

# > 2011

## Summary Annual Financial Report

Ohio Public Employees Retirement System

For the year ended December 31, 2011



strength  
through  
change



Dear Members:

On behalf of the Board of Trustees, we are pleased to present the OPERS *Summary Annual Financial Report* for the year ended December 31, 2011. This document provides an overview of the financial status of OPERS for the year and highlights other key information about OPERS members and retirees. This report is a summary of the information provided in the 2011 OPERS *Comprehensive Annual Financial Report*, which can be viewed online at [www.opers.org](http://www.opers.org).

The theme, Strength through Change, is reflective of OPERS' journey throughout this turbulent decade. As a seed grows to a towering tree or an athlete grows stronger through practice and training, OPERS has emerged stronger than ever in its mission to provide secure retirement benefits to our members.

The 2011 fiscal year provided significant challenges and opportunities, including pension legislation efforts, health care plan design review, continued investment market volatility, and the ongoing implementation of the Our Way Forward technology and business process improvement project.

#### Key Activities:

- **Pension Legislation**—In 2011, OPERS continued its efforts to encourage the Ohio legislature to enact pension plan design changes recommended by the OPERS Board in 2009. These changes are intended to strengthen the plan by recognizing the realities of the changes in our member demographics, where members today often live more years in retirement than they worked during their employment career. The recommendations also address plan provisions that provide for the subsidization of benefits that are available only to a selected group of members and provide tools for members to become active partners in their OPERS retirement. On May 16, 2012, the Ohio Senate introduced and passed S.B. 343 approving the Board's recommendations.
- **Retiree Health Care**—Although not mandated by statute, OPERS has provided retirees access to health care for nearly one-half of our 75-year history. One attribute that sets OPERS apart from almost every other pension fund in the U.S. is that since the System began offering health care in 1974, OPERS has systematically funded these expenses through the establishment of a health care trust fund. However, based on the current annual expenditures of \$1.6 billion, the fund will not be sufficient to provide health care for current and future retirees. The Board has been reviewing the health care program, recommending changes that focus coverage on career members. Proposed changes will establish eligibility based on a minimum age and years of service formula, and provide allowances to eligible retirees based on their years of contributing service.
- **Our Way Forward**—The year 2011 marked the second year of the implementation of the Our Way Forward project designed to position the System for the future. As the baby-boomer generation prepares for retirement, OPERS will face an increasing number of retirees and new members who will take their place in the workforce. OPERS has long anticipated this growth in membership and changing needs of the member population. We have invested in an effort to strengthen our internal systems to support these requirements without a commensurate increase in staffing. This internal initiative will allow increased efficiency and streamlined operations that will enhance service levels while managing administrative costs—all the while maintaining a focus on providing excellent customer service.
- **Experience Study**—In 2011, OPERS completed its periodic review of actuarial assumptions for the period 2006-2010. As a result of this review, OPERS modified selected economic and demographic assumptions. Prior to the experience study, OPERS' defined pension benefits were 76% funded. This means that for every dollar of pension liability the System expected to ultimately payout, the System had \$0.76 set aside in a trust fund to pay the future benefit, with the unfunded portion being paid within 29 years. Following the experience study, OPERS was 79% funded, with the unfunded liability being paid within 24 years.

continued...

We recognize that change can be difficult, but also realize that change is important to keep pace, to grow, and to adapt to the changing environment around us. However, throughout the change process we never forget those whom we serve—our members, our retirees, and their beneficiaries. We strongly believe that change should be done incrementally and should allow for adequate retirement planning. When done correctly, change will make us all grow and become more secure.

### Economic Impact

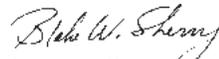
This summary also serves as a guide to explaining the economic stability OPERS provides public employees. More than 90% of OPERS members and their beneficiaries retire and remain in Ohio. In 2011, for every \$1.00 of employer contributions paid into OPERS, Ohio's economy realized a return of \$3.26. In addition, through OPERS' investment portfolio, we are able to directly invest in Ohio, further strengthening the local economy.

In closing, we wish to recognize the importance of public employees' services and honor all public employees by working diligently to propose strategic changes to the OPERS plan design to help ensure future generations will receive the same quality benefits offered to retirees today.

Respectfully,



Karen E. Carraher, CPA  
Executive Director & Interim Director—Finance



Blake W. Sherry  
Chief Operating Officer



This *Summary Annual Financial Report* is derived from information contained in OPERS' *Comprehensive Annual Financial Report for the years ended December 31, 2011 and 2010* (CAFR), but does not contain detailed financial information by plan, nor is it presented in a manner to conform to Generally Accepted Accounting Principles (GAAP). OPERS' CAFR is prepared in conformity with GAAP, and may be obtained by visiting our website at [www.opers.org](http://www.opers.org) or by contacting OPERS to request a copy.

