



OPERS INTRODUCES ONLINE RETIREMENT PLANNER TOOL AS PART OF OUR “LEARN, PLAN, ACT” INITIATIVE

If OPERS members are considering retirement within the next four years, it's important for them to be aware of the upcoming changes to the OPERS health care plan and the impact they can have on the decision to retire. Below is a reminder of the changes to the OPERS health care plan will go into effect starting Jan. 1, 2015:

New eligibility rules: Members will be required to have at least 20 years of qualifying service and be at least 60 years old or have 30 years of qualifying service at any age to qualify for health care. This means eligible members have until November to decide whether to retire under the current health care eligibility rule of 10 years of service. Members must not be on their employers' payroll later than Nov. 30, 2014 in order to qualify for OPERS retiree health care with 10 years of service, because the retirement effective date must be no later than Dec. 1, 2014.

Allowance reduction: The new allowance table will base the allowance given to health plan participants for their monthly premiums on age and service. There will be a three-year transition for participants to the new allowance tables. All participants will be receiving new allowances by 2018. Depending on a member's retirement effective date, the member and any covered dependents will transition to new allowances between 2015 and 2018. Some dependents' allowances are transitioning to \$0.

Learn, Plan, Act

With the changes to the health care plan, the topic of retirement is on the forefront of the minds of many OPERS members.

We understand these changes may prompt some members to consider, or even re-evaluate, their retirement plans. To help members plan for the most ideal time frame for retirement and make a more informed decision about health care and retirement, OPERS has introduced the Retirement Planner as part of the “Learn, Plan, Act” section of our website. The

planner allows OPERS members in the Traditional Pension Plan who are part of Group A (defined in SB 343 as those individuals who are eligible to retire by Jan. 7, 2018), and who are not part of OPERS' law enforcement division, to estimate pension and health care costs at different retirement dates. A member can compare working income with retirement income, compare their current employer's health insurance coverage to retiree health care costs, and discover the impact of working longer.

“This is the first time OPERS has offered members a planning tool that blends both pension income and health care costs to give members a “big picture” view of their retirement options.”

This is the first time OPERS has offered members a planning tool that blends both pension income and health care costs to give members a “big picture” view of their retirement options. You can access the Retirement Planner by visiting the www.opers.org and click on “Your Path to Retirement” in order to access the Planner.

Throughout the next several months, members will be encouraged to visit the website for additional information, tools and resources to assist them in determining whether retirement is the right decision for them.

Other available resources

Take advantage of the various educational offerings we provide including: webinars, recorded online presentations, and Ready to Retire seminars.

Members can utilize their online accounts to run estimates of the approximate benefit amount they would receive based upon their years of service and their desired retirement effective date. Once members determine retirement is the right decision, they can file a retirement application easily online, up to six months prior to their retirement effective date.

If members would like more information they can visit the OPERS website (www.opers.org) to access the *Retiring from Public Employment: The Traditional Pension Plan* leaflet.

(Continued on page 2.)

NIRS STUDY: OHIO AVERAGE IN ISSUES FACING RETIREES

Ohio finished mid-pack among states in preparing for challenges that all future retirees, in both the public and private sectors, will face, states a report by the National Institute on Retirement Security.

The Financial Security Scorecard: A State-by-State Analysis of Economic Pressures Facing Future Retirees (http://www.nirsonline.org/storage/nirs/documents/2014%20Scorecard/final_2014_scorecard.pdf) compares the relative performance of the 50 states and the District of Columbia in three areas: anticipated retirement income, major retirement costs such as housing and health care, and labor market conditions for older workers.

The report used 2012 data to rank the states on a scale of 1 to 10 in eight variables related to the three key measures. Ohio came in mid-pack with an overall score of 5.

The report concluded that all states have room to improve in some key measure of retirement readiness.

The goal is to “inform the policy debates in a meaningful way at the state level,” said University of Massachusetts Professor Christian Weller, lead author of the report.

“There is a real need to put what is happening at each state in context,” he said. “Every state has their work cut out in some area or another.”

Ohio scored a 5 for retirement income, which consisted of workplace retirement plan participation rates by private sector employees, average defined contribution account balances, and marginal tax rates on pension incomes. This measure has trended down for Ohio from 2000 to 2012.

It scored a 6 in retiree cost, which included average Medicare out-of-pocket spending, average Medicaid spending per elderly beneficiary, and share of older households with housing costs greater than 30 percent of income. This measure has also trended down since 2000.

And, the state scored a 6 for labor market variables, which gauged the unemployment rate among older adults and median hourly earnings among older adults. This measure has remained flat in Ohio since 2000.

No state ranked in the top group of states on all eight scorecard variables. Ohio placed eighth in the real value of Medicaid payments per beneficiary, but it came in 41st for Medicare out-of-pocket costs.

And, Ohio was in the bottom half of states for average defined contribution retirement account balances, marginal tax rates on pension income, and median hourly wages for older workers.

“We conducted this study to drill deeper and understand better the scope of the nation’s retirement crisis on a state basis,” said Diane Oakley, NIRS executive director. “Now, policymakers can identify the most-urgent priorities for addressing the looming financial security challenges of the aging populations in their state.”



OPERS Government Relations Team

Carol Nolan Drake
Chief External Affairs Officer – 614-222-0398

Gordon Gatien
Government Relations Officer – 614-222-2924

Deborah McCarthy
Assistant Government Relations Officer – 614-222-6466

Christopher Collins
Assistant Government Relations Officer – 614-222-0555

Anthony Tedesco-Nichols
Assistant Government Relations Officer – 614-222-0381

