,197
Wellington	International Small Cap	232,638,774	1,219,057
SSGA	Emerging Mkts Small Cap	241,040,944	1,256,017
Total		2,779,496,476	12,090,592
Fixed Income			
Account Manager	Strategy	AUM (\$)	Total Fees (\$)
Hoisington Investment Co.	Active Duration	884,092,268	680,836
Loomis Sayles	Core Plus Fixed Income	955,104,213	2,466,638
Lord Abbett	Core Plus Fixed Income	910,468,486	1,864,143
Mackay Shields	Core Plus Fixed Income	926,433,591	2,202,019
Total		3,676,098,558	7,213,636

Real Estate

Account Manager	Strategy	AUM (\$)	Total Fees (\$)
AEW	Core Real Estate	328,043,955	2,495,774
Heitman America Real Estate	Core Real Estate	320,352,146	2,310,516
L&B Core Income Partners	Core Real Estate	92,027,546	695,001
American Strategic Value	Non-Core Real Estate	72,135,357	783,310
Angelo Gordon X	Non-Core Real Estate	16,124,791	899,442
Artemis Real Estate III	Non-Core Real Estate	10,514,674	751,032
Dune Real Estate III	Non-Core Real Estate	52,985,110	604,814
Dune Real Estate IV	Non-Core Real Estate	12,492,937	678,378
FCP Realty Fund IV, L.P.	Non-Core Real Estate	12,682,208	490,000
GreenOak US II	Non-Core Real Estate	31,634,414	558,368
GreenOak US III	Non-Core Real Estate	22,565,423	908,812
Harbert European Real Estate V	Non-Core Real Estate	15,272,678	743,195
Invesco Strategic Realty	Non-Core Real Estate	13,680,708	1,864,188
L&B Golden Driller	Non-Core Real Estate	74,735,022	478,036
Landmark Real Estate VII	Non-Core Real Estate	13,377,154	172,531
Lyrical-OTRS Realty Partner IV	Non-Core Real Estate	66,539,641	724,899
Teachers' Retirement System	Non-Core Real Estate	7,300,000	-
Starwood Opportunity X	Non-Core Real Estate	20,507,499	345,796
Starwood Opportunity XI	Non-Core Real Estate	20,008,953	600,824
Total		1,202,980,216	16,104,916

Private Capital

Account Manager	Strategy	AUM (\$)	Total Fees (\$)
Franklin Park	Private Equity	1,279,420,663	2,473,433
Franklin Park	Private Equity - Legacy	11,707,422	26,567
PIMCO Bravo	Special Credit Opportunities	594,455	2,076
PIMCO Bravo II	Special Credit Opportunities	53,467,606	163,403
PIMCO Bravo III	Special Credit Opportunities	173,729,888	302,641
PIMCO COF II	Special Credit Opportunities	89,256,991	186,113
Total		1,608,177,025	3,154,233

MLP's

Account Manager	Strategy	AUM (\$)	Total Fees (\$)
Chickasaw Capital*	MLP	0	280,352
Cushing Asset Management*	MLP	0	400,634
Total		0	680,986

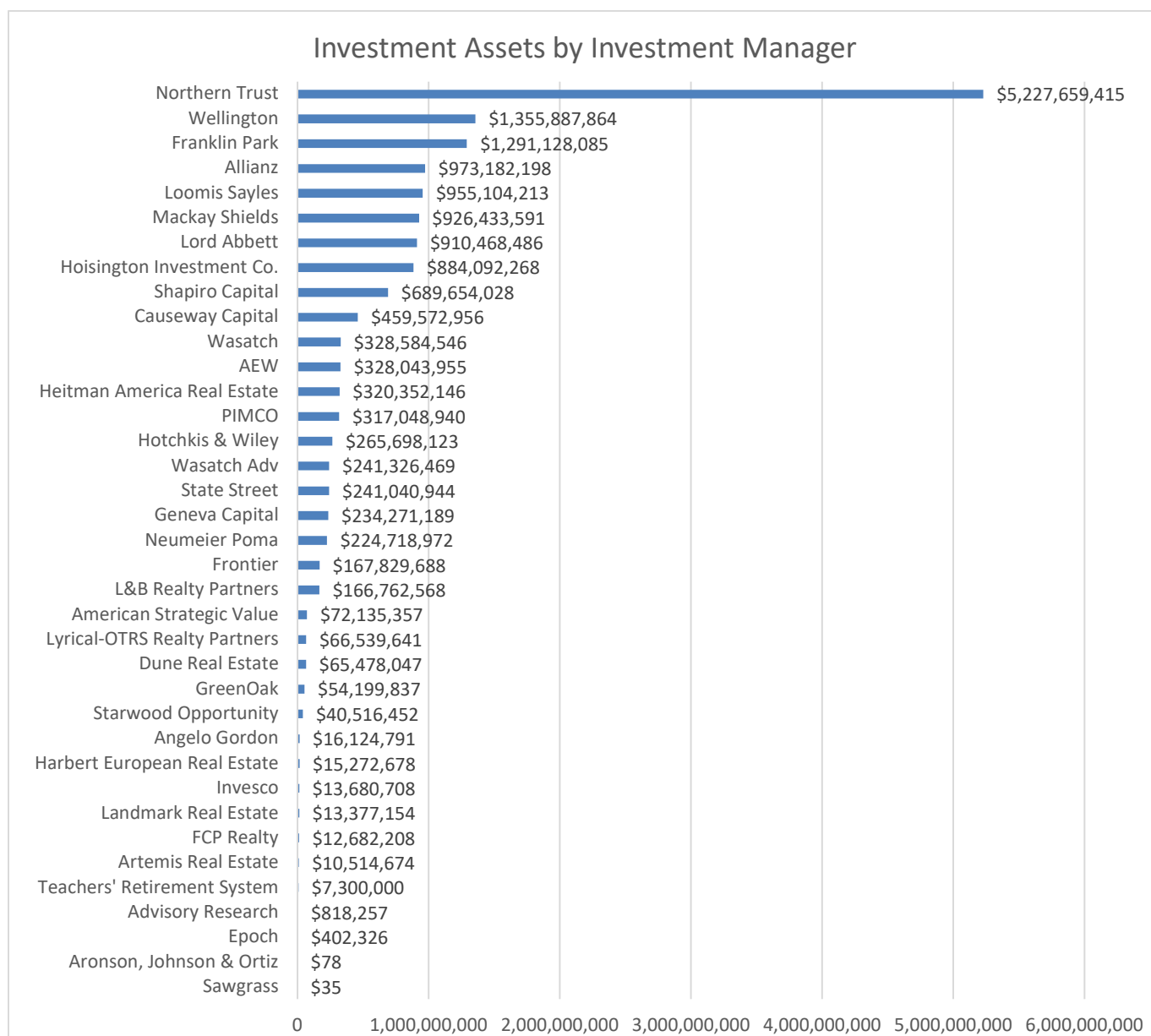
Cash & Other Investment Expenses

Account Manager	Strategy	AUM (\$)	Total Fees (\$)
Northern Trust	STIF Account	280,162,263	-
Northern Trust	Transition Account	54,146	-
Alternative Investments Admin			280,000
Investment Consultant Expense			1,157,659
Custodial Expense			49,000
Investment Staff Expense			355,703
Grand Total		16,897,902,887	58,105,289

*Closed Account with residual accruals.

Investment Assets by Investment Manager

The Board of Trustees has hired the following investment management firms to manage the assets of the System. The investment managers have full discretion in the management of assets in their portfolios, subject to individual investment styles and the overall guidelines of the System's Investment Policy Statement. Some investment management firms manage multiple accounts for Teachers' Retirement System. The investment assets under management, when rolled up by manager, can be seen below.



Schedule of Brokerage Commissions
Year Ended June 30, 2020

Broker	Commission	Shares	Commission Per Share (Cents)
Abel Noser	266,519	9,076,740	2.94
ABG Securities Limited	382	7,242	5.27
Aqua Securities	462	23,100	2.00
B. Riley & Co. LLC	9,835	251,025	3.92
Banco Btg Pactual S.A.	332	49,756	0.67
Banco Santander S.A. New York	1,048	134,802	0.78
Bank of America Corporation	153,883	7,281,304	2.11
Banque Paribas Paris	2,124	78,452	2.71
Barclays Capital	54,496	2,772,846	1.97
Berenberg Capital Markets LLC	1,320	44,013	3.00
BMO Capital Markets Corp	10,674	582,195	1.83
BNP Paribas Securities Services	12,532	1,585,985	0.79
BNY Brokerage Inc	13,110	424,011	3.09
Bank of America Securities Europe S.A.	600	32,149	1.87
Bradesco S.A. CtvM	512	325,300	0.16
Brasil Plural CtvM Sa	487	368,143	0.13
Brockhouse & Cooper Ny	3,400	340,041	1.00
Brown Brothers Harriman And Co.	6,677	166,930	4.00
BTIG, Inc	22,522	1,082,774	2.08
Cabrera Capital Markets LLC	76	49,146	0.16
Cantor Fitzgerald	47,572	1,579,043	3.01
Capital Institutional New York	558	55,800	1.00
Carnegie A.S.	14,069	584,376	2.41
Charles Schwab And Co., Inc	142	162,875	0.09
China Intl Capital Corp HK Secs Ltd	3,266	747,300	0.44
CIBC World Markets Corp.	2,901	72,520	4.00
CIMB Securities, Inc	437	114,000	0.38
Citadel Securities Institutional LLC	7,886	1,577,174	0.50
Citigroup Global Markets Inc	616,695	218,414,465	0.28
CJS Securities Inc	10,197	254,925	4.00
CL King	470	11,750	4.00
CLSA Limited	34,853	17,323,416	0.20
Collins Stewart	2,879	130,122	2.21
Cornerstone Macro LLC	1,633	81,647	2.00
Cowen And Company, LLC	31,330	1,771,625	1.77
Craig-Hallum Capital Group LLC	4,461	117,295	3.80
Credit Agricole Securities USA Inc	850	478,100	0.18

Broker	Commission	Shares	Commission Per Share (Cents)
Credit Lyonnais	1,235	147,000	0.84
Credit Suisse Securities	137,767	13,967,171	0.99
D. Carnegie Ab, Finland Branch	5,796	175,650	3.30
D.A. Davidson And Co	5,167	137,625	3.75
Daiwa Capital Markets America Inc	35,678	2,321,244	1.54
DNB Bank Asa	3,061	609,310	0.50
Erste Group Bank AG	66	2,282	2.89
Evercore Group LLC	8,894	238,820	3.72
Exane S.A.	20,721	1,602,925	1.29
Fidelity Capital Markets	3,150	315,022	1.00
First Analysis Securities Corp.	13	668	2.00
Goldman, Sachs And Co.	200,477	18,665,686	1.07
Guggenheim Capital, LLC	6,466	467,918	1.38
Guzman And Company	3,348	334,826	1.00
Haitong International Securities Co.	4,779	1,186,391	0.40
HSBC Bank Plc	55,385	13,460,147	0.41
Ichiyoshi Securities Co. Ltd.	168	8,900	1.88
Imperial Capital LLC	1,406	53,040	2.65
Industrial & Comm Bank of China	194,721	6,523,566	2.98
Instinet, LLC	75,218	17,191,649	0.44
Investec Bank Plc	249	28,018	0.89
Investment Technology Group Ltd.	62,854	7,018,833	0.90
ISI Group Inc	92,788	3,415,308	2.72
J.P. Morgan Securities LLC	262,926	22,785,757	1.15
Janney Montgomery Scott New York	816	40,789	2.00
Jefferies LLC.	271,747	35,253,806	0.77
JMP Securities	3,868	105,742	3.66
JNK Securities Inc	2,809	280,852	1.00
Joh. Berenberg, Gossler Und Co	25,043	2,566,903	0.98
Johnson Rice & Company LLC	42,948	1,431,600	3.00
Jones Trading Institutional Service	58,532	2,253,362	2.60
KCG Americas LLC	5,208	334,060	1.56
Kepler Capital Markets	4,807	401,715	1.20
Kim Eng Securities Hong Kong Ltd.	61	5,781	1.05
Korea Investments And Securities Co	252	7,359	3.43
Leerink Swan & Company	142	3,542	4.00
Liberum Capital Inc	55	24,718	0.22
Liquidnet Inc	34,756	5,081,827	0.68
Loop Capital Markets LLC	2,114	196,900	1.07
Luminex Trading And Analytics	1,725	345,083	0.50
Macquarie Bank Limited	73,026	29,369,355	0.25

Broker	Commission	Shares	Commission Per Share (Cents)
Merrill Lynch Pierce Fenner & Smith	125,429	24,226,531	0.52
Mirae Asset Daewoo Co., Ltd.	10,808	475,970	2.27
Mitsubishi Ufj Securities, Inc	1,571	110,280	1.42
Mizuho Securities USA Inc	22,066	836,725	2.64
Morgan Stanley And Co., LLC	192,472	35,005,034	0.55
MUFG Securities Americas Inc	5,651	191,059	2.96
National Financial Services LLC	854,226	100,711,904	0.85
Nbc Clearing Services Incorporated	371	13,570	2.73
Needham And Company LLC	1,373	56,138	2.44
Northern Trust Company, The	82,660	5,236,334	1.58
Numis Securities Limited	796	97,194	0.82
Oddo Bhf Sca	3,413	68,064	5.01
Oddo Et Cie	1,735	36,902	4.70
Olivetree Securities Limited	352	41,097	0.86
Oppenheimer And Co, Inc	3,872	122,701	3.16
Parel	1,806	80,454	2.25
Paris Agency Business	796	28,786	2.77
Peel Hunt LLP	817	91,029	0.90
Penserrasecurities	20	1,003	2.00
Pershing LLC	37,557	2,274,510	1.65
Pershing Securities Limited	35,793	3,833,079	0.93
Piper Jaffray & Co.	29,004	2,211,311	1.31
Raymond James And Associates	42,207	1,264,936	3.34
RBC Capital Markets, LLC	101,438	4,711,429	2.15
Redburn	16,064	918,353	1.75
Robert W. Baird Co. Incorporated	20,053	535,299	3.75
Rosenblatt Securities Inc	3,438	343,785	1.00
Roth Capital Partners	9,463	244,550	3.87
Samsung Securities Co., Ltd.	9,431	154,634	6.10
Sanford C. Bernstein Ltd	52,876	12,420,214	0.43
SG Americas Securities LLC	15,899	2,262,588	0.70
Shinhan Investment Corp.	165	4,075	4.04
Sidoti & Company LLC	15,173	483,449	3.14
Skandinaviska Enskilda Banken	2,185	121,138	1.80
SMBC Nikko Securities America, Inc	3,671	213,000	1.72
Societe Generale London Branch	40,129	4,146,492	0.97
State Street	36	900	4.00
Stephens Inc	12,006	357,800	3.36
Stifel Nicolaus & Co	88,144	2,627,415	3.35
Strategas Securities LLC	470	11,756	4.00
Stuart Frankel And Co. Inc	24	2,400	1.00

Broker	Commission	Shares	Commission Per Share (Cents)
Suntrust Robinson Humphrey, Inc	7,043	193,766	3.63
Svenska Handelsbanken	957	8,068	11.86
The Benchmark Company	227	11,325	2.00
The HSBC Ltd	738	81,549	0.91
Themis Trading LLC	6,335	633,497	1.00
UBS Securities LLC	147,385	22,079,834	0.67
Wall Street Access	3,839	515,663	0.74
Wedbush Morgan Securities	609	22,444	2.71
Weeden And Co	2,313	77,084	3.00
Wells Fargo Bank, N.A.	38,497	1,908,065	2.02
William Blair And Company	23,251	688,874	3.38
Winterflood Securities Limited	992	200,207	0.50
Wolfe Research Securities	8,141	277,529	2.93
Woori Investments & Secs Co Ltd	236	45,622	0.52
Grand Total	\$5,137,456	689,830,952	0.74

Summary of Investments
June 30, 2020

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Percentage of Total Fair Value</u>
Fixed Income:		
U S Government Securities	\$ 1,229,888,540	7.26%
Corporate Bonds	1,951,919,295	11.52%
International Bonds	426,132,914	2.51%
Total Fixed Income	<u>3,607,940,749</u>	<u>21.28%</u>
Equities:		
Domestic	7,415,972,371	43.75%
International	2,556,375,632	15.08%
Total Equities	<u>9,972,348,003</u>	<u>58.83%</u>
Other Investments		
Private Equity	1,614,052,163	9.52%
Real Estate	1,163,285,679	6.86%
Total Other Investments	<u>2,777,337,842</u>	<u>16.38%</u>
Short-Term Investments:		
Short-term Investments Northern Trust	575,524,797	3.40%
Money Markets	17,603,557	0.10%
Total Short-Term Investments	<u>593,128,354</u>	<u>3.50%</u>
Total Investments	<u><u>\$16,950,754,948</u></u>	<u><u>100.0%</u></u>



TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



Actuarial Section



October 21, 2020

Board of Trustees
Teachers' Retirement System of Oklahoma
Oliver Hodge Education Building
2500 N. Lincoln Boulevard, 5th Floor
Oklahoma City, Oklahoma 73105

Subject: Actuarial Valuation as of June 30, 2020

Dear Members of the Board:

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the Teachers' Retirement System of Oklahoma (the "System" or "OTRS") as of June 30, 2020. This report was prepared at the request of the Board and is intended for use by the System's staff and those designated or approved by the Board. This report may be provided to parties other than the staff only in its entirety and only with the permission of the Board.

