Employers Urged to Promote Retirement Board Elections

There are many challenging issues facing all pension systems, and OPERS is no exception. Member (employee) input is more important today than ever before. All employers are urged to encourage employees who are interested—and eligible—to run for a position on the Retirement Board.

In 2006, four positions are up for election; three positions representing employee groups: state employees, college/university employees and municipal employees, and one position representing the retiree population.

Any public employee who is a member of OPERS in any of these three employee groups is eligible for election, except one who is receiving a disability allowance. Re-employed retirees are also eligible to run for the open position representing the retiree population.

Representation is important
The Retirement Board has a strong tradition of service and has worked to represent members and retirees when researching, reviewing and acting upon policies that impact all OPERS members. To continue that tradition, it’s vitally important that the Retirement Board attracts dedicated individuals to serve the four-year term beginning January 1, 2007.

Action requested
Please become deeply involved in the upcoming election process by:

• Posting and/or distributing the election materials you’ve received in a prominent place,
• Discussing the important work of the Retirement Board at staff meetings, and
• Encouraging interested employees to run for an open position.

Deadlines and qualifications for potential Retirement Board candidates from the employee populations have been sent to all employer entities via an Employer Notice. Retiree were notified directly via letter. If you or your re-employed retirees did not receive that information, or need additional copies, you can access the information online at www.opers.org, or call the Employer Call Center and additional information will be sent.

The OPERS Retirement Board

Front row, left to right, seated: Carol Nolan Drake, Director of the Ohio Department of Administrative Services; Helen Youngblood, representing county employees; Cinthia Sledz, representing miscellaneous employees; Warren W. Tyler, Treasurer-appointed investment expert

Second row, left to right standing: John W. Maurer, representing retirees, Robert C. Smith, gubernatorial appointed investment expert; Ronald C. Alexander (chair), representing state employees; Sharon M. Downs (vice-chair) representing retirees; Charlie Adkins, representing state college and university employees; Ken Thomas, representing municipal employees.

* James R. Tilling has been appointed to the Retirement Board as the General Assembly Appointed investment expert.
**Update: CRM Initiative**

**Customer Relationship Management (CRM) Initiative Moving Forward**

“Welcome to the Employer Call Center…” any employer who’s called the OPERS Employer Call Center knows those can be the best words you’ve heard all day because your question will be answered or an issue will be resolved.

Employer Call Center representatives are trained for and dedicated to working with—Ohio’s public employers. Now, the service is getting even better because the dedication will become more specific to your needs—here’s how.

Win-win

In the near future, employers will be assigned a team of dedicated Customer Service Representatives. This means your CSR team will be completely knowledgeable about issues or questions that are particular to your employer classification (i.e. libraries, villages, state, etc.).

The changes you’ll soon be hearing when you call:

- To reach your dedicated customer service representative, key in the first four digits of your employer code from your touch-tone phone. (If you don’t know your code, or are calling from a rotary phone, simply remain on the line and the next available customer service representative will answer.)
- You’ll receive an acknowledgement message and be connected to your CSR team.
- If your CSR team is away or assisting others, you’ll have the option of leaving a voice mail message specifically for your customer service representative.
- Of course, we realize there are times when you need to speak to someone immediately. You’ll always have the option to follow the prompts and be transferred to the first available customer service representative. You will still be able to leave a message in the OPERS employer voicemail box if you simply are not able to hold for the next available representative.
- Some things stay the same
  - No matter where you leave your message—with your dedicated CSR team or in the general mailbox, the Employer Outreach unit’s service standard remains the same: Your call will be responded to within 24 hours during the work week.

Employer Outreach can spot trends in information gaps so that proactive information can get out to employers—sometimes what we think answers a question simply doesn’t. With this trending information Employer Outreach can work to fill in the gaps—to all your calls help both you and your employer colleagues.

**Keeping Up with Technology... Chuck Quinlan—Director of IT**

Keeping up with technology is almost as challenging as keeping up with Chuck Quinlan. He speaks fast, moves quickly and is constantly looking toward the future—all necessary attributes for an individual who is the new Director of Information Technology for OPERS—an organization that depends upon its technology infrastructure to help deliver quality services to employers and members.