### The OPERS Board of Trustees

OPERS' management and staff work closely with the members of the OPERS Board of Trustees—the governing body of OPERS that is ultimately responsible for the administration and management of all OPERS activities. This dedicated Board meets monthly and receives no compensation, but is reimbursed for necessary expenses.

**Ken Thomas, Chair**

Representative for Municipal Employees

**Cynthia L. Sledz, Vice Chair**

Representative for Miscellaneous Employees

**Matthew Schulz**

Representative for State Employees

**Kimberly Ann Russell**

Representative for College/University Employees

**Helen Youngblood**

Representative for County Employees

**Sharon M. Downs**

Representative for Retirees

**John W. Maurer**

Representative for Retirees

**Robert Blair**

Director, Department of Administrative Services

**Lennie Wyatt**

Governor Appointed Investment Expert

**James R. Tilling**

General Assembly Appointed Investment Expert

**Charlie Adkins**

Treasurer Appointed Investment Expert

## Summary Comparative Statements of Fiduciary Net Assets

Why is this chart important? This statement shows you the assets OPERS owns and the liabilities or obligations that are pending payment as of the date shown. The calculation of assets minus liabilities represents the funds that OPERS has accumulated to pay pension benefits and health care coverage for our current retirees, active, and inactive members.

	December 31 2011	December 31 2010	Amount of Change	Percentage Change
<b>Assets</b>				
Cash and Receivables	\$4,402,192,647	\$5,092,264,077	(\$690,071,430)	(13.55)%
Investments, at fair value	71,149,016,095	72,661,379,153	(1,512,363,058)	(2.08)
Collateral on Loaned Securities	10,401,223,945	9,250,107,607	1,151,116,338	12.44
Capital Assets (Net)	112,092,861	112,130,055	(37,194)	(0.03)
Prepaid and Other Assets	779,630	471,611	308,019	65.31
<b>Total Assets</b>	<b>86,065,305,178</b>	<b>87,116,352,503</b>	<b>(1,051,047,325)</b>	<b>(1.21)</b>
<b>Liabilities</b>				
Accounts Payable and Other Liabilities	200,462,272	219,155,086	(18,692,814)	(8.53)
Investment Commitments Payable	1,423,836,318	1,155,469,120	268,367,198	23.23
Obligations Under Securities Lending	10,410,130,422	9,250,107,607	1,160,022,815	12.54
<b>Total Liabilities</b>	<b>12,034,429,012</b>	<b>10,624,731,813</b>	<b>1,409,697,199</b>	<b>13.27</b>
<b>Net Assets Held in Trust for</b>				
<b>Pension and Health Care Benefits</b>	<b>\$74,030,876,166</b>	<b>\$76,491,620,690</b>	<b>(\$2,460,744,524)</b>	<b>(3.22)%</b>

## Summary Comparative Statements of Changes in Fiduciary Net Assets

This statement displays the annual additions (income) and deductions (expenses) for the System. Investment earnings and contributions typically make up the majority of the income. Deductions are comprised primarily of benefit payments and refunds.

While investment returns were favorable in the first half of the year, global uncertainty about Greece and other European countries had a significant impact on the international markets. In the U.S., the budget deficit debate and the corresponding markdown of the U.S. credit rating took its toll on the confidence of the U.S. investment market.

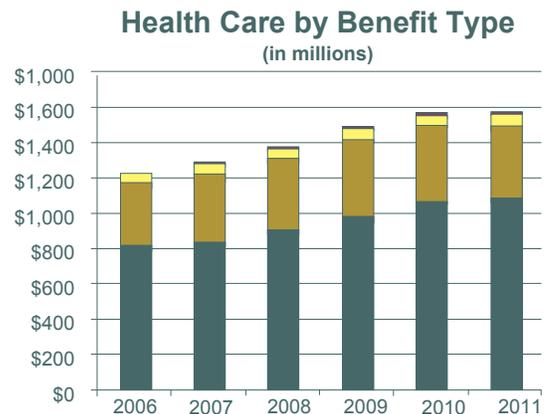
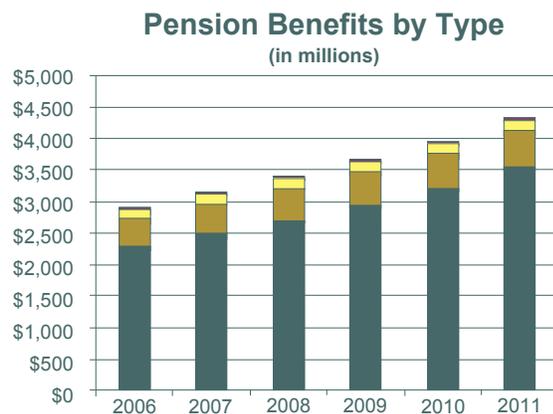
Pension and health care benefits continue to rise as the baby-boomer generation reaches normal retirement age. However, unlike the national trend, plan design changes approved by the Board of Trustees limited the growth in retiree and dependent health care expenses to only 0.54%.

