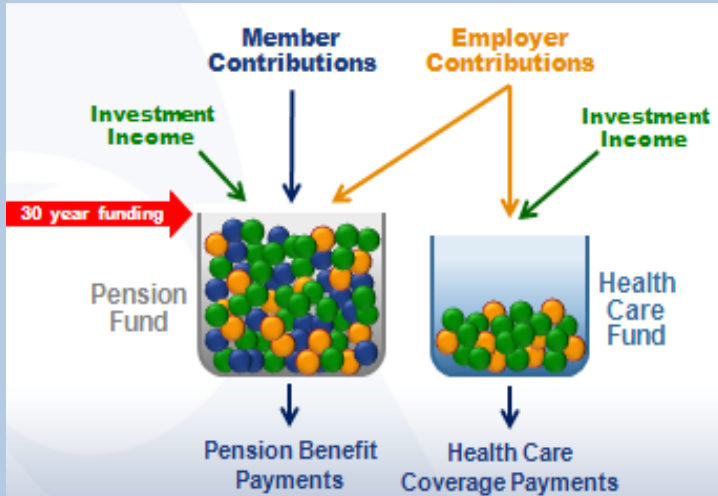


OPERS Pension and Health Care Changes



Key Points

How We Got Here



There are several factors impacting OPERS' funding, such as, increased life expectancies, growth in retirees and economic downturns.

OPERS has three sources of funding: member and employer contributions and investment returns. In order to meet our 30 year statutory funding requirement, OPERS shifted a portion of the employer contributions to the pension fund.

OPERS Board of Trustees adopted a set of changes to the OPERS health care plan that will continue health-care funding and allow OPERS to continue offering retirees access to health care coverage.

Pension Plan Changes

Pension Plan Redesign

Age and Service Eligibility:

Reduced Age & Service Eligibility:

Age & Service Reduction Factors:

Benefit Formula:

Final Average Salary (FAS):

Cost of Living Adjustment (COLA):

Approved Changes

Age 55/32 years of service or age 67/5 years

Age 57/25 years of service or age 62/5 years

Established by actuary

2.2% for all years of service up to 35, 2.5% after

5-year FAS

COLA = CPI, not to exceed 3%

Transition Group

C

C

B and C

C

C

A, B, and C

New Health Care Preservation Plan

The following list represents the Board's approved changes to several important factors of the health care program: Current and Future Retirees

- No allowance to health care coverage for spouses effective 2018.
- No access for non-Medicare spouses effective 2020.
- Medicare eligible spouses will have access only, no allowance.
- Access to health care coverage for dependent children if the retiree has 20 or more years of service.
- The Medicare B reimbursement will be reduced then eliminated by 2017.

- Health care allowances will be restructured based on age and years of service at the time of enrollment.
 - Minimum allowance of 51 percent and a maximum of 90 percent for future retirees.
 - Current retirees at or above a 75 percent allowance will receive between 75 and 90 percent.
- Beginning in 2016, health care coverage for:
 - Medicare recipients can be purchased via the OPERS Medicare Connector.
 - Recipients under age 65 (and over age 65 but not eligible for Medicare Part A) will be provided through an OPERS sponsored plan.
- Spouses will not assume the members health care or allowance upon the death of a retiree.
- Once a retiree voluntarily withdraws from the OPERS health care plan, he or she cannot re-enroll, with the exception of re-employment in an OPERS-covered position.

Future Retirees

- Members with a retirement effective date after Jan. 1, 2015, must retire with 20 or more years of service and be age 60, or retire with 30 years of service at any age to be eligible for OPERS retiree health care coverage. The 30 years of service at any age requirement will increase to 31 then to 32 years of service as the minimum years of service to qualify for a full pension benefit increases to 32 years.
- Beginning Jan. 1, 2014, only the following types of service credit apply to health care eligibility: contributing service, Ohio retirement systems, USERRA, unreported time and restored (refunded) service.
- Disability recipients are limited to health care for the first five years of disability retirement unless approved for a federal program or meet the new age and service eligibility requirements.
- Disability conversion retirement recipients must meet 20 year requirements if conversion date is on or after Jan. 1, 2015.

Action Items

- Keep your email address current in order to receive important updates.
- Read your newsletters.

Resources

- Special Coverage section of OPERS website, www.opers.org
- OPERS Comprehensive Guides
- OPERS toll free number: 1-800-222-7377

Notes

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