All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, the results presented also comply with the requirements of the Oklahoma statutes and, where applicable, the Internal Revenue Code. The undersigned are independent actuaries. They are Enrolled Actuaries and Members of the American Academy of Actuaries, and they are experienced in performing valuations for large public retirement systems. They meet all of the Qualification Standards of the American Academy of Actuaries.

Valuations are prepared annually, as of June 30th of each year, the last day of the System's plan and fiscal years.

ACTUARIAL VALUATION

The primary purposes of the actuarial valuation report are to determine the adequacy of the current employer contribution rates and the level of dedicated State revenue, to describe the current financial condition of the System, and to analyze changes in the System's condition. In addition, the report provides various summaries of the data.

All of the information required by GASB is provided in stand-alone reports prepared in accordance with GASB Statement Nos. 67 and 74 for the OTRS fiscal year ending June 30, 2020.

FINANCING OBJECTIVES

The member, employer, and “grant matching” contribution rates, as well as the dedicated State revenue, are established by law. Members contribute 7.00% of covered compensation.

The contribution rate for employers covered by the Education Employees Service Incentive Plan (EESIP) is 9.50%. For employers not covered by the EESIP—the comprehensive and regional four-year universities—the contribution rate is 8.55%. This employer payroll contribution is projected to average about 9.3% of payroll.

The State of Oklahoma contributes a percentage of its revenues from sales taxes, use taxes, corporate income taxes, individual income taxes, and lottery proceeds to the System. This percentage has been 5.00% since FY 2008. However, HB 2741 was passed during the 2020 legislative session which temporarily changes the rate for sales taxes, use taxes, corporate income taxes and individual income taxes for FY 2021 through FY 2027. The rate was reduced to 3.50% for FY 2021 and 3.75% for FY 2022. The rate then increases to 5.50% for FY 2023 through FY 2027 and returns back to 5.00% beginning in FY 2028. For the fiscal year ending June 30, 2020, the dedicated State revenue was equivalent to a contribution rate of approximately 7.0% of covered payroll. However, because these contribution sources are unrelated to the covered payroll of the System, our outlook for the future contribution level from these sources also incorporates the prior four years of actual contributions, resulting in a five-year average of 7.1%.

Finally, the System receives “grant matching” contributions from employers for positions whose funding comes from federal sources or certain grants. The matching contribution rate for FY 2021 is 7.70% of applicable payroll. These “grant matching” contributions are equivalent to a contribution rate of approximately 0.6% of covered payroll.

The Initial Funding Surcharge, which was an additional contribution made by the comprehensive universities equal to 2.50% of the payroll for those employees who elect to join the Alternate Retirement Plan in lieu of joining the System, ended with FY 2019 when the unfunded actuarial accrued liability of the participating institutions was reduced to zero.

On a combined basis prior to HB 2741, we would have expected that the contributing entities to contribute 17.0% of covered payroll ($9.3\% + 7.1\% + 0.6\% = 17.0\%$) in the future. Due to the temporary changes to the State contribution, we expect the total contribution from contributing entities to be 14.9% for FY 2021, 15.2% for FY 2022, and 17.7% for FY 2023 through FY 2027.

The dedicated State revenue along with the local and matching contributions, when combined with the contributions made by members, are intended to pay for the normal cost and to amortize the unfunded actuarial accrued liability of the System.

DEFERRED ASSET LOSSES/GAINS

The actuarial value of assets is based upon the market value, but asset gains and losses – earnings greater or less than the assumed annual investment return – are recognized at a rate of 20% per year for five years.

The market value of assets returned 0.7% for the fiscal year ending June 30, 2020. The actuarial value of assets returned 5.5% due to the asset smoothing method but still trailed the assumed rate of 7.50% for FY 2020. The return deficit on an actuarial value of assets basis resulted in an asset loss of almost \$341 million and a decrease in the System’s funded ratio of about 1.3%. It should be noted that results based on the actuarial value, as well as the market value, provide important information about the financial health of the System.

The current actuarial value of assets of \$17.769 billion is \$839 million higher than the market value of assets of \$16.930 billion, and the actuarial value of assets is approximately 105.0% of the market value.



PROGRESS TOWARD REALIZATION OF FINANCING

The unfunded actuarial accrued liability (UAAL) as of June 30, 2019 was \$6.530 billion based on the actuarial value of assets and it increased to \$8.641 billion this year. As a result, the System's funded ratio—actuarial value of assets divided by the actuarial accrued liability—decreased from 72.4% to 67.3% as of June 30, 2020. If measured on the market value of assets, the funded ratio would decrease to 64.1%. The primary causes of the decrease were the impact of the new assumptions and the ad hoc cost of living increase (discussed below), as the funded ratio was 72.0% prior to the changes.

BENEFIT PROVISIONS

Our actuarial valuation as of June 30, 2020 reflects the benefit and contribution provisions set forth in current statutes. During the 2020 State of Oklahoma legislative session, HB 3350 was enacted which granted an ad hoc cost of living increase to all retirees who has been retired at least two full years as of July 1, 2020 and modified the definition of a nonfiscal retirement bill.

A summary of all major plan provisions contained within this valuation is included in Appendix I of this report.

ASSUMPTIONS AND METHODS

Assumptions are set by the Board of Trustees, taking into account the recommendations of the System's actuary. The System has an experience investigation study performed every fifth year. The actuarial assumptions used in this valuation are based upon the 2020 Experience Investigation Study Report, dated July 15, 2020, measuring the experience investigation period FY2015 – FY2019. The current actuarial assumptions were adopted by the Board in July 2020 and first utilized in this actuarial valuation report. Among the changes since the prior valuation are decreases in inflation rate and the real rate of investment return as well as updates to the mortality rates, termination rates, and rates for retirement. Details of the changes are shown in Section H of this report.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods.

We believe the assumptions are internally consistent and are reasonable, based on the actual experience of the System. A summary of the actuarial methods and assumptions incorporated into this valuation is included in Appendix III of this report.

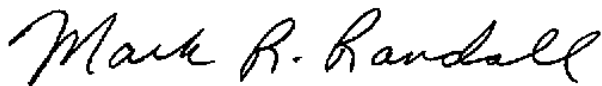


DATA

Member data for retired, active, and inactive participants was supplied as of June 30, 2020 by the System's staff. We have not subjected this data to any auditing procedures, but have examined the data for reasonableness and consistency with the prior year's data. Asset information as of June 30, 2020 was supplied by the auditors and by the System's staff. GRS is not responsible for the accuracy or completeness of the information provided to us.

We wish to sincerely thank the System's entire staff and the System's financial auditors for their assistance in the preparation of our report.

Respectfully submitted,



Mark R. Randall, FCA, MAAA, EA
Chief Executive Officer



R. Ryan Falls, FSA, EA, MAAA
Senior Consultant



Brad Stewart, ASA, EA, MAAA
Consultant



Executive Summary

Item	2020	2019
Membership <ul style="list-style-type: none"> • Number of <ul style="list-style-type: none"> - Active members - Retirees and beneficiaries - Inactive, vested - Inactive, nonvested - Total • Payroll 	91,471 65,778 13,091 13,686 <hr/> 184,026 \$ 4,801 million	90,014 64,821 12,784 13,516 <hr/> 181,135 \$ 4,592 million
Statutory contribution rates <ul style="list-style-type: none"> • Employers in EESIP • Regional universities • Federal/grant salaries • Members • State (% of tax revenues) 	FY 2021 9.50% 8.55% 7.70% 7.00% 3.50%	FY 2020 9.50% 8.55% 7.70% 7.00% 5.00%
Assets <ul style="list-style-type: none"> • Market value • Actuarial value • Return on market value • Return on actuarial value • State/local/federal contributions • External cash flow % • Ratio of actuarial to market value 	\$ 16,930 million \$ 17,769 million 0.7% 5.5% \$ 818 million -1.9% 105.0%	\$ 17,124 million \$ 17,150 million 4.9% 6.0% \$ 819 million -1.8% 100.2%
Actuarial Information on Actuarial Value <ul style="list-style-type: none"> • Normal cost % • Unfunded actuarial accrued liability (UAAL) • Funded ratio • Funding period (years) 	10.57% \$ 8,641 million 67.3% 21	10.31% \$ 6,530 million 72.4% 14
Actuarial Information on Market Value <ul style="list-style-type: none"> • Unfunded actuarial accrued liability (UAAL) • Funded ratio • Funding period (years) 	\$ 9,480 million 64.1% 24	\$ 6,556 million 72.3% 14
Gains/(losses) <ul style="list-style-type: none"> • Asset experience • Liability experience • Legislative Changes • Assumption Changes • Total 	(\$341) million (243) million (425) million (1,302) million <hr/> (\$2,311) million	(\$248) million (409) million 0 million 0 million <hr/> (\$657) million



**Schedule of Active Member Valuation Data
Periods Ended June 30**

<u>Valuation Date</u>	<u>Number</u>	<u>Annual Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
2011	88,085	3,773,283,867	42,837	-0.10%
2012	87,778	3,924,843,696	44,713	4.38%
2013	89,333	3,933,056,084	44,027	-1.53%
2014	89,570	4,002,883,716	44,690	1.51%
2015	90,388	4,231,846,057	46,819	4.76%
2016	90,167	4,254,783,265	47,188	0.79%
2017	87,795	4,115,686,767	46,878	-0.66%
2018	88,534	4,223,226,379	47,702	1.76%
2019	90,014	4,591,955,376	51,014	6.94%
2020	91,471	4,801,299,110	52,490	2.89%

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption.

The following table provides the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2020. In particular, the table presents the plan's net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

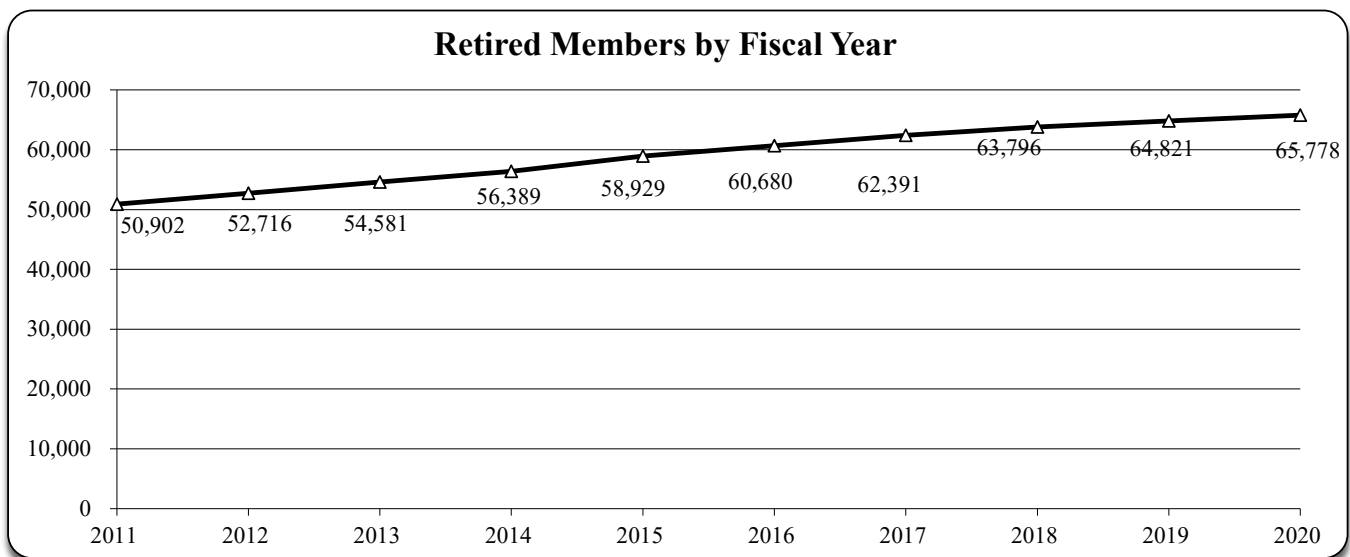
1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
\$12,666,237,617	\$9,490,232,786	\$6,860,995,248

Schedule of Increases and Decreases of Benefit Recipients Periods Ended June 30

Year Ended	Added to Rolls		Removed from Rolls		Rolls-End of Year		% Increase in Annual Allowances	Average Annual Allowances
	No.	Annual Allowances* **	No.	Annual Allowances	No.	Annual Allowances**		
2011	2,960	71,573,599	814	6,358,676	50,902	939,635,263	7.5%	18,460
2012	3,003	59,122,021	1,189	10,098,394	52,716	988,658,890	5.2%	18,754
2013	3,305	76,049,460	1,440	22,392,434	54,581	1,042,315,916	5.4%	19,097
2014	3,208	74,367,565	1,400	22,188,183	56,389	1,094,495,298	5.0%	19,410
2015	4,053	96,652,350	1,513	24,486,087	58,929	1,166,661,561	6.6%	19,798
2016	3,420	83,343,346	1,669	27,476,789	60,680	1,222,528,118	4.8%	20,147
2017	3,323	79,639,291	1,612	26,725,994	62,391	1,275,441,415	4.3%	20,443
2018	3,155	74,318,025	1,750	29,816,313	63,796	1,319,943,127	3.5%	20,690
2019	2,816	66,700,469	1,791	30,295,490	64,821	1,356,348,106	2.8%	20,925
2020	2,877	115,139,960	1,920	31,861,412	65,778	1,439,626,654	6.1%	21,886

* Includes post-retirement increases for members who retired in previous years and changes occurring due to plan options which offer a continuing monthly benefit payment to beneficiaries.

** Includes the impact of HB3350 which granted a cost of living adjustment for certain retirees.



Investment Experience Gain or Loss

Item (1)	Year Ending June 30, 2020 (2)	Year Ending June 30, 2019 (3)
1. Actuarial assets, beginning of year	\$ 17,150,348,067	\$ 16,486,871,824
2. Contributions during year	\$ 1,157,729,358	\$ 1,144,476,984
3. Benefits and refunds paid	\$ (1,467,114,633)	\$ (1,452,688,030)
4. Administrative expenses	\$ (5,270,540)	\$ (5,198,970)
5. Assumed net investment income at 7.5%:		
a. Beginning of year assets	\$ 1,286,276,105	\$ 1,236,515,387
b. Contributions	43,414,851	42,917,887
c. Benefits and refunds paid	(55,016,799)	(54,475,801)
d. Administrative expenses	(197,645)	(194,961)
e. Total	\$ 1,274,476,512	\$ 1,224,762,512
6. Expected actuarial assets, end of year (Sum of Items 1 through 5)	\$ 18,110,168,764	\$ 17,398,224,320
7. Actual actuarial assets, end of year	\$ 17,769,313,155	\$ 17,150,348,067
8. Asset gain (loss) for year (Item 7 - Item 6)	\$ (340,855,609)	\$ (247,876,253)



Solvency Test

The system's funding objective is to meet long term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the system will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one way of evaluating a system's progress under its funding program. In a short-term solvency test, the plan's present assets are compared with:

1. Active member contributions on deposit;
2. The liabilities for future benefits to present retirees;
3. The liabilities for terminated employees with vested benefits; and
4. The liabilities for service already rendered by active members.