	December 31 2011	December 31 2010	Amount of Change	Percentage Change
<b>Additions</b>				
Member Contributions	\$1,434,755,544	\$1,387,327,050	\$47,428,494	3.42%
Employer Contributions	1,809,470,716	1,796,343,429	13,127,287	0.73
Net Investment Income	179,956,702	9,268,181,189	(9,088,224,487)	(98.06)
Other Income	425,298,672	358,624,180	66,674,492	18.59
<b>Total Additions</b>	<b>3,849,481,634</b>	<b>12,810,475,848</b>	<b>(8,960,994,214)</b>	<b>(69.95)</b>
<b>Deductions</b>				
Pension Benefits	4,329,918,267	3,961,552,022	368,366,245	9.30
Health Care Benefits	1,576,457,152	1,568,065,943	8,391,209	0.54
Refunds	323,672,042	233,054,714	90,617,328	38.88
Administrative Expenses and Other Deductions	80,178,697	81,558,708	(1,380,011)	(1.69)
<b>Total Deductions</b>	<b>6,310,226,158</b>	<b>5,844,231,387</b>	<b>465,994,771</b>	<b>7.97</b>
<b>Net Increase (Decrease)</b>	<b>(2,460,744,524)</b>	<b>6,966,244,461</b>	<b>(9,426,988,985)</b>	<b>(135.32)</b>
<b>Net Assets Held in Trust for</b>				
<b>Pension and Health Care Benefits:</b>				
<b>Beginning of Year</b>	<b>76,491,620,690</b>	<b>69,525,376,229</b>	<b>6,966,244,461</b>	<b>10.02</b>
<b>End of Year</b>	<b>\$74,030,876,166</b>	<b>\$76,491,620,690</b>	<b>(\$2,460,744,524)</b>	<b>(3.22)%</b>

## The Business Of Pension Systems

Retirement benefits include age-and-service annuities, disability benefits provided to those injured during their employment, and survivor benefits provided to the beneficiaries of deceased members. Retirees meeting age-and-service requirements may also be eligible for health care coverage. The graph below displays the trend in retiree benefits for the past six years. This trend is expected to continue to increase as the number of members receiving retirement benefits increases, and because the wage-based benefits of new retirees are typically higher than the wage-based benefits of previous retirees.

In general, defined benefit pensions are determined by a formula based on the number of years of service, the three highest years of salary (final average salary), multiplied by a factor determined by statute. The number of new retirees in 2011 increased by 15.3% from the number of members who retired in 2010, and the final average salary (FAS) of these new 2011 retirees was 3.1% higher than the FAS of those who retired in 2010. Another key element in the pension formula is years of service. As members continue to work longer, the value of their retirement benefit continues to grow through wage increases that affect FAS and in the years of service used to compute the benefit.



Though not statutorily required, post-employment health care coverage is available to defined benefit members with at least 10 years of qualifying service credit. Disability recipients comprise, on average, 13% of the retiree population but represent approximately 25-30% of the health care expenses.

OPERS periodically reviews and modifies the health care program, which the Board has the authority to change, to maintain the solvency of the fund for current and future retirees. Plan design changes effective in 2011 limited the availability of coverage to members and to their spouses who are over the age of 55. Additional changes are currently being considered by the Board with final recommendations expected in mid-2012. These proposals are designed to strengthen the health care program in order to preserve access to and provide affordable, meaningful health care to all our members—both current and future.



**In 1974, benefit payments for 50,000 recipients exceeded \$100,000,000 for the first time in OPERS' history. By 2011, pension benefits exceeding \$4.3 billion were paid to nearly 185,000 retirees. The year 1974 also marked the first year OPERS provided health care to 34,242 participants at a cost of \$2.2 million. As of December 31, 2011, some 225,895 retirees and their beneficiaries were receiving health care at a cost of \$1.6 billion.**

## What are the Benefits?

OPERS members are eligible for retirement benefits based on the pension plan they chose to participate in, their age at retirement, and the number of years of service they have in public employment. OPERS members are employed in a variety of public positions that are classified into divisions, based on the nature of the employer. State and Local division employers provide services throughout state government, cities, counties, and local municipalities. These employers also include public libraries and transit authorities. The Law Enforcement and Public Safety divisions include members involved in preserving the peace, enforcing laws, and protecting life and property. The defined retirement benefits for each of these divisions are set by statute.

The table below displays the current statutory benefits under the defined benefit Traditional Plan for each division, and the changes proposed by OPERS as approved by the Ohio Senate in Senate Bill 343 on May 16, 2012. The proposed pension legislation includes a transition period that recognizes the impact of these changes on members who are close to retirement. Accordingly, the S.B. 343 columns of the table display the plan design after the transition period has ended. These changes also apply to the defined benefit component of the Combined Plan, but have no effect on the defined contribution Member-Directed Plan.