Quinlan came to OPERS one year ago, moving from the Bureau of Workers’ Compensation (BWC) where he served most recently as chief information officer. Although he’d been with BWC since 1982, and was instrumental in positively affecting that organization’s technology structure, Quinlan found he was intrigued by the OPERS position.

“Moving to OPERS was a real opportunity for me to package my 24 years of IT experience and apply it in a new way. OPERS had established a sound IT infrastructure, so I now have the opportunity to help take technology solutions to the next level. I have the pleasure of working with both management and technology teams who are willing to implement innovative strategies—what could be better?”

Innovation and teamwork are the basis for Quinlan’s short-term goals of making sure that the Information Technology Division operates effectively and efficiently. Aligning IT strategies with the OPERS business is critical for ongoing success. As Quinlan points out, “Through interaction and partnership, information technology can deliver the systems and processes that will help deliver the quality of service needed for members and employers. In short, everybody wins.”

Quinlan is quick to point out that he views his client base as both internal and external by working to partner with employers. “Employers have requested that we provide technology solutions that are safe and effective. We’ve delivered on that request by creating a secure business environment to transfer sensitive information. The Web-based OPERS-Employer Contribution System (ECS) meets—or exceeds—industry security standards.”

Ever forward-looking, Quinlan adds, “The information that employers and OPERS will have to process will continue to grow—both in terms of numbers and detail. As we go forward, we need to have an ongoing partnership with employers so that we can deliver secure solutions. Our goal is to work with employers and deliver products that continue to make everyone’s work flow smoother.”

Quinlan lives in the New Albany area with his wife and two daughters, ages 12 and 9. In his spare time, Quinlan enjoys a round of golf (he has an 8 handicap) and has been known to pause in his activities to watch the OSU Buckeyes play a little football.

**HOMETOWN:** Englewood, OH (outside Dayton)

**EDUCATION:** The Ohio State University, Bachelor of Science degree

**DREAM JOB:** Pro golfer on PGA tour

**CAREER PHILOSOPHY:** “Make your own luck. I approach my personal and my professional life with the same philosophy: Preparation = Opportunity = Luck. That means if I’m doing the right things, opportunities will come my way…and I’ll be positioned to make the most of those opportunities.”

Chuck Quinlan, Director of IT, is shown in the lobby of the OPERS building in Columbus.
Employer Wellness Programs

Of course OPERS is a pension system, but it’s also a major employer with nearly 600 employees. As health care costs continue to escalate, OPERS, like many other employers, continues to explore health care savings opportunities such as wellness initiatives and prevention programs.

At OPERS, we never forget that people—our employees—are what ultimately make up our health care statistics. Therefore, wellness initiatives and prevention programs are offered that are intended to achieve positive, long-term outcomes for our colleagues. The result? OPERS employees are becoming more informed health care consumers who are incorporating healthy lifestyles into their everyday life.

Referrals mean positive intervention

According to Shelley Wilson, Director of Human Resources, OPERS contracts its wellness programs such as screenings and education fairs:

“We’ve had an arrangement with Healthstrides, Ltd. for many years. I’m pleased to report that due to the relationships established, the Healthstrides representatives can encourage employees to make lifestyle changes or seek the advice of a physician, based on the results of specific screening outcomes.

The OPERS wellness program sponsors a variety of health screenings several times each year including blood pressure, cholesterol, and diabetes screenings. In addition, OPERS sponsors one health fair each year that offers a wider variety of screenings and educational opportunities. According to Wilson, “We offer more than the ongoing screenings. We have fitness experts available to help individuals set up personalized fitness programs, vision and hearing screenings, and mobile mammography units.”

And the winner is…

Today, options abound for treating and preventing potentially life-threatening diseases—the first step to knowing there is a potential problem and getting referred to a physician so that appropriate intervention can begin. At OPERS, due to the relationships established, the Healthstrides representatives can encourage employees to make lifestyle changes or seek the advice of a physician, based on the results of specific screening outcomes.

The OPERS wellness program offers a wider variety of screenings and educational opportunities. According to Wilson, “We offer more than the ongoing screenings. We have fitness experts available to help individuals set up personalized fitness programs, vision and hearing screenings, and mobile mammography units.”

