

# Ohio Public Employees Retirement System Government Relations



## Pension Redesign Update

Pension redesign legislation which passed in 2012 has worked as intended. Retirement benefits were supported for future generations without additional contributions.

### BACKGROUND INFORMATION

Issue: The Ohio General Assembly unanimously passed Substitute Senate Bill 343 in 2012. This pension redesign legislation reflected recommendations proposed by the OPERS Board of Trustees and was supported by OPERS stakeholders and members.

- OPERS' history of prudent management has resulted in secure retirement benefits for thousands of public workers – now and in the future.
- The OPERS Board approved plan design changes that helped OPERS maintain the fund's financial strength and its ability to provide pensions with no increase in contributions.
- OPERS understands the retirement system's complexity will require ongoing maintenance to its plans. The legislation supported retirement security by maintaining the strength of OPERS' defined benefit plan.
- The plan design changes also enabled OPERS to preserve future funding for discretionary access to health care coverage for our retirees; coverage we believe is an integral part of retirement security.
- The reasons for the changes were longer life spans, the aging population, generational equity among members and economic factors like the Great Recession.
- The changes included new age and service eligibility requirements, final average salary calculations, and cost-of-living adjustments, among others. In addition, changes were made to the OPERS Disability program resulting in more workers receiving help to get back on the job.