In a system that has been following the level contribution rate of payroll financing principle, the liabilities for active member contributions on deposit (liability 1), the liabilities for future benefits to present retirees (liability 2), and the liabilities for terminated employees with vested benefits (liability 3) will be fully covered by present assets except in rare circumstances. In addition, the liabilities for service already rendered by active members (liability 4) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 4 will increase over time. Following is a summary of the solvency test:

Solvency Test

Actuarial Accrued Liability and Percent of Active Member Payroll for:

June 30,	Accumulated Member Contributions Including Interest		Retirees and Beneficiaries Currently Receiving Benefits		Terminated Employees Not Yet Receiving Benefits		Employer Financed Portion of Vested and Nonvested Benefits		Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Assets			
	(1)	% of Payroll	(2)	% of Payroll	(3)	% of Payroll	(4)	% of Payroll		(1)	(2)	(3)	(4)
2011	\$ 4,931.4	131%	\$ 9,316.6	247%	\$ 379.9	10%	\$ 2,932.9	78%	\$ 9,960.6	100%	54%	0%	0%
2012	5,087.4	130%	9,814.2	250%	443.8	11%	3,242.6	83%	10,190.5	100%	52%	0%	0%
2013	5,252.6	134%	10,315.6	262%	469.3	12%	2,935.7	75%	10,861.1	100%	54%	0%	0%
2014	5,221.1	130%	10,780.2	269%	726.8	18%	2,847.5	71%	12,369.0	100%	66%	0%	0%
2015	5,377.9	127%	11,499.9	272%	534.3	13%	3,280.5	78%	13,771.9	100%	73%	0%	0%
2016	5,494.8	129%	12,466.8	293%	610.9	14%	3,620.7	85%	14,577.9	100%	73%	0%	0%
2017	5,572.8	135%	12,602.9	306%	651.1	16%	3,227.3	78%	15,516.3	100%	79%	0%	0%
2018	5,736.4	136%	12,973.2	307%	696.5	16%	3,209.8	76%	16,486.9	100%	83%	0%	0%
2019	6,011.2	131%	13,205.7	288%	750.2	16%	3,713.1	81%	17,150.3	100%	84%	0%	0%
2020	6,315.8	132%	14,409.8	300%	858.9	18%	4,825.4	101%	17,769.3	100%	79%	0%	0%

Note: Dollar amounts in millions



Schedule of Funding Progress
(As required by GASB #25)

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial		Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
			Accrued Liability (UAAL) (3) - (2)	Funded Ratio (2)/(3)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2011	\$9,960.6	\$17,560.8	\$7,600.2	56.7%	\$3,773.3	201.4%
June 30, 2012	\$10,190.5	\$18,588.0	\$8,397.6	54.8%	\$3,924.8	214.0%
June 30, 2013	\$10,861.1	\$18,973.2	\$8,112.1	57.2%	\$3,933.1	206.3%
June 30, 2014	\$12,369.0	\$19,575.6	\$7,206.6	63.2%	\$4,002.9	180.0%
June 30, 2015	\$13,771.9	\$20,692.6	\$6,920.7	66.6%	\$4,231.8	163.5%
June 30, 2016	\$14,577.9	\$22,193.4	\$7,615.6	65.7%	\$4,254.8	179.0%
June 30, 2017	\$15,516.3	\$22,054.1	\$6,537.8	70.4%	\$4,115.7	158.9%
June 30, 2018	\$16,486.9	\$22,615.9	\$6,129.0	72.9%	\$4,223.2	145.1%
June 30, 2019	\$17,150.3	\$23,680.2	\$6,529.9	72.4%	\$4,591.9	142.2%
June 30, 2020	\$17,769.3	\$26,409.9	\$8,640.6	67.3%	\$4,801.3	180.0%

Note: Dollar amounts in millions

Summary of Plan Provisions

1. Effective Date: July 1, 1943.
2. Plan Year: Twelve-month period ending June 30th.
3. Administration: The Teachers' Retirement System of Oklahoma is administered by a Board of Trustees, which is responsible for administration of the System and investment of System assets. Four members serve ex officio, while a total of ten others are appointed by the Governor (six), the President of the Senate (two), and the Speaker of the House (two), according to various guidelines. Additionally, a statewide organization representing retired educators shall appoint a member to the Board who shall be a nonvoting member.
4. Type of Plan: The System is a qualified governmental defined benefit retirement plan. For GASB purposes, it is a cost-sharing multiple-employer plan.
5. Eligibility: All employees of any public school in Oklahoma, including public colleges and universities, are eligible to participate in the System. Classified personnel (teachers, supervisors, principals, registered school nurses, administrators, etc.) are required to participate, beginning at their date of employment. Non-classified employees (all other employees, such as drivers, secretaries, janitors, cooks, etc.) may, but are not required to, participate. Certain other State employees, such as employees of the System itself, participate in the System. Beginning July 1, 2004, new employees hired by the comprehensive universities (Oklahoma University, the Health Sciences Center, and Oklahoma State University) may elect to join an alternate plan provided by the universities in lieu of joining OTRS. The election to join the alternate plan is irrevocable.
6. Maximum Pay: Prior to July 1, 1995, contributions under this System were based on pay up to a maximum dollar amount. Members could choose between a \$40,000 maximum and a \$25,000 maximum. The member's Final Average Compensation was limited by this same maximum, so the member's election affected both benefits and contributions.

The maximum was removed for most members effective July 1, 1995. It no longer applies in determining the required member and employer contributions. It does still have an impact, however. As noted below, benefits based on service earned before July 1, 1995 are limited by the \$40,000 or \$25,000 maximum, whichever was elected. This cap may be modified for members in the Education Employees Service Incentive Plan (EESIP). See Item 22 below discussing the EESIP provisions.

In addition, the cap on salary continued to apply after June 30, 1995 to members employed by one of the comprehensive universities who entered the System before July 1, 1995. The cap on salary for contribution purposes is shown in the schedule below. All caps were removed effective July 1, 2007.



	<u>Elected</u> <u>\$40,000 Maximum</u>	<u>Elected</u> <u>\$25,000 Maximum</u>
1995/1996	\$44,000	\$27,500
1996/1997	49,000	32,500
1997/1998	54,000	37,500
1998/1999	59,000	42,500
1999/2000	59,000	42,500
2000/2001	64,000	47,500
2001/2002	69,000	52,500
2002/2003	74,000	57,500
2003/2004	79,000	62,500
2004/2005	84,000	67,500
2005/2006	89,000	72,500
2006/2007	94,000	77,500
Thereafter	No limit	No limit

Benefits for the members employed by the comprehensive universities, except for those hired on or after July 1, 1995, are limited by the pay caps for the period before July 1, 2007.

7. Member Contributions: Generally, active members contribute 7.00% of all compensation to the System. A school district may pay all or part of the contribution for its employees.
8. Employer Contributions: Employers are required to contribute a fixed percentage of pay on behalf of active members. The employer contribution rate is now applied to all pay, although historically the rate was not applied to pay above the cap on salary.

The employer contribution rate for years from July 1, 2002 through December 31, 2006 was 7.05% of covered salary. Effective January 1, 2007, the employer contribution rate paid by all employers covered by the EESIP increased to 7.60%. This rate then increased to 7.85% effective July 1, 2007, 8.35% effective January 1, 2008, 8.50% effective July 1, 2008, 9.00% effective January 1, 2009, and 9.50% effective January 1, 2010. For employers not covered by the EESIP—the comprehensive and regional four-year universities—the rate increased to 7.55% effective January 1, 2008, 8.05% effective January 1, 2009, and 8.55% effective January 1, 2010.

In addition, the State of Oklahoma contributes 5.00% percent of revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. The 5.00% rate became effective on July 1, 2007. The rates are shown in the following schedule on the next page.



Fiscal Year	State Contribution Percentage
FY 2003	3.54%
FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.00%
FY 2007	4.50%
FY 2008	5.00%
Thereafter	5.00%*

Beginning in FY 2006, the State also contributes 5.00% of lottery proceeds.

* HB 2741 passed during the 2020 legislative session temporarily changes the rate for FY 2021 through FY 2027. The rate was reduced to 3.50% for FY 2021 and 3.75% for FY 2022. The rate then increases to 5.50% for FY 2023 through FY 2027 and returns back to 5.00% beginning in FY 2028.

If a member's salary is paid from federal funds or certain grant money, an additional contribution (the grant matching contribution) is required. The matching contribution rate is set by the Board of Trustees annually and is expressed as a percentage of federal/grant salaries.

Fiscal Year	Federal/Grant Contribution Percentage
FY 2003	5.00%
FY 2004 to 2005	4.50%
FY 2006	5.00%
FY 2007 to 2008	7.00%
FY 2009 to 2010	7.50%
FY 2011	6.50%
FY 2012	7.00%
FY 2013	8.00%
FY 2014 to 2016	8.25%
FY 2017	7.70%
FY 2018	7.80%
FY 2019 to 2021	7.70%

9. Service: Employees receive credit for a year of service if they are contributing members for at least six months within one school year. For service performed on or after July 1, 2013, fractional service will be awarded for less than full-time employment performed during the contract year. Fractional service credit will be added together and the resulting sum will be included in the retirement formula calculations. For service performed on or after July 1, 2016 service credit awarded for all members will be the result of the days the employee worked during the employment year divided by the days the full-time equivalent for that position would be required to work during the entire employment year.

Credit may also be granted for service prior to the System's effective date, and non-classified employees can purchase credit for their prior service once they have joined the System. Credit is also available for some out-of-state and military service under certain circumstances.



Finally, members receive a year of service credit if they have accumulated 120 days of unused sick leave at termination. As of August 1, 2012, if a member has less than 120 days of unused sick leave at termination, additional service credit for sick leave days shall be equal to the number of unused sick leave days divided by 120 days.

10. Final Average Compensation (FAC): The average of the member's compensation for the three or five years on which the highest contributions are paid. For persons becoming members before July 1, 1992, the averaging period is three years. For other members, the averaging period is five years. For service prior to July 1, 1995, the FAC is limited to \$40,000 or \$25,000, depending on the member's election and participation in the EESIP as discussed in Item 6 above and in Item 22.

11. Normal Retirement

- a. Eligibility: A member is eligible to retire and receive a Normal Retirement benefit if (i) the member is at least age 62 and has credit for five or more years of service, or (ii) the sum of the member's age and service is at least 80 (Rule of 80). For members joining after June 30, 1992, a "Rule of 90" is used instead of the "Rule of 80". Members joining after October 31, 2011 are eligible if (i) the member is at least age 65 and has credit for five or more years of service, or (ii) the member is at least age 60 and meets the "Rule of 90". Members joining after October 31, 2017 must have credit for seven or more years of service.
- b. Monthly Benefit: 2% of FAC (limited to \$40,000 or \$25,000, as appropriate) times years of service prior to July 1, 1995, plus 2% of FAC (unlimited) times years of service after June 30, 1995. Special provisions apply to members covered by the EESIP (see Item 22 below). Other special provisions apply to higher education members for service during the period July 1, 1995 through June 30, 2007 if their pay in any year in this period exceeded the applicable maximum. Monthly benefits are equal to one-twelfth of the calculated amount.
- c. Payment Form: Benefits are paid as a monthly life annuity, with a guarantee that if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump-sum to the member's beneficiary. This payment form is referred to as the "Maximum Option" since it initially provides the largest annuity. Optional forms of payment are available; see below.

12. Early Retirement

- a. Eligibility: A member is eligible to retire early if the member is at least age 55 and has credit for five or more years of service, or at any age after 30 years of service. For members joining after October 31, 2011, a member is eligible to retire early if the member is at least age 60 and has credit for five or more years of service. Members joining after October 31, 2017 must have credit for seven or more years of service.
- b. Monthly Benefit: The Normal Retirement benefit (based on current years of service) multiplied by the applicable early retirement factor below.



c. Early Retirement Factor:

Retirement Age	Actuarial Equivalent Factors for Members Joining before November 1, 2011*	Statutory Factors for Members Joining after October 31, 2011
65 or later	1.000000	1.00
64	1.000000	0.93
63	1.000000	0.86
62	1.000000	0.80
61	0.913529	0.73
60	0.835549	0.65
59	0.765083	N/A
58	0.701285	N/A
57	0.643419	N/A
56	0.590845	N/A
55	0.543003	N/A
54	0.499406	N/A
53	0.459624	N/A
52	0.423278	N/A
51	0.390033	N/A
50	0.359593	N/A

* Reduction factors will change as the System's definition of Actuarial Equivalence changes. Factors stated here were communicated to the System in 2018.

d. Payment Form: Same as for Normal Retirement above.

13. Disability Retirement

- a. Eligibility: A member is eligible provided (i) he/she has credit for at least 10 years of service and (ii) the disability is either approved by the Medical Board appointed by the Board of Trustees, or the member is determined to be eligible for disability benefits pursuant to the Social Security System.
- b. Monthly Benefit: Same as for Normal Retirement above (based on current service).
- c. Payment Form: The disability benefit commences immediately upon the member's retirement. Benefits are reduced or cease entirely upon recovery or reemployment prior to age 60. Disability benefits are payable as a monthly life annuity, with a guarantee that if the payments made do not exceed the sum of the member's accumulated contributions as of the date of retirement, the balance will be paid in a lump-sum to the member's beneficiary. A married, disabled member may elect a reduced benefit under the Joint & 100% Survivor option (with pop up) form of payments (Option 2 described in Item 17 below).



14. Vested Termination Benefit

- a. Eligibility: A member with at least 5 years of service who does not withdraw his/her contributions from the fund is eligible for a vested termination benefit. Members joining after October 31, 2017 must have credit for seven or more years of service.
- b. Monthly Benefit: Same as for Normal Retirement above (based on current service). If benefits commence prior to age 62 (age 65 for members joining after October 31, 2011), they may be reduced for Early Retirement above.
- c. Payment Form: Same as for Normal Retirement above.

15. Withdrawal (Refund) Benefit

- a. Eligibility: All members leaving covered employment with less than 5 years of service (7 years for members joining after October 31, 2017) for a reason other than the member's death. Optionally, members eligible for other benefits may withdraw their contributions in lieu of the regular benefits due.
- b. Benefit: The member who withdraws receives a lump-sum payment of his/her employee contributions, plus a portion of the interest credited by the System on these contributions. Interest is credited at an annual rate of 8%. The portion of the interest paid on termination depends on the member's years of service as follows:

<u>Years of Service</u>	<u>Percent of Interest Refunded</u>
0-15	50%
16-21	60%
22-25	75%
26 or more	90%

16. Death in Service

- a. Eligibility: Death must have occurred while an active member.
- b. Benefit: Upon the death of an active member, a refund of the member's contributions and 100% of the interest credited is paid. In addition, a lump sum of \$18,000 will be paid. If the member is eligible for retirement (early or normal) at the time of death, and the member is married, the spouse may elect to receive a monthly life annuity equal to the retirement benefit for which the member was eligible, reduced as though the member had elected to receive benefits under Option 2 (see below). This annuity is paid in lieu of both (i) the \$18,000 lump-sum death benefit and (ii) the refund of contributions.

The spouse of an EESIP eligible member can elect to receive the enhanced benefit described under Item 22 below.



17. Optional Forms of Payment: In addition to the “Maximum Option” described under Normal Retirement, above, there are optional forms of payment available on an actuarially equivalent basis, as follows:
- a. Option 1 - A modified cash refund annuity payable for life with a guaranteed refund of the member's contributions and interest, less the total of the “annuity” payments paid. (The “annuity” payment is the portion of the monthly benefit provided by the member’s own account balance.)
 - b. Option 2 - A joint life annuity payable while both the member and the joint annuitant are alive; and if the member dies before the joint annuitant, continuing without change to the joint annuitant; or if the joint annuitant dies before the member, “popping-up” to the original life annuity amount and continuing for the life of the member.
 - c. Option 3 - A joint life annuity payable while both the member and the joint annuitant are alive; and if the member dies before the joint annuitant, continuing at 50% of this amount for the joint annuitant's lifetime; or if the joint annuitant dies before the member, “popping-up” to the original life annuity amount and continuing for the life of the member.
 - d. Option 4 - A life annuity with a guarantee that if the member dies before 120 payments (10 years) have been made; the payments will be continued to the member's beneficiary for the balance of the ten-year period.
 - e. PLSO Option - A partial lump-sum option (PLSO) is allowed for those members with at least 30 years of service upon retirement. The amount of the PLSO is equal to 12, 24, or 36 times the member’s monthly retirement benefit, determined before applying any reduction for the PLSO or any other optional form of payment. A member who elects to receive a PLSO will have his/her monthly retirement benefit reduced on an actuarial basis to compensate for the fact that a PLSO is provided. A member who elects a PLSO may elect any of the other optional forms of payment as well, taking a further reduction in the annuity amount.