The Employer Account Summary that’s sent to all employers every quarter is NOT an invoice. Rather, as its name indicates, it’s an informational summary of all transactions that have occurred with your account during the period shown.

Account summaries are not generated when there is no activity on your account and there is no balance. Once activity occurs, the next run of account summaries will generate a summary that will show transactions from the last account summary generated to the end of the current period.

Reporting on retirement contributions, withholding and remitting employee contributions, and calculating and sending in the employer liability within the necessary timeframe is the responsibility of each employer; OPERS does not generate invoices. However, if a situation occurs when an employer entity falls in arrears on IRS penalties and interest, has assessed, employers will receive a letter from OPERS notifying them of these charges.

Here are a few tips for you to remember about your Employer Account Summary:

• They are consecutive; there will never be a gap in information between summaries.
• They contain valuable information for your review to ensure the transactions you think have occurred are accurately captured on the Employer Account Summary.

Every employer will receive a summary that shows a minimum three-month snapshot of activities; the exact schedule is printed in your Employer Manual.
Employer Reporting Rolls Out Electronic Distribution

After a three-month pilot program, Employer Reporting is now making electronic distribution of employer communications available for all employers. Although available to all employers, those who piloted the EDEC program—here are a few points to consider:

2) Your email distribution list, which lists all current contacts Employer Reporting has for your organization— all employer codes. You'll need to review and update this information to ensure accurate electronic distribution—you can name as many contacts as you would like, however, please keep in mind there can be only one main contact. It is also a good idea to make certain all contacts have the correct indicator for whether they are an authorized signer for your organization. After this list has been updated and verified for accuracy, you’ll need to return it to OPERS.

Overview: Electronic Delivery for Employer Communications (EDEC)

If you’re ready to join those employers who piloted the EDEC program—here are a few points to consider:

Electronic delivery is currently available for Employer Reporting-sponsored communications of non-sensitive information only, you will continue to receive communications from other OPERS departments as you always have.

It’s important that if you receive printed materials from other OPERS departments that you continue to review them as you usually do.

In addition, the EDEC program cannot be used for electronic transmission of secure data (specific information regarding an employee’s retirement account) from employers to OPERS.

Employers who opt-in to EDEC for Employer Reporting-sponsored communications must do so for their entire organization. If the organization determines that electronic distribution is the preferred method, OPERS will discontinue sending print materials.

We encourage you to consider implementing a universal electronic mailbox and putting that mailbox on your contact list to help ensure smooth and timely delivery of Employer Reporting communications. The universal mailbox can be checked daily and will ensure all departmental contacts are kept in the informational loop if the main employer contact is on vacation or terminates.

How EDEC works

Signing up for EDEC is easy—simply call the Employer Call Center and let your customer service representative know you want to explore EDEC. You’ll receive three documents to review:

1) EDEC Program Information document, which you’ll simply need to review to be knowledgeable about your responsibilities when you opt to receive information electronically.

2) Your email distribution list, which lists all current contacts Employer Reporting has for your organization—all employer codes. You’ll need to review and update this information to ensure accurate electronic distribution—you can name as many contacts as you would like, however, please keep in mind there can be only one main contact. It is also a good idea to make certain all contacts have the correct indicator for whether they are an authorized signer for your organization. After this list has been updated and verified for accuracy, you’ll need to return it to OPERS.

A few exceptions

Although Employer Reporting tries to deliver on the promise of distributing all materials electronically, there are a few exceptions. For example, we’re required to print and distribute the Retirement Board election materials, which include fliers and petitions. These documents are not conducive to electronic distribution because they are odd in size and have a required format for reproduction. When these situations arise and OPERS must send you print communications, you will receive an email notification to look for these documents that will be delivered via U.S. mail.

Style of electronic communications

Because the Employer Notices are operations-oriented and usually single focused, the electronic document will look much as it does now when you open your email. However, you’ll see the quarterly Employer Outreach newsletter will look a little different because it’s been reconfigured into an electronic-friendly format.

