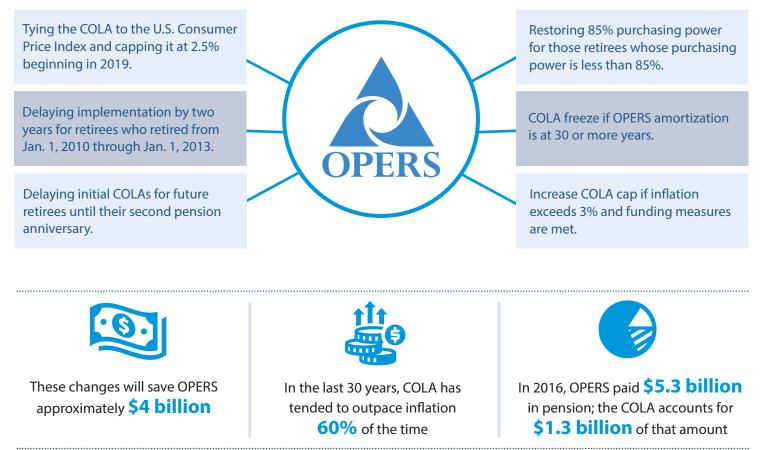
House Bill 413 – What you need to know

The OPERS Board of Trustees recommended the following changes to the cost-of-living adjustment which are contained in House Bill 413:



WHY NOW?

OPERS is in a strong position to continue funding benefits for current retirees and for future generations. Since we cannot predict future events we must proactively assess our fund and make these changes now to remain financially secure.

WHY MAKE CHANGES TO THE COLA?

Our retirees are living longer in retirement requiring us to pay benefits for many more years than in the past. More importantly they are spending more years in retirement than they did contributing to the System.

Despite years of positive returns, a \$19 billion unfunded liability still exists. That's the amount OPERS has to fund on future benefit payments already earned beyond what we currently have in assets.

Further, we are in a decades-long period of low inflation. Changes to the COLA will help account for longer life expectancy, preserve the long-term financial strength of the System, and serve the COLA's intended purpose – mitigating inflation for retirees.

For the most up-to-date news and information, visit opers.org/cola.

AVERAGE BENEFITS PAID TO AN OPERS RETIREE UNDER THE TRADITIONAL PENSION PLAN*

Average age at retirement **57.6 years** Average years of service at retirement **23 years** Average Final Average Salary **\$41,519** Average pension at retirement **\$20,545** TOTAL BENEFITS PAID IN 2016* Pension benefits **\$5 billion** Disabilities benefits **\$648.1 million** Survivor benefits **\$187.2 million** Total number of retirees **208,381** Pension liabilities are **80% funded**

2016 PENSION BENEFIT PAYMENTS AND RETIREES BY COUNTY

TOTAL HEALTH CARE COSTS IN 2016* Retirees and beneficiaries covered under OPERS heath care **234,578** Health care costs on behalf of retirees and beneficiaries **\$1.2 billion** Health care costs are **65% funded**

*as of Dec. 31, 2016