Actuarial equivalence is based on tables adopted by the Board of Trustees.

18. Special Retirees: This is a group of retirees who have been granted a special \$150 per month benefit although they did not fulfill the requirements for service retirement. With cost of living increases, the special retirees now average \$195 per month.



19. Supplemental Medical Insurance

- a. Eligibility: All retired members (including service retirees and disabled retirees but excluding the special retirees and spouses or beneficiaries) who have at least 10 years of service credit are eligible for a supplemental medical insurance payment.
- b. Monthly Benefit: Eligible members receive the smaller of (i) a Medicare supplement benefit, if eligible, or (ii) an amount between \$100 and \$105 per month, depending on service and Final Average Compensation.
- c. Payment Form: Benefits are payable as a life annuity on behalf of the retired member to (i) the Oklahoma Employees' Group Insurance Plan, if the member has health coverage under this Plan, or (ii) to the member's former employer, if the member retains health coverage under a plan maintained by the former employer.

20. Post-retirement Death Benefit

- a. Eligibility: All retired members (including service retirees and disabled retirees but excluding the special retirees and spouses or beneficiaries) are eligible for a post-retirement death benefit.
- b. Benefit: A lump-sum payment of \$5,000.

21. Cost-of-living Increase: From time to time, the System has been amended to grant certain post-retirement benefit increases. However, the System has no automatic cost-of-living increase features.

22. EESIP: The Education Employees Service Incentive Plan (EESIP) was created in 2006. Active members are eligible for the EESIP if they have service prior to July 1, 1995, are active on or after July 1, 2006, and are not employed by one of the comprehensive or regional four-year universities.

The EESIP allows for two years of service prior to July 1, 1995 to be computed at an enhanced or eliminated cap for each year that the employee has worked beyond Normal Retirement Age at the time of retirement.

For each "uncapped" year, the \$40,000 cap applicable to service before July 1, 1995 is increased to \$60,000 for retirements in FY 2007, to \$80,000 for retirements in FY 2008, and the cap is removed beginning July 1, 2008. The employee that elects the enhanced benefit must pay the accumulations, at 10% interest, of contributions that would have been required but for the cap then in place. Payment is required only for years FY 1988 through FY 1995 even if more than 8 years of service prior to July 1, 1995 are being "uncapped." Payment is required only for those years of service that are computed at an elevated or eliminated cap.



Contributions are required at the following rates for salary in excess of the \$25,000 or \$40,000 cap earned in years FY 1998 through FY 1995:

Fiscal Year	Contribution Percentage
FY 1995	8.00%
FY 1994	9.00%
FY 1993	11.00%
FY 1992	11.00%
FY 1991	11.00%
FY 1990	10.50%
FY 1989	10.00%
FY 1988	10.00%

For those members electing the enhanced benefit, the payment required is 50% of the accumulated balance in FY 2007, 75% of the accumulated balance in FY 2008 and 100% of the accumulated balance on or after FY 2009.



Summary of Actuarial Assumptions and Methods

I. Valuation Date

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

II. Actuarial Cost Method

Because the employer contribution rate is set by statute, the actuarial valuation is used to determine the number of years required to amortize the Unfunded Actuarial Accrued Liability (UAAL), or the funding period.

The Individual Entry Age Normal actuarial cost method assigns the plan's total unfunded liabilities (the actuarial present value of future benefits less the actuarial value of assets) to various periods. The unfunded actuarial accrued liability is assigned to years prior to the valuation, and the normal cost is assigned to the year following the valuation. The remaining costs are the normal costs that will be recognized in future years. The resulting actuarially determined contribution requirement is composed of (i) the applicable year's normal cost, plus (ii) a payment intended to reduce the unfunded actuarial accrued liability.

The normal contribution is determined using the Individual Entry Age Normal method. Under this method, a calculation is made to determine the rate of contribution which, if applied to the compensation of each individual member during the entire period of anticipated covered service, would be required to meet the cost of all benefits payable on his behalf. The salary-weighted average of these rates is the normal cost rate. This calculation reflects the plan provisions that apply to each individual member. The employer normal cost rate is equal to (i) the normal cost rate, plus (ii) the expected administrative expenses, minus (iii) the member contribution rate.

The actuarial accrued liability is the difference between the total present value of future benefits and the actuarial present value of future normal costs. The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of assets.

The funding period is calculated as the number of years required to fully amortize the UAAL, assuming that: (a) future market earnings, net of investment-related expenses, will equal 7.00% per year, (b) there will be no liability gains/losses or changes in assumptions, (c) the number of active members will remain unchanged, (d) active members who leave employment will be replaced by new entrants each year, and (e) employer contributions and dedicated State revenue will remain the same percentage of payroll as projected for the current fiscal year.

The Entry Age actuarial cost method is an "immediate gain" method (i.e., experience gains and losses are separately identified as part of the UAAL). However, they are amortized over the same period applied to all other components of the UAAL.



III. Actuarial Value of Assets

The actuarial value of assets is equal to the market value, adjusted for a five-year phase in of actual investment return in excess of expected investment return. The actual return is calculated net of investment-related expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, administrative expenses, benefits paid, and refunds.

Prior to the June 30, 2015, the actual and expected returns on plan assets were also determined net of administrative expenses.

IV. Actuarial Assumptions

A. Economic Assumptions

1. Investment return: 7.00% per year, net of investment-related expenses (composed of an assumed 2.25% inflation rate and a 4.75% real rate of return)
2. Administrative expenses: 0.10% of valuation payroll per year
3. Salary increase rate: Inflation rate of 2.25% plus productivity increase rate of 0.75% plus step-rate/promotional as shown

<u>Years of Service</u>	<u>Service-Related Component</u>	<u>Total Salary Increase Rate</u>
(1)	(2)	(3)
0	8.00%	11.00%
1-2	1.50%	4.50%
3-4	1.25%	4.25%
5-11	1.00%	4.00%
12-17	0.75%	3.75%
18-21	0.50%	3.50%
22-24	0.25%	3.25%
25 or more	0.00%	3.00%

4. New entrant salary growth: 3.00% per year
5. Future ad hoc cost-of-living increases: None.



B. Demographic Assumptions

1. Mortality rates - after retirement or termination.

- a. Healthy males – 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
- b. Healthy females – 2020 GRS Southwest Region Teacher Mortality Table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.

Sample healthy retiree mortality rates, including associated annuity value and life expectancy results:

Sample Attained Ages in 2019	Present Value of \$1 Monthly for Life *		Future Life Expectancy (years) *		Mortality Rates *	
	Males	Females	Males	Females	Males	Females
40	165.9	168.3	46.0	49.2	0.000621	0.000391
45	161.5	164.8	40.7	43.9	0.000962	0.000650
50	155.6	160.0	35.5	38.7	0.001668	0.001091
55	148.0	153.7	30.5	33.5	0.003116	0.001859
60	138.3	145.3	25.6	28.5	0.004695	0.002693
65	125.9	134.2	20.9	23.6	0.008034	0.004773
70	110.9	120.2	16.5	18.9	0.014492	0.009055
75	93.9	103.7	12.6	14.6	0.026143	0.017173
80	75.5	85.0	9.1	10.7	0.047160	0.032577
85	57.1	65.5	6.3	7.5	0.085072	0.061795

- c. Disabled males – 2020 GRS Southwest Region Teacher Mortality Table, set forward three years with minimum rates at all ages of 4.0%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
 - d. Disabled females – 2020 GRS Southwest Region Teacher Mortality Table, set forward three years with minimum rates at all ages of 2.5%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
2. Mortality rates for active members – Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010.



3. Disability Incidence –As shown below for selected ages (rates are only applied to eligible members, which are members with at least 10 years of service)

Age	Occurrence of Disability per 100 Members	
	Males	Females
25	0.020	0.018
30	0.020	0.018
35	0.028	0.036
40	0.053	0.090
45	0.081	0.144
50	0.243	0.216
55	0.365	0.333
60	0.142	0.234
65	0.000	0.000

4. Retirement rates - Separate male and female rates, based on age, developed from the 2020 Experience Study. Sample rates are shown below:

Age	Expected Retirements per 100 Lives			
	Unreduced Retirement		Reduced Retirement	
	Males	Females	Males	Females
Under 50	0.0	0.0	0.0	0.0
50-54	12.0	12.0	0.0	0.0
55	12.0	12.0	1.0	1.3
56	12.0	14.0	1.0	1.5
57	12.0	14.0	1.3	1.5
58	12.0	14.0	1.5	1.8
59	12.0	14.0	1.8	2.5
60	12.0	16.0	2.0	4.5
61	16.0	20.0	2.8	5.0
62	25.0	25.0	3.5	10.0
63	18.0	20.0	10.0	7.5
64	18.0	20.0	7.5	7.5
65-74	25.0	30.0		
75 and over	100.0	100.0		

The retirement assumption was further modified for members hired after June 30, 1992. The probability of retirement upon first eligibility for Rule of 90 reflects the accumulated probability of retirement between Rule of 80 and Rule of 90, as applicable.

5. Termination Rates – Rates based on the member’s service, developed from the 2020 Experience Study, and separate rates are used in the development of the present value of benefits (PVB) and the normal cost (NC) calculation. Rates reflect terminations for causes other than death, disability or retirement. Sample rates are shown below:

Credited Service (Years)	Expected Terminations Per 100 Lives			
	Short-Term Expectation (PVFB)		Long Term Expectation (NC, New Entrant)	
	Males	Females	Males	Females
0	11.00	12.00	35.00	35.00
1	10.50	11.50	16.00	16.00
2	10.00	11.00	14.00	14.00
3	8.00	8.50	12.00	12.00
4	7.50	8.00	10.00	10.00
5	7.00	7.50	9.00	9.00
6	6.00	7.00	8.00	8.00
7	5.50	6.00	7.50	7.50
8	5.00	5.50	7.00	7.00
9	4.75	5.00	6.50	6.50
10	4.50	4.75	6.00	6.00
11	4.00	4.50	5.50	5.50
12	3.75	4.00	5.00	5.00
13	3.50	3.75	4.50	4.50
14	3.25	3.50	4.00	4.00
15	3.25	3.25	3.75	3.75
16	3.25	3.00	3.50	3.50
17	3.25	3.00	3.50	3.50
18	2.50	2.75	3.00	3.00
19	2.50	2.50	3.00	3.00
20	2.50	2.25	2.50	2.50
21	2.50	2.00	2.50	2.50
22	2.00	2.00	2.50	2.50
23	2.00	2.00	2.50	2.50
24	2.00	2.00	1.50	1.50
25 or more	2.00	2.00	1.50	1.50

“Pending termination group” defined as members reported as active in the current census data where the date of last contribution is before April of a valuation year. For short term expectations (and PVFB development), this group is assumed to have an 80% termination rate applied in the year after the valuation date.

C. Other Assumptions

1. Percent married: 80% of employees are assumed to be married.
2. Age difference: Males are assumed to be three years older than females.
3. Percent electing annuity on death (when eligible): All of the spouses of married participants who die after becoming eligible for a retirement benefit are assumed to elect an annuity, in lieu of the \$18,000 lump sum and refund.
4. Election of deferred termination benefit: vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.
5. Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at age 62 (age 65 if hired on or after November 1, 2011).
6. Supplemental medical insurance: 50% of eligible members who are active or due a deferred vested benefit are assumed to elect the insurance benefit. For annuitants who began receiving a benefit in the year preceding the valuation date, 50% of those not already receiving the benefit are assumed to elect it. The liability for all other annuitants is based on the actual benefit being paid as shown in the data.
7. Members who retire with at least 24 years of credited service are assumed to have 120 days of unused sick leave for which they will receive one year of service credit. This assumption only applies to reduced and unreduced retirement.
8. No assumption was made that current active members employed by the comprehensive universities will elect to transfer out of OTRS.
9. Reemployment, purchase of service, transfers: No recognition is made of (i) future member reimbursements upon reemployment, (ii) future purchase of additional service, or (iii) special transfer provisions.
10. For EESIP eligible employees, if the refund amount to be paid exceeds the actuarial present value of the additional benefit, then we assume the member does not elect the enhanced benefit.
11. Decrement timing: Decrements of all types are assumed to occur mid-year.



V. Valuation Data

Participant data was supplied on an electronic file for (i) active members, (ii) inactive vested members who are entitled to a future deferred benefit, (iii) inactive nonvested members who are entitled to a refund of their employee contributions, and in some cases a portion of the accumulated interest, and (iv) members and beneficiaries receiving benefits.

The data for active and inactive, non-retired members included date of birth, date of hire, gender, years of service, salary, employee contributions and accumulated interest on employee contributions. The data also included a code to indicate whether the employee had elected to make contributions on salary above \$25,000, and a code indicating the type of employer (comprehensive university, other college or university, or other employer). For retired members and beneficiaries, the data included date of birth, gender, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Individual member contributions for the 12 months prior to the valuation date were used to determine the actual salary for plan members in the prior plan year. The valuation assumptions for salary increases were used to determine the projected salary for the current plan year. Additionally, contributing members were assumed to accrue one additional year of service between the end of the prior employment year and the valuation date.

Additional assumptions were made to correct for missing or inconsistent data. These had no material impact on the results presented.

Some inactive, nonvested employees who are entitled to a refund are not included in the data, but a liability for their refund is included instead in the Suspense Fund, which is included in the liability.

VI. Actuarial Model

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.





TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA



Statistical Section

Statistical Section Summary

The Statistical Section presents several schedules that provide financial trends analysis of the Teachers' Retirement System of Oklahoma's overall financial health and additional analytical information on membership data and retirement benefits. The schedules presented are for the combined Plans unless noted as an individual Plan. The schedules beginning on page 110 through page 119 provide data depicting active membership, level of monthly benefits, years of service, and retirement options. The schedules on page 120 to page 129 provide financial data showing revenues, expenses and changes in net position. On page 130 to page 134 these schedules report the financial impact of retirees in the state of Oklahoma and the participating employers. The source of the information in these schedules is derived from internal information unless otherwise noted.

Retired Members by Type of Benefit

Fiscal Year Ended June 30, 2020

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement *						Option Selected #					
		1	2	3	4	5	6	A	B	C	D	E	G
Under \$500	7,662	4,380	2,475	359	109	305	1	3,710	1,467	1,811	359	280	1
\$501-\$1,000	10,639	7,052	1,960	783	92	706	0	4,779	1,973	2,690	877	273	0
\$1,001-\$1,500	9,342	7,500	521	755	16	510	0	3,528	1,675	2,910	991	197	0
\$1,501-\$2,000	13,917	12,751	139	698	1	266	0	4,556	3,037	4,583	1,380	301	0
\$2,001-\$2,500	12,555	11,852	34	560	1	53	0	3,912	2,534	4,371	1,366	318	0
\$2,501-\$3,000	5,591	5,296	14	239	1	16	0	1,891	923	1,980	669	104	0
\$3,001-\$3,500	2,756	2,650	7	81	0	6	0	956	409	1,033	289	57	0
\$3,501-\$4,000	1,415	1,373	4	31	0	1	0	514	168	555	150	22	0
Over \$4,000	2,193	2,121	3	58	0	2	0	741	194	927	276	46	0
Totals		54,975	5,157	3,562	219	1,864	1	24,585	12,380	20,859	6,357	1,596	1

*** Type of Retirement**

- Type 1 - Normal retirement for age and service
- Type 2 - Early retirement
- Type 3 - Beneficiary payment (Normal retirement)
- Type 4 - Beneficiary payment (Early retirement)
- Type 5 - Disability retirement
- Type 6 - Special annuitants

Option Selected

- Option A – The Maximum Retirement Plan – provides the greatest monthly lifetime benefit.
- Option B – Retirement Option 1 – provides for a decreased rate of reduction of a member's account balance.
- Option C – Retirement Option 2 – known as the 100% joint survivor annuity – provides for a reduced monthly benefit to the member for life. Upon the death of the member, the member's account balance is paid to the surviving spouse.
- Option D – Retirement Option 3 – known as the 50% joint survivor annuity – provides a similar benefit as Option 2; however, upon the death of the member, the member's account balance is paid to the surviving spouse.
- Option E – Retirement Option 4 – provides a reduced monthly benefit payable to the member for life. In the event of the member's death within 120 months from the member's death, the member's account balance is paid to the surviving spouse.
- Option G – Special Annuitants – a former teacher, who taught a minimum of ten years in the public schools of Oklahoma prior to July 1, 1943, receives a special annuity.

