



## OPERS SUPPORTS WEP REFORM BILL

Most public employees in Ohio are not covered by Social Security; rather, they are covered by one of five statewide public retirement systems. When Ohio's public employees retire or become disabled prior to retirement, they may receive a pension benefit based on earnings from their public employment. Yet, if they worked for a period of time in the private sector, they may also be entitled to a Social Security benefit. The Windfall Elimination Provision (WEP) dictates that state pension benefits may affect the amount of Social Security benefits a retiree receives.

Under the WEP, a Social Security retirement or disability benefit will be reduced using a modified formula if a recipient is also entitled to a pension from a job where he did not pay into Social Security. As a result, the person will receive a lower Social Security benefit than if he were not receiving a public pension. In some cases, the Social Security benefit reduction can be as much as one-half the amount of the person's pension benefit.

This issue causes concern with the vast majority of our members who have sufficient time in Social Security to receive a benefit from that program. In many cases, we have received feedback that they did not realize the extent to which their Social Security benefit would be reduced by the WEP.

Recently, Representative Kevin Brady (R-TX) introduced HR 711, a bill that would replace the current WEP with a fairer formula for public employees that have paid into both Social Security and a public pension plan.

### THE CHANGES PROPOSED IN HR 711 INCLUDE:

- Allowing future retirees with non-covered employment to receive Social Security benefits that consider their full career employment.
- Modifying the WEP formula for those who are currently receiving Social Security benefits, and who are already subject to the WEP, by recalculating their benefit to most retirees' advantage.
- Implementing a system that would allow for recovery of Social Security benefits incorrectly paid to non-reporting individuals.

Based on our analysis, we believe the majority of OPERS retirees subject to WEP as well as future retirees would benefit from the revised formula under HR 711. OPERS fully supports Representative Brady's legislation.

We have strongly advocated to members of the Ohio congressional delegation in support of HR 711 and continue to advocate for its passage. We also encourage our members, stakeholders and other allies to urge Congress to take action on WEP reform this year.



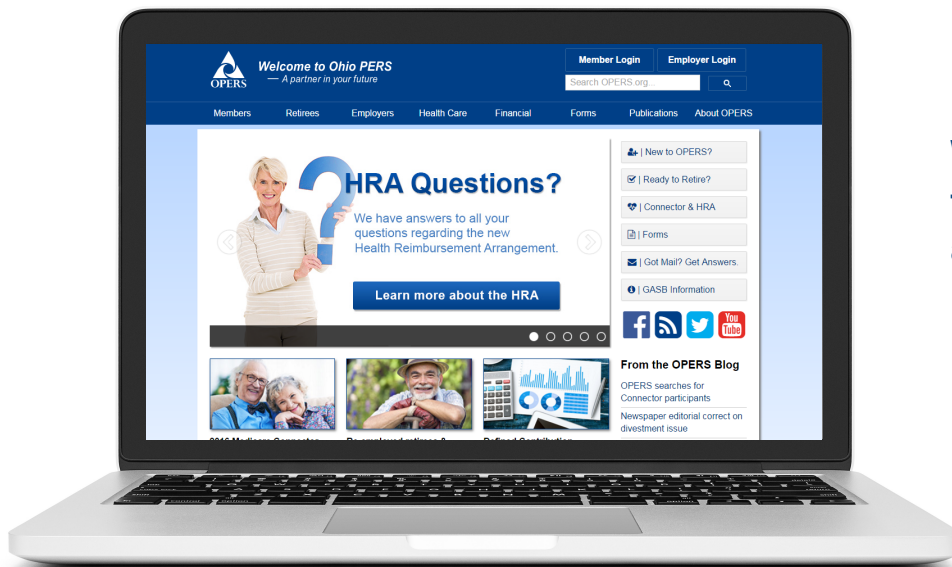
## OPERS POSTS ANSWERS TO HRA QUESTIONS

OPERS Medicare-enrolled retirees who qualify for health care coverage through OPERS selected individual Medicare supplemental plans and prescription drug plans or Medicare Advantage plans using the OPERS Medicare Connector last fall. OPERS provides an allowance to Medicare-eligible retirees through a Health Reimbursement Arrangement (HRA) to help them offset the cost of that coverage. The HRA is used so the allowance is tax free. Connector participants first pay for a qualifying medical item or service and then submit a claim (either manually or through automatic reimbursement, if offered by their selected carrier) for reimbursement from their HRA. Reimbursements from the participant's HRA account are deposited directly into their designated bank account. OPERS has been

receiving questions from our members about how the HRA works. In response, we posted a series of frequently asked questions and answers concerning the HRA on the OPERS website.

To obtain additional information, we suggest members contact the Connector administrator OneExchange at 844-287-9945, or refer them to the OneExchange/ OPERS website: <https://medicare.oneexchange.com/opers>.

Please share this information with your constituents and interested parties.



**We have posted a series of frequently asked questions and answers concerning the HRA on the OPERS website.**

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With \$91.2 billion in assets, OPERS is the largest public pension fund in Ohio and the 11th-largest public pension fund in the United States. OPERS provides retirement, disability and survivor benefits for more than 1 million public employees. OPERS can be found on the web at [OPERS.org](https://opers.org).