EDEC Honor Roll

Throughout 2006, the Employer Outreach honor roll will feature employers who have signed up for electronic delivery via EDEC. Here’s a list of employers who have signed up for electronic delivery as of June 1, 2006:

Special thanks to all employers who signed up for the pilot program (naming indicated in bold).

City of Circleville Secretary of State University of Cincinnati Environmental Protection Agency Washington-Centersville Public Library State Development Department City of Hilliard Columbus Zoological Park Association Rose Correctional Institute City of Upper Sandusky Southwest Public Library Franklin County Martins Ferry Public Library Muskingum County Library System Noble County City of Coshocton Village of Canby Washington County Ella M Everhard Library Jackson Twp Stark County Hudson Library and Historical Society Putnam County Public Library

Comments on EDEC

“EDEC is great because now OPERS information doesn’t get buried under a mound of paper. It’s great to receive information by email because it can be stored in a folder for future reference.”

Luanne Bowman VP Finance and Administrative Affairs Rio Grande Community College

“This program should be made available to all employers. With electronic delivery, it’s easier to skim for articles that pertain to my job—then I can come back to read them at my leisure.”

Lynda Obee Account Clerk University of Toledo

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ECS Update

Last fall, OPERS released an upgrade to ECS, the application through which Reports of Retirement Contributions and/or payments can be forwarded electronically. Since employers contributed time and effort to the process by attending training seminars and providing feedback and questions, we thought you’d enjoy this progress report. Thanks for your effort! As of April 2006:

• Of that number, 37.5 percent or 6,481 have been blocked due to errors…
• A total of 17,261 reports have been submitted since the release of the upgrade…
• Of that number, 37.5 percent or 6,481 have been blocked due to errors…
• So that means 10,780 reports were submitted successfully—62.5 percent of all attempts.

Focus Groups Wrap

In May, representatives from the larger employer groups agreed to participate in focus groups aimed at helping Employer Reporting deliver more effective communications. Here’s a snapshot of the input:

• Most valuable source for communication?
  - Access to Employer Call Center 100%
  - Employer Notices 58%
  - Newsletter 4%
  - Account Summary 2%
  - Anything via Internet 70%

• Favorite way to receive current communication?
  - U.S. Mail 13%
  - Electronically 86%
  - Training classes 50%
  - Passed along from supervisor 3%

• Single most important communication critical to you doing your job well?
  - Employer Notices 100%

• What needs to be improved or changed with employer communications?
  - More electronic distribution 80%
  - Teleconferencing for training 50%
  - Dedicated customer service rep 70%
  - Ability to report service purchases via payroll deduction using ECS 20%

This newsletter is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code.

Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact the Employer Outreach Office at 888-400-0965, or seek legal advice from your attorney.
Overview of Tax Expenditure Limitation (TEL)

In recent months, the proposed Tax Expenditure Limitation (TEL) constitutional amendment received a significant amount of attention by our employers and the media throughout Ohio. Some employers have been asking about the impact of the TEL on OPERS and the other state retirement systems. As a matter of background, TEL was originally proposed as an amendment to the Ohio Constitution that would have limited state and local government spending. As drafted, this constitutional amendment would have required a vote of the people to override and/or to change the spending limitations. In response to concerns raised about the TEL as a constitutional amendment, the Ohio General Assembly recently enacted a statutory version of TEL that will allow state lawmakers, without a public vote, to change any portion of the limitation. In addition, the statutory TEL places a spending limitation restriction on state funds only; no direct restrictions are placed on local governments.

Here’s an overview of the current statutory amendment:

TEL has a variety of provisions that include:

- Limits for state expenditures to 3.5 percent growth or the rate of inflation in the preceding calendar year, plus the rate of population change during the same period;
- Requires the governor to set state appropriation limit for the legislature;
- Requires legislative vote to exceed the limit, and to pass with a two-thirds vote;
- Excludes from the limit expenditures made with federal funds; and
- In the event of an emergency, allows spending to exceed the cap.

OPERS’ position: Because OPERS is not a state agency, the Retirement System is not directly impacted by the statutory spending limitations imposed on state government. OPERS staff is currently working with our actuary to review the provisions of the statutory TEL and determine if any provisions may indirectly impact OPERS. We’ll update you on this issue in future editions of the Legislative Agenda.