Average Benefit Payments

Fiscal Years Ended June 30

Retirement Effective Date	Years of Credited Service							
	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40+
Period 7/1/2010 to 6/30/2011								
Average monthly benefit	\$353	\$672	\$984	\$1,512	\$2,002	\$2,413	\$3,105	\$3,927
Average final average salary	\$33,632	\$37,158	\$38,819	\$42,813	\$46,536	\$50,704	\$57,770	\$63,268
Number of retired members	195	377	355	586	564	607	366	163
Period 7/1/2011 to 6/30/2012								
Average monthly benefit	\$404	\$680	\$1,094	\$1,552	\$2,013	\$2,513	\$3,105	\$3,905
Average final average salary	\$37,155	\$37,678	\$41,882	\$44,304	\$46,469	\$52,838	\$57,201	\$64,385
Number of retired members	228	383	350	572	551	585	326	188
Period 7/1/2012 to 6/30/2013								
Average monthly benefit	\$393	\$726	\$1,133	\$1,570	\$2,076	\$2,570	\$3,275	\$4,006
Average final average salary	\$36,670	\$39,047	\$43,670	\$44,637	\$47,862	\$53,683	\$59,049	\$64,744
Number of retired members	203	320	342	520	576	538	350	165
Period 7/1/2013 to 6/30/2014								
Average monthly benefit	\$393	\$770	\$1,136	\$1,640	\$2,113	\$2,693	\$3,392	\$4,270
Average final average salary	\$35,420	\$40,470	\$43,464	\$46,149	\$48,546	\$55,667	\$60,994	\$69,444
Number of retired members	235	337	335	498	557	482	335	167
Period 7/1/2014 to 6/30/2015								
Average monthly benefit	\$402	\$720	\$1,173	\$1,609	\$2,174	\$2,650	\$3,430	\$3,964
Average final average salary	\$35,345	\$38,407	\$44,188	\$45,736	\$50,004	\$55,048	\$61,810	\$63,623
Number of retired members	240	419	403	468	644	504	352	170
Period 7/1/2015 to 6/30/2016								
Average monthly benefit	\$438	\$737	\$1,236	\$1,730	\$2,263	\$2,719	\$3,558	\$4,271
Average final average salary	\$37,695	\$38,868	\$46,885	\$49,917	\$52,157	\$56,599	\$64,207	\$68,359
Number of retired members	243	407	413	389	606	433	323	176
Period 7/1/2016 to 6/30/2017								
Average monthly benefit	\$461	\$730	\$1,245	\$1,812	\$2,312	\$2,916	\$3,852	\$4,441
Average final average salary	\$39,571	\$38,864	\$46,334	\$53,037	\$53,234	\$59,824	\$68,654	\$69,286
Number of retired members	293	410	392	471	624	465	290	175
Period 7/1/2017 to 6/30/2018								
Average monthly benefit	\$429	\$749	\$1,256	\$1,744	\$2,346	\$2,909	\$3,669	\$4,295
Average final average salary	\$37,791	\$39,234	\$46,783	\$50,356	\$53,883	\$60,355	\$65,413	\$68,236
Number of retired members	279	449	394	379	521	409	256	165
Period 7/1/2018 to 6/30/2019								
Average monthly benefit	\$434	\$790	\$1,290	\$1,799	\$2,436	\$2,963	\$3,950	\$4,578
Average final average salary	\$38,600	\$41,519	\$47,917	\$52,536	\$56,253	\$61,581	\$69,781	\$71,046
Number of retired members	229	388	340	389	431	373	174	139
Period 7/1/2019 to 6/30/2020								
Average monthly benefit	\$461	\$814	\$1,233	\$1,791	\$2,484	\$3,090	\$4,033	\$4,786
Average final average salary	\$41,330	\$42,880	\$46,418	\$52,137	\$56,972	\$63,187	\$71,522	\$74,582
Number of retired members	268	404	372	395	450	396	182	126

Principal Participating Employers

Current Year (2020) and Nine Years Ago (2011)

Participating Employer	Fiscal Year 2020			Fiscal Year 2011		
	Covered Members	Rank	Percentage of Total System	Covered Members	Rank	Percentage of Total System
OKLAHOMA CITY PUBLIC SCHOOLS	5,171	1	5.40%	4,687	1	5.10%
TULSA PUBLIC SCHOOLS	3,714	2	3.88%	3,920	3	4.27%
OKLAHOMA STATE UNIVERSITY	3,323	3	3.47%	3,989	2	4.34%
EDMOND PUBLIC SCHOOLS	2,734	4	2.86%	2,478	5	2.70%
MOORE PUBLIC SCHOOLS	2,492	5	2.60%	2,468	6	2.69%
UNIVERSITY OF OKLAHOMA	2,303	6	2.41%	2,594	4	2.82%
PUTNAM CITY PUBLIC SCHOOLS	1,977	7	2.07%	1,634	10	1.78%
OU HEALTH SCIENCES CENTER	1,975	8	2.06%	1,933	7	2.10%
MID-DEL PUBLIC SCHOOLS	1,858	9	1.94%	1,746	9	1.90%
NORMAN PUBLIC SCHOOLS	1,774	10	1.85%	1,531	12	1.67%
* All Other	68,373		71.45%	64,900		70.64%
Total (600 Employers)	95,694		100.00%	91,880		100.00%

*In Fiscal Year 2020, "all other" consisted of:

Type	Participating Employers	Members
School Districts	505	51,753
Higher Education	24	8,958
Career Technology	28	4,373
Other	11	1,924
State Agencies	22	1,365
Total	590	68,373

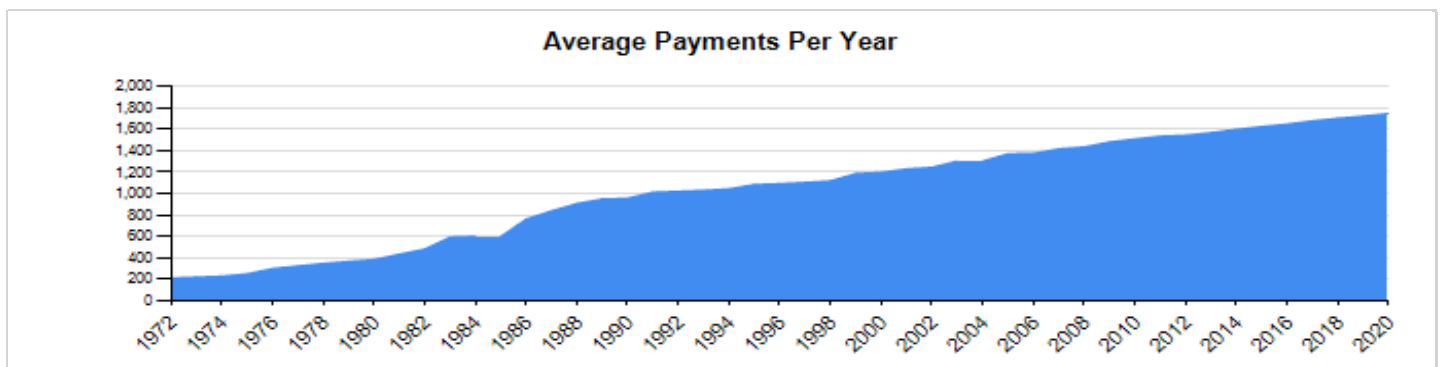
Schedule of Average Payment Amounts

Fiscal Year Ended June 30, 2020

Date	Regular Annuity
June 30, 1948	\$33
June 30, 1954	\$75
June 30, 1960	\$83
June 30, 1970	\$179
June 30, 1972	\$209
June 30, 1973	\$217
June 30, 1974	\$226
June 30, 1975	\$248
June 30, 1976	\$297
June 30, 1977	\$321
June 30, 1978	\$345
June 30, 1979	\$365
June 30, 1980	\$382
June 30, 1981	\$432
June 30, 1982	\$480
June 30, 1983	\$592
June 30, 1984	\$600
June 30, 1985	\$600
June 30, 1986	\$761
June 30, 1987	\$837
June 30, 1988	\$907
June 30, 1989	\$949

Date	Regular Annuity	Special Annuity
June 30, 1990	\$956	\$159
June 30, 1991	\$1,013	\$159
June 30, 1992	\$1,021	\$159
June 30, 1993	\$1,030	\$159
June 30, 1994	\$1,044	\$159
June 30, 1995	\$1,084	\$163
June 30, 1996	\$1,093	\$163
June 30, 1997	\$1,105	\$163
June 30, 1998	\$1,119	\$163
June 30, 1999	\$1,187	\$172
June 30, 2000	\$1,199	\$172
June 30, 2001	\$1,231	\$175
June 30, 2002	\$1,246	\$175
June 30, 2003	\$1,304	\$175
June 30, 2004	\$1,304	\$180
June 30, 2005	\$1,373	\$187
June 30, 2006	\$1,376	\$191
June 30, 2007	\$1,419	\$191
June 30, 2008	\$1,437	\$191
June 30, 2009	\$1,483	\$194
June 30, 2010	\$1,511	\$195
June 30, 2011	\$1,537	\$195
June 30, 2012	\$1,547	\$195
June 30, 2013	\$1,571	\$195
June 30, 2014	\$1,601	\$195
June 30, 2015	\$1,627	\$195
June 30, 2016	\$1,650	\$195
June 30, 2017	\$1,681	\$195
June 30, 2018	\$1,705	\$195
June 30, 2019	\$1,726	\$195
June 30, 2020	\$1,749	\$195

Note that figures after June 30, 1989, do not include monthly medical premiums.



Active Personnel

Fiscal Year Ended June 30, 2020

Years of Service	All Active Personnel
Under 5 years	34,799
5-9	17,433
10-14	13,579
15-19	9,818
20-24	7,911
25-29	4,775
30-34	2,015
35-39	858
40-44	235
45-49	39
50-54	8
55-59	2
Totals	91,471

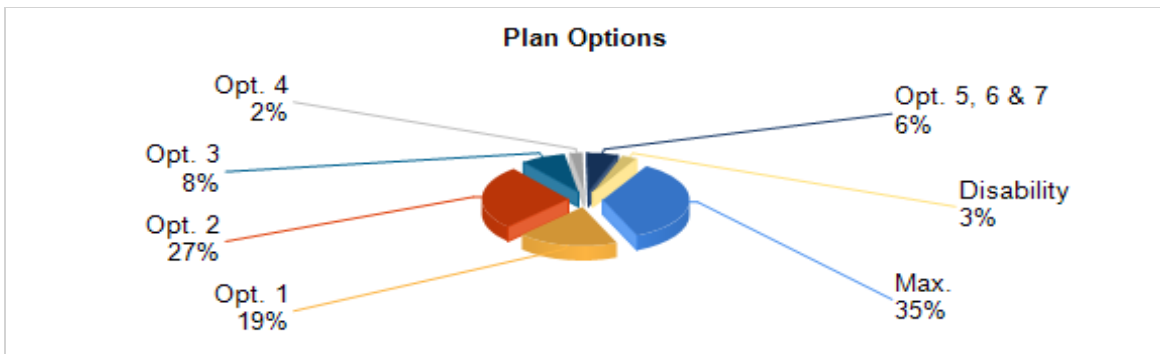
Salary Range	All Active Personnel
Under \$5,000	1,402
\$5,001-\$10,000	1,611
\$10,001-\$15,000	4,908
\$15,001-\$20,000	5,460
\$20,001-\$25,000	3,882
\$25,001-\$30,000	3,264
\$30,001-\$35,000	7,337
\$35,001-\$40,000	11,641
\$40,001-\$45,000	12,337
\$45,001-\$50,000	10,310
\$50,001-\$55,000	7,331
\$55,001-\$60,000	5,187
\$60,001-\$65,000	3,534
\$65,001-\$70,000	2,574
\$70,001-\$75,000	2,103
\$75,001 and Above	8,590
Totals	91,471

Average Age (years)	45.6
Average Salary	\$45,689.15
Average Service (years)	10.0

Schedule of Retired Members by Type of Benefits

Selected Plan Options
Fiscal Year Ended June 30, 2020

Option	Retired Members			Average Monthly Payment	% of Total
	Male	Female	Total		
Maximum	4,183	18,968	23,151	\$1,655	35%
Option 1	2,598	9,782	12,380	\$1,653	19%
Option 2	8,668	8,927	17,595	\$1,970	27%
Option 3	1,950	3,505	5,456	\$2,090	8%
Option 4	428	1,123	1,551	\$1,602	2%
Options 5, 6 & 7	1,096	2,685	3,781	\$1,465	6%
Disability	475	1,389	1,864	\$1,023	3%
Totals	19,399	46,379	65,778	\$1,745	100%



Maximum – provides for the greatest possible benefit.

Option 1 – provides for a decreased rate of reduction of member’s account balance.

Option 2 – provides for a reduced monthly benefit to the member for life. Upon death of the member, the designated beneficiary will continue to receive the same monthly benefit for life.

Option 3 – provides a similar benefit as Option 2; however, upon death of the member, the monthly benefit to the designated beneficiary is one-half of the benefit of the member.

Option 4 – provides a reduced monthly benefit. In the event of the member’s death within 120 months from the date of retirement, the balance of the payments are continued to the beneficiary designated at the time of retirement.

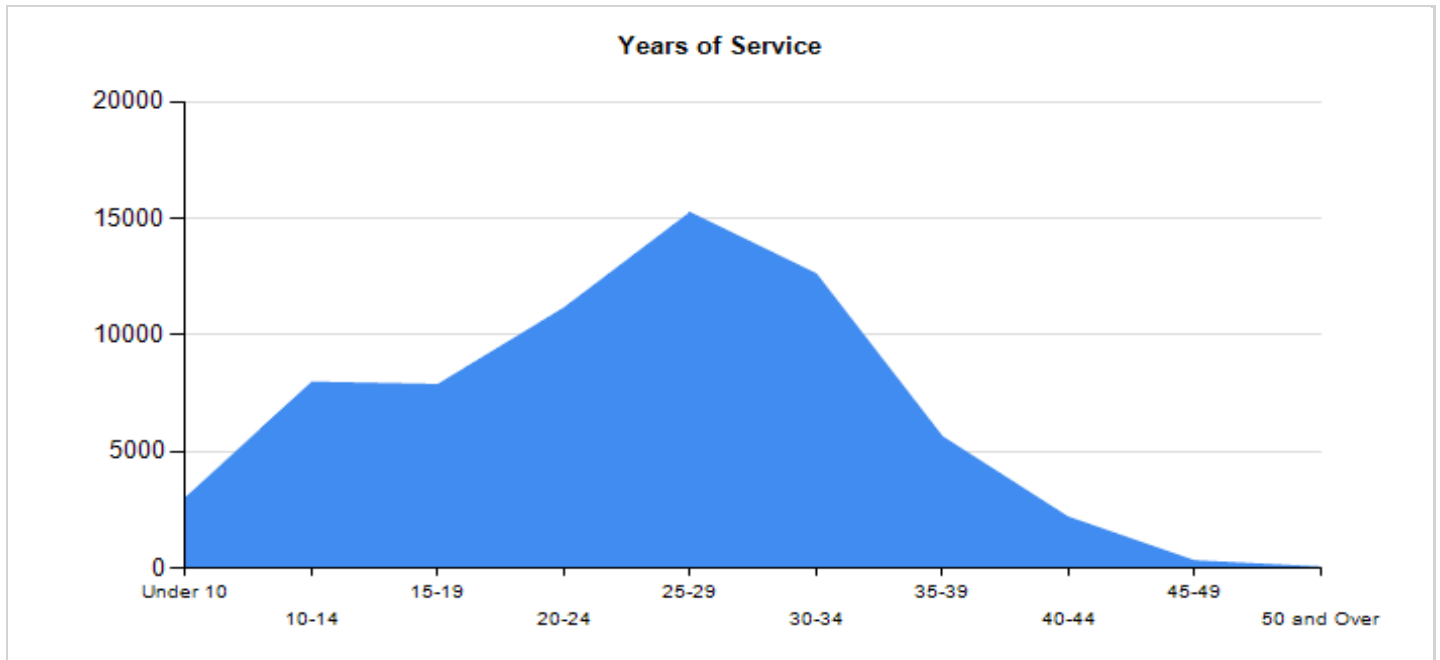
Options 5, 6 & 7 – represents beneficiaries of options 2, 3 & 4.

