

OPERS Board continues discussion of options for changing the COLA

Thank you to all our retirees who have contributed their thoughts about our options to change the cost-of-living adjustment. You have made your voices heard. We've received more than 72,000 responses to the recent COLA survey, plus hundreds of calls, letters, emails and social media posts.

OPERS has reviewed all this feedback and we continue to welcome your comments and suggestions.

On Sept. 20, the OPERS Board of Trustees continued its discussion on various options for changing the COLA and strengthening the pension system for the long run. No decisions have been made to date. To effect any change that the Board may approve, the Ohio Legislature must enact legislation. Options considered include elements of your feedback, which could impact both active members and retirees.

While we understand members and retirees would prefer no change to the current structure, based on retiree survey feedback, 70 percent of respondents prefer a reduced cap instead of a freeze. Because of this feedback, the Board has focused on changes to the cap rather than a COLA freeze.

Current considerations include:

- CPI based COLA subject to a cap less than 3 percent
- Extending the waiting period for the first COLA for new retirees
- Flat dollar amount COLA

In addition, the plans contemplate increasing base pension amounts for about 3,700 long-time retirees who were paid lower COLAs when the formula was different than it is today.

OPERS is 80 percent funded with \$19 billion in unfunded liabilities, plus another \$2.7 billion in losses from previous years that must be recognized over the next two years. Even if we achieve our target 7.5 percent investment return over the next two years, our funded ratio would decrease to 78.3 percent.

We understand that change is difficult to accept. But making adjustments from a place of secure footing protects OPERS' long-term sustainability for not only today's retirees, but also future retirees – and prevents sudden, crisis-based decisions that could have a much larger impact.

We will continue to keep you updated as the process moves forward and address your concerns and feedback through FAQs.