House Bill 272 Update

In May, the House Financial Institutions, Real Estate and Securities committee completed its seventh hearing on House Bill 272 (Rep. Schneider, R–Cincinnati). The bill contains a number of provisions designed to improve the System’s funded status and provide additional savings opportunities for members. During the course of the hearings, committee members requested information on a number of the bill’s provisions, including two provisions that would directly impact our employers—an increase in the minimum monthly earnable salary required to earn full-time OPERS service credit and the remittance of employer retirement contributions on a monthly (rather than quarterly) basis. After accepting a substitute version of the bill, which contained changes reviewed and approved by the Ohio Retirement Study Council, the bill was further amended by the committee to remove the minimum earnable salary provision. OPERS intends to revisit this issue at a later date.

Due to the busy session days throughout May, H.B. 272 was not voted out of committee before the General Assembly adjourned for the summer.

OPERS’ position: Protecting the System’s funded status for pensions and extending the long-term solvency of the retiree health care program are, and will continue to be, two of the Retirement Board’s highest priorities. The proposed changes in H.B. 272 support these priorities. Therefore, we’ll continue to work with our constituency groups, those who represent our employers, members, and retirees to explain the importance of these changes.

We hope that hearings on H.B. 272 will continue when the General Assembly returns to Columbus this fall. In the meantime, we’ll continue to educate the members of the legislature about the significance of the proposed changes in H.B. 272.

How does a bill become law?

The winding road from good idea to enacted legislation can be long—and each piece of legislation has its own story. For many of us, high school civics class is a dim memory; here’s a refresher course on the seven-part (more or less) process for Ohio:

**Step 1: Longest journey begins with a single step**

A need is perceived and—an idea for a new law or a change in an existing law—to address the need is generated. (Anyone can develop an idea for legislation: a legislator, a state agency, the governor, a special interest group, or a private citizen.) For each idea, a legislator requests the Legislative Service Commission (LSC) write the proposed idea into a bill.

**Step 2: The process begins**

Once a proposed bill is filed with the House or Senate clerk, it is given a number. The proposed bill has now been introduced to the House or Senate and will be referred to the appropriate committee for review.

**Step 3: The plot thickens**

The standing committee to which the bill was referred holds public hearings on the bill, amends or substitutes a new version of the bill, refers the bill to a subcommittee, postpones action, and moves the bill along—or not. It is possible for a bill to be defeated here.

**Step 4: Another look**

Once approved by the standing committee, the bill is presented to the House Rules and Reference Committee or Senate Rules Committee who may take no action or schedule the bill for floor action within the House or Senate. If scheduled for a floor vote, the bill will be debated and voted upon.

What’s it take for a vote to carry?

- A bill without an emergency clause can pass with a simply majority, but
- With an emergency clause requires a two-thirds majority,
- Overriding a governor’s veto requires a three-fifths majority,
- Joint resolutions that propose amendments to the Ohio Constitution require a three-fifths majority.

**Step 5: Another day, another house**

If the bill passes in the first house (House or Senate), it’s sent to the second house where the process is repeated (introduction, referral to standing committee, floor vote). If changes are made… back it goes to the original house for agreement. This can take some time; however, once both houses agree, the bill is signed by the Speaker of the House of Representatives and the President of the Senate.

**Step 6: One more stop**

At this point the act is presented to the Governor who can:

- Sign the act into law and file it with the Secretary of State to become effective 91 days later;
- Not sign it within 10 days after presentation and it becomes law without the Governor’s signature; or
- Veto the act and return it to the originating house with a veto message.

**Step 7: The last word**

The bill can still become law—even with the Governor’s veto—with an override vote of three-fifths of the members of both the House and the Senate.

Now you know the long and winding road from idea to legislation. The steps and safeguards are all a part of what makes a democracy work for its population—and now you also know the process by which your state representatives actively represent their constituents.

The information in this Legislative Agenda for OPERS’ reporting employers is designed to give you an overview on legislative activities. More detailed information is available by contacting Tom Sherman, OPERS’ government relations officer at 614-222-2924; or you can visit the Web site at www.opers.org.