Disability – upon meeting requirements, a vested member may receive a monthly benefit.

Distribution by Years of Service

Fiscal Year Ended June 30, 2020

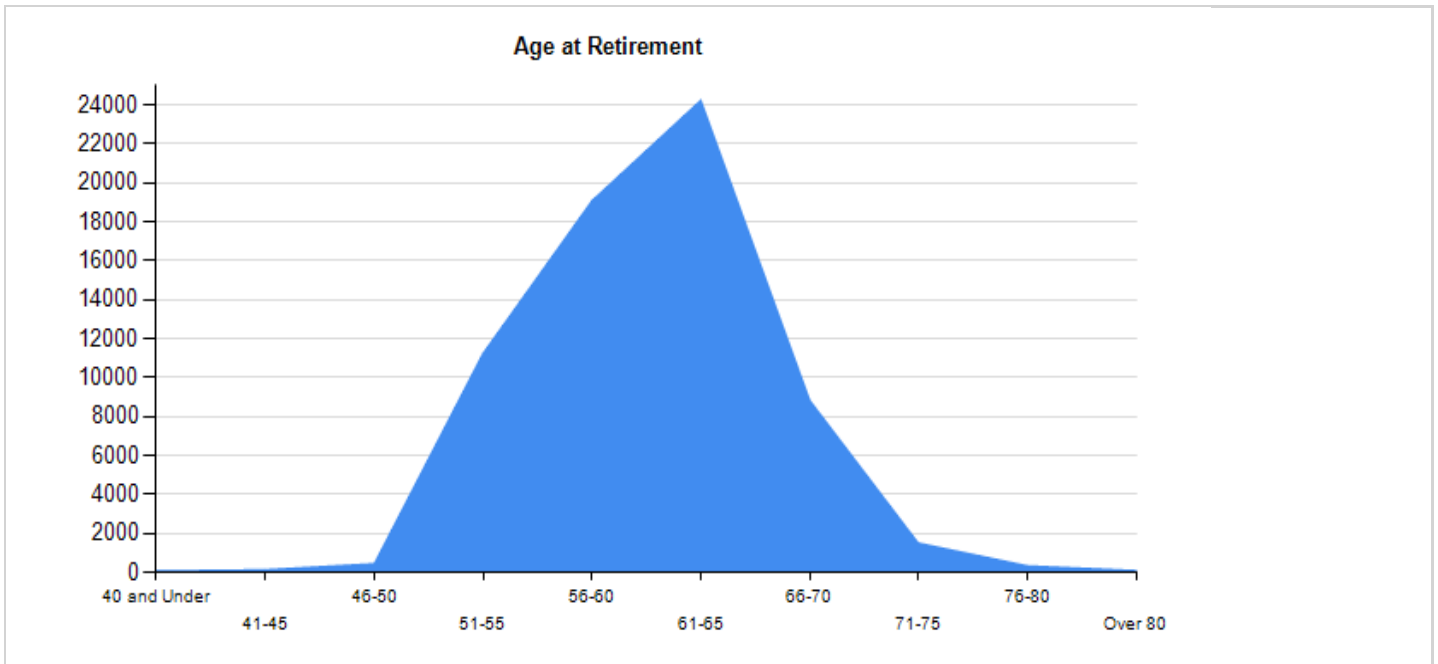
Years of Creditable Service	Retired Members			Average Monthly Payment
	Male	Female	Total	
	Under 10	1,032	1,979	
10-14	2,131	5,807	7,938	\$606
15-19	2,051	5,782	7,833	\$972
20-24	2,493	8,611	11,104	\$1,431
25-29	4,232	10,944	15,177	\$1,926
30-34	4,286	8,278	12,564	\$2,343
35-39	2,125	3,493	5,618	\$3,027
40-44	887	1,289	2,176	\$3,678
45-49	137	175	313	\$4,329
50 and Over	25	19	44	\$4,665
Totals	19,399	46,379	65,778	\$1,745



Distribution by Age at Retirement

Fiscal Year Ended June 30, 2020

Age at Retirement	Retired Members			Average Monthly Payment	Average Length of Service (Years)
	Male	Female	Total		
40 and Under	21	63	84	\$738	13.1
41-45	34	110	143	\$995	15.8
46-50	125	326	451	\$1,247	20.1
51-55	4,050	7,155	11,205	\$2,007	28.6
56-60	5,136	13,860	18,997	\$1,734	25.6
61-65	6,515	17,620	24,135	\$1,628	23.0
66-70	2,775	6,040	8,815	\$1,793	22.8
71-75	559	948	1,506	\$1,832	23.3
76-80	141	199	340	\$1,606	23.1
Over 80	43	59	102	\$1,481	23.2
Totals	19,399	46,379	65,778	\$1,745	24.6

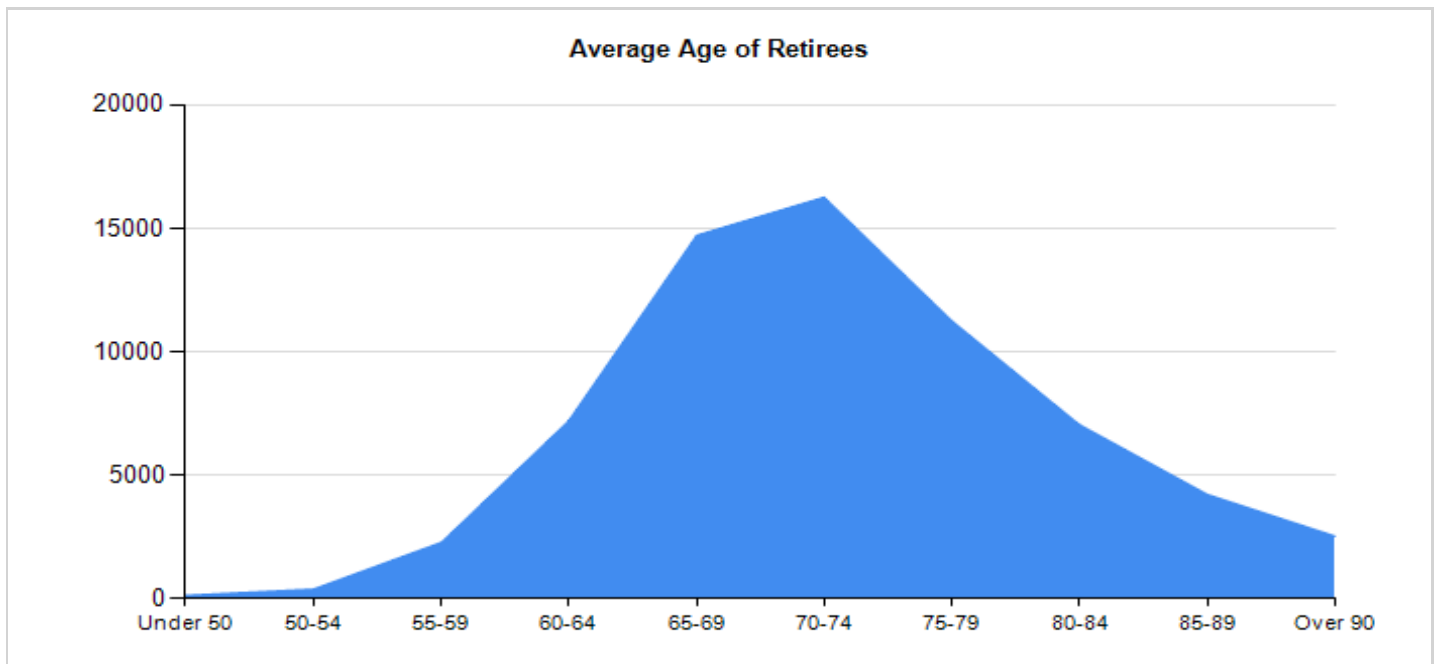


Distribution by Retiree Age

Fiscal Year Ended June 30, 2020

Age	Total Retired Members	Average Length of Service	Average Monthly Payment
Under 50	137	18.8	\$1,177
50-54	390	25.1	\$2,085
55-59	2,276	26.7	\$2,200
60-64	7,188	25.5	\$2,036
65-69	14,653	24.4	\$1,885
70-74	16,189	24.8	\$1,817
75-79	11,205	24.3	\$1,620
80-84	7,016	24.1	\$1,453
85-89	4,204	23.9	\$1,330
Over 90	2,519	25.2	\$1,259
Totals	65,778	24.6	\$1,745

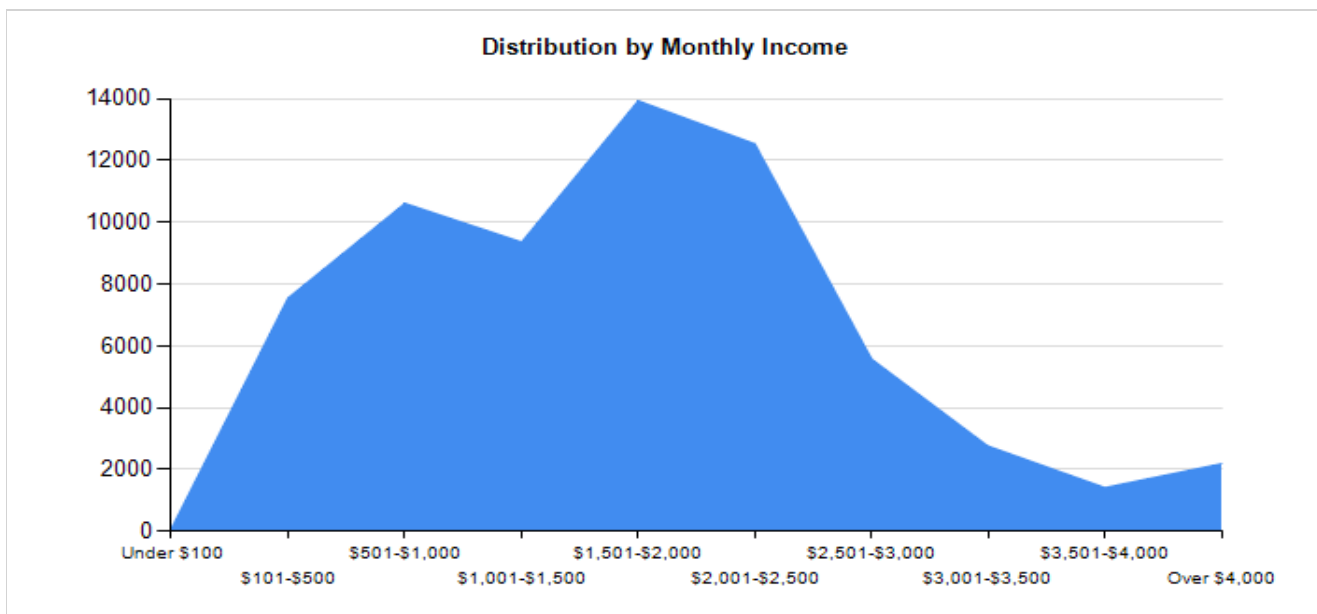
Average age of retired members is 72.2 years.



Distribution by Monthly Income

Fiscal Year Ended June 30, 2020

Monthly Income	Retired Members	Total	Average Payment
Under \$100	97	\$8,161	\$84
\$101-\$500	7,527	\$2,480,413	\$328
\$501-\$1,000	10,572	\$7,822,904	\$737
\$1,001-\$1,500	9,326	\$11,824,378	\$1,262
\$1,501-\$2,000	13,878	\$24,558,431	\$1,762
\$2,001-\$2,500	12,490	\$27,844,784	\$2,220
\$2,501-\$3,000	5,557	\$15,156,647	\$2,715
\$3,001-\$3,500	2,746	\$8,888,131	\$3,223
\$3,501-\$4,000	1,408	\$5,272,168	\$3,729
Over \$4,000	2,178	\$11,418,013	\$5,218
Totals	65,778	\$115,274,029	\$1,745



**Schedule of Changes in Net Position 401(a) Plan
For Periods Ended June 30**

Year	Additions				Deductions			Total Changes in Net Position
	Contributions		State and	Net Investment	Benefit	Refunds and	Administrative	
	Member	Employer	Federal Matching	Income	Payments	Annuity Payments	Expenses	
2011 *	286,643,244	364,025,589	274,451,205	1,898,444,287	979,245,846	35,211,171	4,716,480	1,804,390,828
2012 *	291,385,506	376,635,234	304,995,663	137,844,165	1,036,132,586	32,076,398	4,273,189	38,378,395
2013 *	290,044,395	373,789,020	327,505,309	1,777,593,224	1,095,144,055	28,894,193	4,156,867	1,640,736,833
2014 *	301,300,811	386,895,127	320,157,548	2,571,707,952	1,153,051,607	28,718,256	4,282,605	2,394,008,970
2015 *	303,677,304	392,051,458	336,390,612	428,855,747	1,201,350,906	35,240,176	4,358,938	220,025,101
2016 *	294,459,091	409,753,221	315,671,996	(357,443,248)	1,257,276,705	36,109,832	4,458,338	(635,403,815)
2017 *	292,949,337	396,743,812	301,951,901	1,945,898,975	1,281,816,606	40,944,298	4,028,080	1,610,755,041
2018 *	312,866,576	413,068,467	344,610,101	1,455,605,848	1,323,912,271	42,940,983	4,200,021	1,155,097,717
2019 *	325,766,148	446,161,917	371,671,157	785,418,294	1,378,984,998	38,002,018	5,194,983	506,835,517
2020 *	340,057,646	457,391,205	359,365,710	117,011,983	1,396,258,730	35,183,705	5,266,375	(162,882,266)

* - Net investment income includes both securities lending income and realized and unrealized gains and losses on investments.

**Schedule of Changes in Net Position 403(b) Plan
For Periods Ended June 30**

Year	Additions		Deductions	Total
	<u>Contributions</u>	Net Investment	Refunds and	Changes in
	<u>Member</u>	<u>Income</u>	<u>Annuity Payments</u>	<u>Net Position</u>
2011 *	\$ 5,010,856	\$ 27,192,952	\$ 23,709,394	\$ 8,494,414
2012 *	3,448,031	5,811,083	22,661,333	(13,402,219)
2013 *	2,910,706	15,012,065	23,838,151	(5,915,380)
2014 *	3,026,532	24,174,857	21,343,243	5,858,146
2015 *	2,823,513	3,607,327	21,822,979	(15,392,139)
2016 *	2,222,812	2,836,367	19,731,438	(14,672,259)
2017 *	2,548,206	11,750,940	19,762,817	(5,463,671)
2018 *	1,723,454	7,941,562	17,555,113	(7,890,097)
2019 *	1,660,076	8,561,141	16,900,351	(6,679,134)
2020 *	2,349,639	8,139,442	16,499,697	(6,010,616)

* - Net investment income includes both securities lending income and realized and unrealized gains and losses on investments.

**Schedule of Changes in Net Position Other Postemployment Benefit Plan
For Period Ended June 30,**

<u>Year</u>	<u>Additions</u>		<u>Deductions</u>		<u>Total Changes in Net Position</u>
	<u>Contributions Employer</u>	<u>Net Investment Income</u>	<u>Benefit Payments</u>	<u>Administrative Expenses</u>	
2017 *	\$ 6,513,158	\$ 62,298,027	\$ 30,309,127	\$ 26,457	\$ 38,475,601
2018 *	2,912,563	44,760,425	36,963,620	11,427	10,697,941
2019 *	877,761	22,898,576	35,701,014	3,987	(11,928,664)
2020 *	914,797	3,222,561	35,672,198	4,165	(31,539,005)

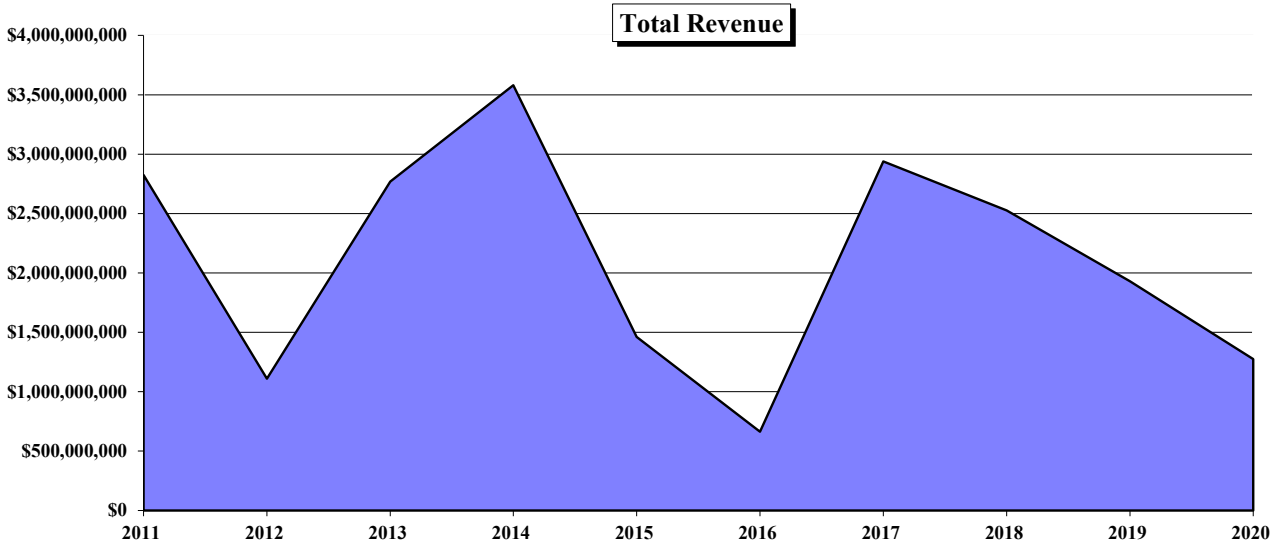
* - Net investment income includes both securities lending income and realized and unrealized gains and losses on investments.

Information to present a 10-year history is not readily available

Schedule of Revenue by Source 401(a) Plan For Periods Ended June 30,

<u>Year</u>	<u>Member Contributions</u>	<u>Employer Contributions</u>	<u>State of Oklahoma and Various Grant Sources</u>	<u>Net Investment Income</u>	<u>Other Revenue</u>	<u>Total</u>
2011 *	\$ 286,643,244	\$ 364,025,589	\$ 274,451,205	\$1,892,108,268	\$ 6,336,019	\$ 2,823,564,325
2012 *	291,385,506	376,635,234	304,995,663	128,564,937	9,279,228	1,110,860,568
2013 *	290,044,395	373,789,020	327,505,309	1,768,061,837	9,531,387	2,768,931,948
2014 *	301,300,811	386,895,127	320,157,548	2,563,117,816	8,590,136	3,580,061,438
2015 *	303,677,304	392,051,458	336,390,612	417,023,224	11,832,523	1,460,975,121
2016 *	294,459,091	409,753,221	315,671,996	(365,314,005)	7,870,757	662,441,060
2017 *	292,949,337	396,743,812	301,951,901	1,937,463,392	8,435,583	2,937,544,025
2018 *	312,866,576	413,068,467	344,610,101	1,448,090,255	7,515,593	2,526,150,992
2019 *	325,766,148	446,161,917	371,671,157	779,314,080	6,104,214	1,929,017,516
2020 *	340,057,646	457,391,205	359,365,710	110,576,703	6,435,280	1,273,826,544

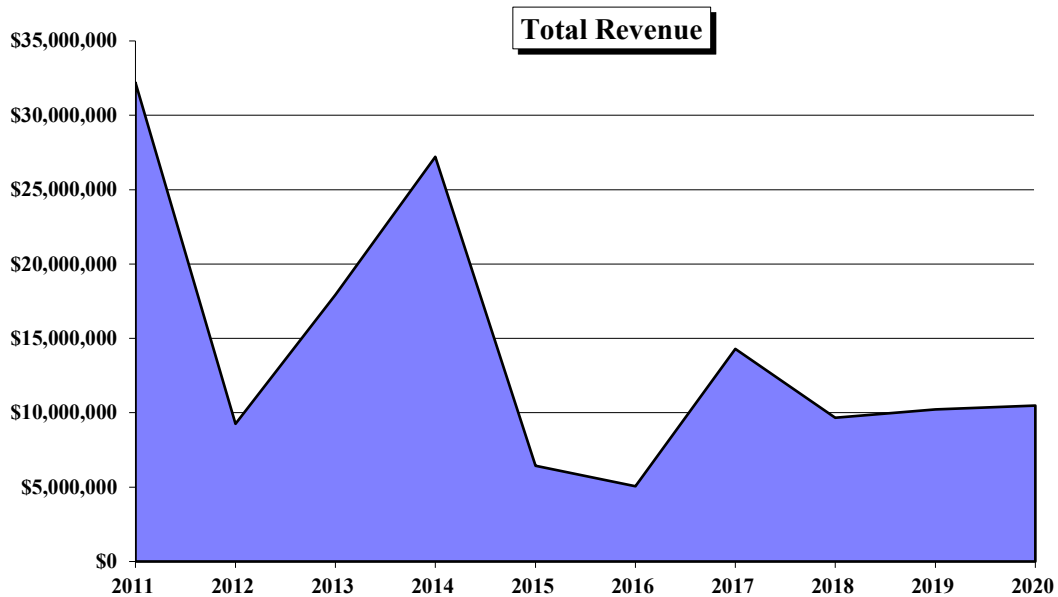
* - Investment income includes both realized and unrealized gains and losses on investments.



Schedule of Revenue by Source 403(b) Plan For Periods Ended June 30,

<u>Year</u>	<u>Member</u> <u>Contributions</u>	<u>Net</u> <u>Investment</u> <u>Income</u>	<u>Total</u>
2011 *	\$ 5,010,856	\$ 27,192,952	\$ 32,203,808
2012 *	3,448,031	5,811,083	9,259,114
2013 *	2,910,706	15,021,065	17,931,771
2014 *	3,026,532	24,174,857	27,201,389
2015 *	2,823,513	3,607,327	6,430,840
2016 *	2,222,812	2,836,367	5,059,179
2017 *	2,548,206	11,750,940	14,299,146
2018 *	1,723,454	7,941,562	9,665,016
2019 *	1,660,076	8,561,141	10,221,217
2020 *	2,349,639	8,139,442	10,489,081

* - Investment income includes both realized and unrealized gains and losses on investments.



**Schedule of Revenue by Source Other Postemployment Benefit Plan
For Period Ended June 30,**

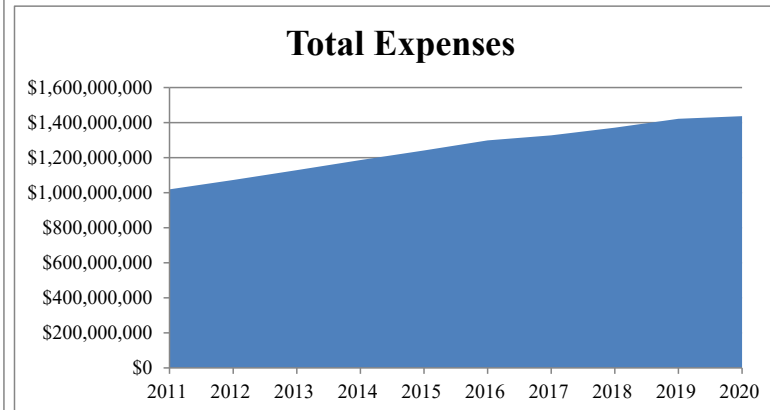
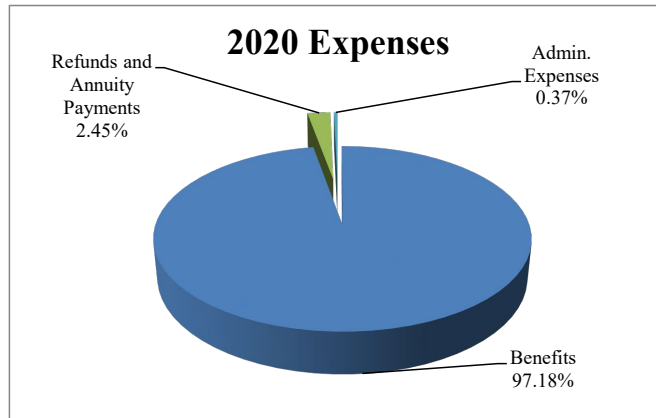
<u>Year</u>	<u>Employer Contributions</u>	<u>Net Investment Income</u>	<u>Total</u>
2017 *	\$ 6,513,158	\$ 62,298,027	\$ 68,811,185
2018 *	2,912,563	44,760,425	47,672,988
2019 *	877,761	22,898,576	23,776,337
2020 *	914,797	3,222,561	4,137,358

* - Investment income includes both realized and unrealized gains and losses on investments.

Information to present a 10-year history is not readily available.

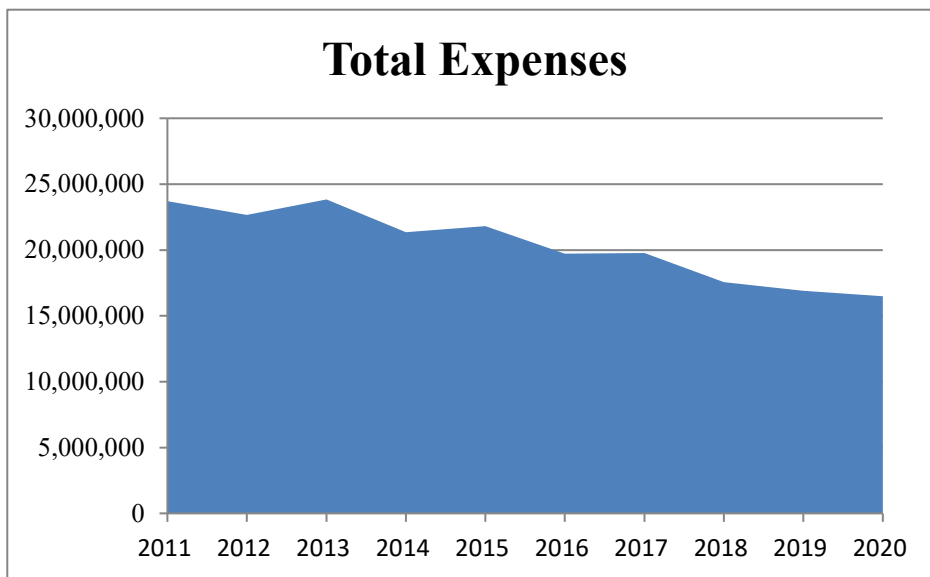
**Schedule of Expenses by Type 401(a) Plan
For Periods Ended June 30,**

<u>Year</u>	<u>Benefits</u>	<u>Refunds and Annuity Payments</u>	<u>Administrative Expenses</u>	<u>Total</u>
2011	\$ 979,245,846	\$ 35,211,171	\$ 4,716,480	\$1,019,173,497
2012	1,036,132,586	32,076,398	4,273,189	1,072,482,173
2013	1,095,144,055	28,894,193	4,156,867	1,128,195,115
2014	1,153,051,607	28,718,256	4,282,605	1,186,052,468
2015	1,201,350,907	35,240,176	4,358,938	1,240,950,021
2016	1,257,276,705	36,109,832	4,458,338	1,297,844,875
2017	1,281,816,606	40,944,298	4,028,080	1,326,788,984
2018	1,323,912,271	42,940,983	4,200,021	1,371,053,275
2019	1,378,984,998	38,002,018	5,194,983	1,422,181,999
2020	1,396,258,730	35,183,705	5,266,375	1,436,708,810



**Schedule of Expenses by Type 403(b) Plan
For Periods Ended June 30,**

<u>Year</u>	<u>Refunds and Annuity Payments</u>
2011	\$ 23,709,394
2012	22,661,333
2013	23,838,151
2014	21,343,243
2015	21,822,979
2016	19,731,438
2017	19,762,817
2018	17,555,113
2019	16,900,351
2020	16,499,697



**Schedule of Expenses by Type Other Postemployment Benefit Plan
For Period Ended June 30,**

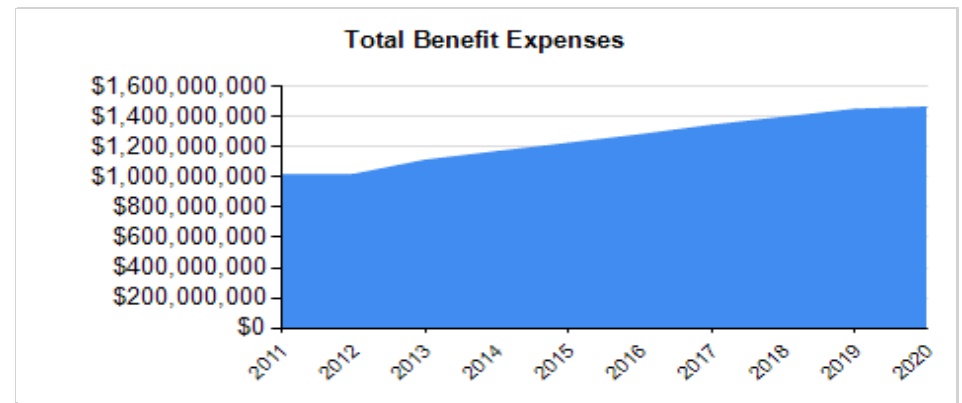
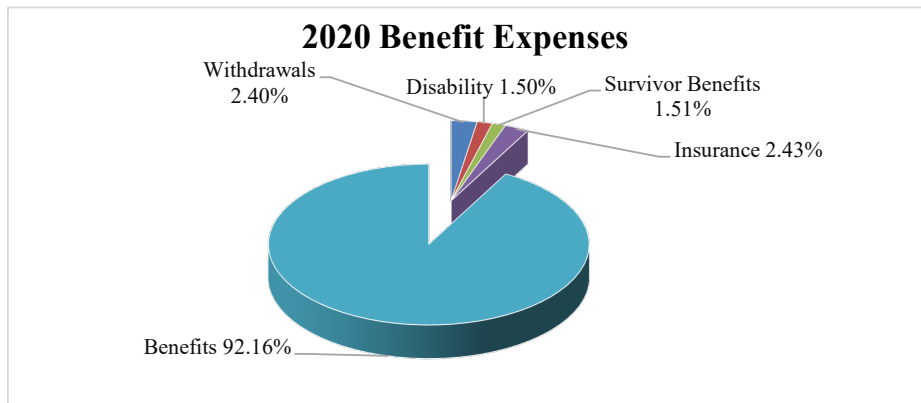
<u>Year</u>	<u>Benefits</u>	Administrative <u>Expenses</u>	<u>Total</u>
2017	\$ 30,309,127	\$ 26,457	\$ 30,335,584
2018	36,963,620	11,427	36,975,047
2019	35,701,014	3,987	35,705,001
2020	35,672,198	4,165	35,676,363

Information to present a 10-year history is not readily available.

Schedule of Benefit Expenses by Type

For Periods Ended June 30

Year	Age And Service Benefits	Disability Benefits	Insurance Payments	Survivor Benefits	Withdrawal of Accounts	Total
2011	\$921,893,090	\$17,742,173	\$29,405,228	\$10,205,355	\$35,211,171	\$1,014,457,017
2012	\$923,869,182	\$18,055,036	\$29,607,919	\$12,339,834	\$32,076,398	\$1,015,948,369
2013	\$1,016,274,986	\$18,713,611	\$31,809,399	\$17,393,994	\$32,295,274	\$1,116,487,264
2014	\$1,088,077,119	\$19,310,123	\$30,135,639	\$15,527,726	\$28,718,256	\$1,181,768,863
2015	\$1,136,433,283	\$20,093,601	\$30,362,551	\$14,461,472	\$35,240,176	\$1,236,591,083
2016	\$1,189,645,360	\$20,731,886	\$30,522,251	\$16,377,208	\$36,109,832	\$1,293,386,537
2017	\$1,242,088,802	\$21,238,923	\$30,309,127	\$18,488,881	\$40,944,298	\$1,353,070,031
2018	\$1,281,644,941	\$21,617,912	\$36,963,620	\$20,649,418	\$42,940,983	\$1,403,816,874
2019	\$1,336,969,540	\$22,194,722	\$35,701,014	\$19,820,736	\$38,002,018	\$1,452,688,030
2020	\$1,352,066,625	\$22,023,290	\$35,672,198	\$22,168,815	\$35,183,705	\$1,467,114,633



Retirees in the State of Oklahoma by County

Of the 65,778 pensioners and beneficiaries in the Teachers' Retirement System of Oklahoma, 88% or 57,918 remain state of Oklahoma residents. As such, benefit payments of approximately \$1,236,249,860.14 this year alone went into the State's communities and businesses. Since money changes hands several times, the System's payments have a dramatic effect on the State's economy.

County	Recipients	Annual Payment
Adair	400	\$8,319,528.24
Atoka	247	\$4,891,811.71
Carter	737	\$14,265,727.39
Choctaw	255	\$5,346,371.02
Cotton	101	\$1,902,482.67
Creek	873	\$17,011,847.99
Grady	742	\$15,764,398.48
Greer	106	\$2,270,957.99
Johnston	261	\$5,429,503.77
Kingfisher	259	\$5,507,829.61
Logan	548	\$10,226,236.89
Major	157	\$3,362,060.74
Muskogee	1,337	\$28,083,166.71
Nowata	113	\$2,056,965.91
Payne	2,354	\$54,442,534.84
Pontotoc	885	\$18,938,115.84
Seminole	401	\$8,337,201.00
Stephens	678	\$14,003,491.71
Tillman	143	\$3,108,471.33
Woods	237	\$5,105,273.04
Beckham	335	\$6,724,245.81
Blaine	198	\$4,165,736.63
Bryan	872	\$18,651,386.14
Caddo	604	\$12,375,335.01
Delaware	504	\$10,757,665.31
Dewey	140	\$2,800,896.36
Ellis	59	\$1,170,840.88
Garfield	853	\$19,008,214.39
Garvin	447	\$9,210,413.46
Kiowa	193	\$3,988,560.12
Latimer	218	\$4,200,885.17
Lefore	808	\$16,319,344.84
Lincoln	506	\$9,616,924.45
Oklahoma	10,720	\$232,235,449.60
Okmulgee	764	\$15,408,240.00
Osage	218	\$4,155,260.43
Ottawa	683	\$12,912,101.91
Tulsa	8,119	\$180,140,733.66
Wagoner	488	\$10,262,201.61

County	Recipients	Annual Payment
Washington	655	\$12,108,844.90
Washita	218	\$4,497,020.90
Alfalfa	112	\$2,286,546.30
Beaver	91	\$1,867,717.39
Canadian	1,762	\$37,430,470.68
Cherokee	1,081	\$22,982,536.00
Craig	224	\$4,008,413.57
Custer	611	\$13,419,569.30
Grant	75	\$1,593,594.97
Harmon	75	\$1,324,269.35
Jefferson	83	\$1,849,445.65
Kay	668	\$13,637,486.86
Love	107	\$1,996,634.37
Marshall	311	\$6,575,543.73
Noble	180	\$3,720,787.35
Okfuskee	194	\$3,669,379.16
Pawnee	230	\$4,452,168.65
Pittsburg	704	\$14,688,007.98
Sequoyah	715	\$14,923,550.51
Texas	233	\$4,711,545.39
Woodward	256	\$5,501,839.25
Cimarron	45	\$780,857.03
Cleveland	3,948	\$91,143,734.50
Coal	93	\$1,877,599.73
Comanche	1,720	\$37,264,011.25
Harper	84	\$1,728,445.47
Haskell	254	\$5,059,878.40
Hughes	207	\$4,188,964.03
Jackson	435	\$10,400,242.10
Mayes	654	\$14,608,593.65
Mcclain	728	\$14,473,142.75
Mccurtain	624	\$12,086,508.21
Mcintosh	438	\$8,760,025.61
Murray	218	\$4,728,959.63
Pottawatomie	985	\$21,513,731.35
Pushmataha	201	\$3,917,823.43
Roger Mills	84	\$1,647,612.71
Rogers	1,052	\$22,345,945.37
Total	57,918	\$1,236,249,860.14

2020 Participating Employers

Public School Districts

ACHILLE	BUFFALO VALLEY	DALE	GRAHAM-DUSTIN
ADA	BURLINGTON	DARLINGTON	GRAND VIEW
ADAIR	BURNS FLAT-DILL CITY	DAVENPORT	GRANDFIELD
AFTON	BUTNER	DAVIDSON	GRANDVIEW
AGRA	BYNG	DAVIS	GRANITE
ALBION	CACHE	DEER CREEK	GREASY
ALEX	CADDO	DEER CREEK-LAMONT	GREENVILLE
ALINE CLEO	CALERA	DENISON	GROVE
ALLEN	CALUMET	DEPEW	GROVE
ALLEN-BOWDEN	CALVIN	DEWAR	GUTHRIE
ALTUS	CAMERON	DEWEY	GUYMON
ALVA	CANADIAN	DIBBLE	GYPSY
AMBER-POCASSET	CANEY	DICKSON	HAILEYVILLE
ANADARKO	CANEY VALLEY	DOVER	HAMMON
ANDERSON	CANTON	DRUMMOND	HANNA
ANTLERS	CANUTE	DRUMRIGHT	HARDESTY
ARAPAHO-BUTLER	CARNEGIE	DUKE	HARMONY
ARDMORE	CARNEY	DUNCAN	HARRAH
ARKOMA	CASHION	DURANT	HARTSHORNE
ARNETT	CATOOSA	EAGLETOWN	HASKELL
ASHER	CAVE SPRINGS	EARLSBORO	HAWORTH
ATOKA	CEMENT	EDMOND	HAYWOOD
AVANT	CENTRAL	EL RENO	HEALDTON
BALCO	CENTRAL HIGH	ELGIN	HEAVENER
BANNER	CHANDLER	ELK CITY	HENNESSEY
BARNSDALL	CHATTANOOGA	ELMORE CITY	HENRYETTA
BARTLESVILLE	CHECOTAH	EMPIRE	HILLDALE
BATTIEST	CHELSEA	ENID	HINTON
BEARDEN	CHEROKEE	ERICK	HOBART
BEAVER	CHEYENNE	EUFAULA	HODGEN
BEGGS	CHICKASHA	FAIRLAND	HOLDENVILLE
BELFONTE	CHISHOLM	FAIRVIEW	HOLLIS
BENNINGTON	CHOCTAW/NICOMA PARK	FANSHAWE	HOLLY CREEK
BERRYHILL	CHOUTEAU-MAZIE	FARGO	HOMINY
BETHANY	CIMARRON	FELT	HOOKER
BETHEL	CLAREMORE	FLETCHER	HOWE
BIG PASTURE	CLAYTON	FLOWER MOUND	HUGO
BILLINGS	CLEORA	FOREST GROVE	HULBERT
BINGER-ONEY	CLEVELAND	FORGAN	HYDRO-EAKLY
BISHOP	CLINTON	FORT COBB-BROXTON	IDABEL
BIXBY	COALGATE	FORT GIBSON	INDIAHOMA
BLACKWELL	COLBERT	FORT SUPPLY	INDIANOLA
BLAIR	COLCORD	FORT TOWSON	INOLA
BLANCHARD	COLEMAN	FOX	JAY
BLUEJACKET	COLLINSVILLE	FOYIL	JENKS
BOISE CITY	COMANCHE	FREDERICK	JENNINGS

2020 Participating Employers

Public School Districts (continued)

BOKOSHE	COMMERCE	FREEDOM	JONES
BOONE-APACHE	COPAN	FRIEND	JUSTICE
BOSWELL	CORDELL	FRINK-CHAMBERS	JUSTUS-TIAWAH
BOWLEGS	COTTONWOOD	FRONTIER	KANSAS
BOWRING	COVINGTON-DOUG	GANS	KELLYVILLE
BRAGGS	COWETA	GARBER	KENWOOD
BRAY-DOYLE	COYLE	GEARY	KEOTA
BRIDGE CREEK	CRESCENT	GERONIMO	KETCHUM
BRIGGS	CROOKED OAK	GLENCOE	KEYES
BRISTOW	CROWDER	GLENPOOL	KEYS
BROKEN ARROW	CRUTCHO	GLOVER	KEYSTONE
BROKEN BOW	CUSHING	GOODWELL	KIEFER
BRUSHY	CYRIL	GORE	KILDARE
BUFFALO	DAHLONEGAH	GRACEMONT	KINGFISHER
KINGSTON	MORRISON	POND CREEK - HUNTER	STILLWATER
KINTA	MOSELEY	PORTER CONSOLIDATED	STILWELL
KIOWA	MOSS	PORUM	STONEWALL
KONAWA	MOUNDS	POTEAU	STRAIGHT
KREBS	MOUNTAIN VIEW-GOTEBO	PRAGUE	STRATFORD
KREMLIN-HILLSDALE	MOYERS	PRESTON	STRINGTOWN
LANE	MULDROW	PRETTY WATER	STROTHER
LATTA	MULHALL-ORLANDO	PRUE	STROUD
LAVERNE	MUSKOGEE	PRYOR	STUART
LAWTON	MUSTANG	PURCELL	SULPHUR
LEACH	NASHOBA	PUTNAM CITY	SWEETWATER
LEEDEY	NAVAJO	QUAPAW	TAHLEQUAH
LEFLORE	NEW LIMA	QUINTON	TALIHINA
LEXINGTON	NEWCASTLE	RATTAN	TALOGA
LIBERTY	NEWKIRK	RAVIA	TANNEHILL
LIBERTY	NINNEKAH	RED OAK	TECUMSEH
LINDSAY	NOBLE	REYDON	TEMPLE
LITTLE AXE	NORMAN	RINGLING	TENKILLER
LOCUST GROVE	NORTH ROCK CREEK IND DIST	RINGWOOD	TERRAL
LOMEGA	NORWOOD	RIPLEY	TEXHOMA
LONE GROVE	NOWATA	RIVERSIDE	THACKERVILLE
LONE STAR	OAK GROVE	ROBIN HILL	THE ACADEMY OF SEMINOLE
LONE WOLF	OAKDALE	ROCK CREEK	THOMAS-FAY-CUSTER
LOOKEBA-SICKLES	OAKS MISSION	ROCKY MOUNTAIN	TIMBERLAKE INDEPENDENT
LOWREY	OILTON	ROFF	TIPTON
LUKFATA	OKARCHE	ROLAND	TISHOMINGO
LUTHER	OKAY	RUSH SPRINGS	TONKAWA
MACOMB	OKEENE	RYAL	TULSA
MADILL	OKEMAH	RYAN	TUPELO
MANGUM	OKLAHOMA CITY	SALINA	TURKEY FORD
MANNFORD	OKLAHOMA UNION	SALLISAW	TURNER
MANNSVILLE	OKMULGEE	SAND SPRINGS	TURPIN

2020 Participating Employers

Public School Districts (continued)

MAPLE	OKTAHA	SAPULPA	TUSHKA
MARBLE CITY	OLIVE	SASAKWA	TUSKAHOMA
MARIETTA	OLUSTEE-ELDORADO	SAVANNA	TUTTLE
MARLOW	OLOGAH TALALA	SAYRE	TWIN HILLS
MARYETTA	OPTIMA	SCHULTER	TYRONE
MASON	OSAGE	SEILING	UNION
MAUD	OSAGE HILLS	SEMINOLE	UNION CITY
MAYSVILLE	OWASSO	SENTINEL	VALLIANT
MCALESTER	PADEN	SEQUOYAH	VANOSS
MCCORD	PANAMA	SHADY GROVE	VARNUM
MCCURTAIN	PANOLA	SHADY POINT	VELMA ALMA
MCCLOUD	PAOLI	SHARON MUTUAL	VERDEN
MEDFORD	PAULS VALLEY	SHATTUCK	VERDIGRIS
MEEKER	PAWHUSKA	SHAWNEE	VIAN
MERRITT	PAWNEE	SHIDLER	VICI
MIAMI	PEAVINE	SILO	VINITA
MID-DEL	PECKHAM	SKIATOOK	WAGONER
MIDDLEBERG	PEGGS	SMITHVILLE	WAINWRIGHT
MIDWAY	PERKINS TRYON	SNYDER	WALTERS
MILBURN	PERRY	SOPER	WANETTE
MILL CREEK	PIEDMONT	SOUTH COFFEYVILLE	WAPANUCKA
MILLWOOD	PIONEER	SOUTH ROCK CREEK	WARNER
MINCO	PIONEER-PLEASANT VALE	SPERRY	WASHINGTON
MOFFETT	PITTSBURG	SPIRO	WATONGA
MONROE	PLAINVIEW	SPRINGER	WATTS
MOORE	PLEASANT GROVE	STERLING	WAUKOMIS
MOORELAND	POCOLA	STIDHAM	WAURIKA
MORRIS	PONCA CITY	STIGLER	WAYNE
WAYNOKA	WETUMKA	WILBURTON	WYANDOTTE
WEATHERFORD	WEWOKA	WILSON	WYNNEWOOD
WEBBERS FALLS	WHITE OAK	WILSON	WYNONA
WELCH	WHITE ROCK	WISTER	YALE
WELEETKA	WHITEBEAD	WOODALL	YARBROUGH
WELLSTON	WHITEFIELD	WOODLAND	YUKON
WESTERN HEIGHTS	WHITESBORO	WOODWARD	ZANEIS
WESTVILLE	WICKLIFFE	WRIGHT CITY	ZION

Career and Technology Centers

AUTRY	GORDON COOPER	METRO TECH	RED RIVER SCHOOL
CADDO-KIOWA	GREAT PLAINS	MID-AMERICA	SOUTHERN OKLAHOMA
CANADIAN VALLEY	GREEN COUNTRY	MOORE-NORMAN	SOUTHWEST
CENTRAL OKLAHOMA	HIGH PLAINS	NORTHEAST	TRI COUNTY
CHISHOLM TRAIL	INDIAN CAPITOL	NORTHWEST	TULSA
EASTERN OKLAHOMA CO	KIAMICHI	PIONEER	WES WATKINS
FRANCIS TUTTLE	MERIDIAN	PONTOTOC	WESTERN

2020 Participating Employers

Colleges and Universities

CAMERON UNIV	N OKLA COLLEGE	OU HEALTH SCIENCES	TULSA COMMUNITY COLLEGE
CARL ALBERT STATE COLLEGE	NE OKLA A&M COLLEGE	REDLANDS COMM. COLLEGE	UNIV CENTER AT PONCA CITY
CONNORS STATE COLLEGE	NE STATE UNIV	ROGERS STATE UNIV	UNIV OF CENTRAL OKLA
EAST CENTRAL STATE	NW OKLA STATE UNIV	ROSE STATE COLLEGE	UNIV OF OKLA
EASTERN OKLA STATE COLLEGE	OKC COMMUNITY COLLEGE	SE OKLA STATE UNIV	UNIV OF SCIENCES & ARTS
LANGSTON UNIV	OKLA PANHANDLE ST UNIV	SEMINOLE STATE COLLEGE	W OKLA STATE COLLEGE
MURRAY STATE COLLEGE	OKLA STATE UNIV	SW OKLA STATE UNIV	

Other Entities

BOARD OF PRIVATE VOC SCHOOLS	EPIC CHARTER	OFFICE OF EDUCATIONAL QUALITY AND ACCOUNTABILITY	STREET SCHOOL
BOARD OF REGENTS FOR HIGHER ED	FIVE STAR INTERLOCAL	OKLA SCHOOL OF SCIENCE & MATH	TEACHERS RETIREMENT SYSTEM
CAREER TECH	HARDING CHARTR PREP	OKLA STUDENT LOAN AUTH	TRI-COUNTY INTERLOCAL CO-OP
CARLTON LANDING ACADEMY	HARDING FINE ARTS CENTER	OKLAHOMA YOUTH ACADEMY CHARTER SCHOOL	TULSA SCHOOL OF ARTS & SCIENCES
CHOCTAW NATION INTERLOCAL COOP	INDEPENDENCE CHRTR MIDL SCHOOL	OMES	UNIVERSITY CENTER OF SOUTHERN OKLA
DEBORAH BROWN	JOHN REX CHARTER ELEM SCHOOL	OSAGE COUNTY INTERLOCAL COOP	WESTERN VILLAGE CHARTER SCHOOL
DEPT OF CORRECTIONS	KIPP OKC COLLEGE PREP	QUARTZ MOUNTAIN	
DEPT OF EDUCATION	KIPP TULSA COLLEGE PREP	REGIONAL UNIVERSITY SYSTEM OF OKLA	
DEPT OF REHAB SERVICE	LE MONDE INTERNATIONAL SCHOOL	STATEWIDE VIRTUAL CHARTER SCHOOL BOARD	