Employer Division Plan Description	Current Statutory Benefits Traditional Plan			Pending Legislation Plan Changes Approved by Ohio Senate Bill 343		
	State and Local	Law Enforcement	Public Safety	State and Local	Law Enforcement	Public Safety
<b>Final Average Salary (FAS)</b>	Defined Benefit Plan Highest 3 Years Unreduced Benefit: • Any age with 30 years of service • Age 65 with 5 years of service	Defined Benefit Plan Highest 3 Years Unreduced Benefit: • Age 48 with 25 years of service • Age 62 with 15 years of service	Defined Benefit Plan Highest 3 Years Unreduced Benefit: • Age 52 with 25 years of service • Age 62 with 15 years of service	Defined Benefit Plan Highest 5 Years Unreduced Benefit: • Age 55 with 32 years of service • Age 67 with 5 years of service	Defined Benefit Plan Highest 5 Years Unreduced Benefit: • Age 52 with 25 years of service • Age 64 with 15 years of service	Defined Benefit Plan Highest 5 Years Unreduced Benefit: • Age 56 with 25 years of service • Age 64 with 15 years of service
<b>Years of Service Required at Age Eligible for Benefit</b>	Defined Benefit Plan • Age 55 with 25 years of service • Age 60 with 5 years of service	Reduced Benefit: • Age 52 with 15 years of service	Reduced Benefit: • Age 48 with 25 years of service • Age 52 with 15 years of service	Reduced Benefit: • Age 57 with 25 years of service • Age 62 with 5 years of service	Reduced Benefit: • Age 48 with 25 years of service • Age 56 with 15 years of service	Reduced Benefit: • Age 52 with 25 years of service • Age 56 with 15 years of service
<b>Benefit Percent per Year of Service</b>	Unreduced Benefit: • 2.2% of FAS up to 30 years of service • 2.5% of FAS for years of service over 30	Unreduced Benefit: • 2.5% of FAS up to 25 years of service • 2.1% of FAS for years of service over 25	Unreduced Benefit: • 2.5% of FAS up to 25 years of service • 2.1% of FAS for years of service over 25	Unreduced Benefit: • 2.2% of FAS up to 35 years of service • 2.5% of FAS for years of service over 35	Unreduced Benefit: • 2.5% of FAS up to 25 years of service • 2.1% of FAS for years of service over 25	Unreduced Benefit: • 2.5% of FAS up to 25 years of service • 2.1% of FAS for years of service over 25
<b>Cost-of-Living Adjustment (COLA)</b>	Reduced Benefit: • Age-and-Service Reduction factors apply 3% simple COLA	Reduced Benefit— 1.5% of FAS 3% simple COLA	Reduced Benefit: • 1.5% of FAS Age 52 and 15 years of service • Reduction factors apply for age 48 with 25 years 3% simple COLA	Reduced Benefit: • Age-and-Service Reduction factors apply Simple COLA tied to CPI not to exceed 3%	Reduced Benefit: • 1.5% of FAS Age 56 and 15 years of service • Reduction factors apply for age 48 with 25 years Simple COLA tied to CPI not to exceed 3%	Reduced Benefit: • 1.5% of FAS Age 56 and 15 years of service • Reduction factors apply for age 48 with 25 years Simple COLA tied to CPI not to exceed 3%
<b>Health Care Coverage Eligibility</b>	10 years of contributing service	10 years of contributing service	10 years of contributing service	N/A	N/A	N/A

## Average Benefits

Consistent with trends nationwide, the number of OPERS members retiring each year is increasing as the baby-boomer population reaches retirement age. Average annual benefits are based on wages, and are also expected to increase as the wave of baby-boomer retirees progresses. This is because wages have historically increased with inflation, and the number of baby-boomer retirees will eventually exceed the number of members who retired a decade or more ago. The table below displays the average annual benefit for OPERS retirees based on their years of service and final average salary at retirement.

### Traditional Plan Retiree Population as of December 31, 2011

	Years of Credited Service							All Retirees	
	0-4	5-9	10-14	15-19	20-24	25-30	30+	at 12/31/11	at 12/31/10
<b>Average Annual Benefit</b>	\$5,186	\$8,450	\$10,281	\$15,291	\$20,342	\$26,017	\$38,417	\$22,878	\$22,078
<b>Average Final Average Salary</b>	\$9,410	\$21,936	\$26,887	\$31,730	\$35,856	\$41,067	\$48,431	\$36,577	\$35,418
<b>Number of Retirees*</b>	2,589	17,873	32,303	26,313	23,392	23,818	57,578	183,866	173,235

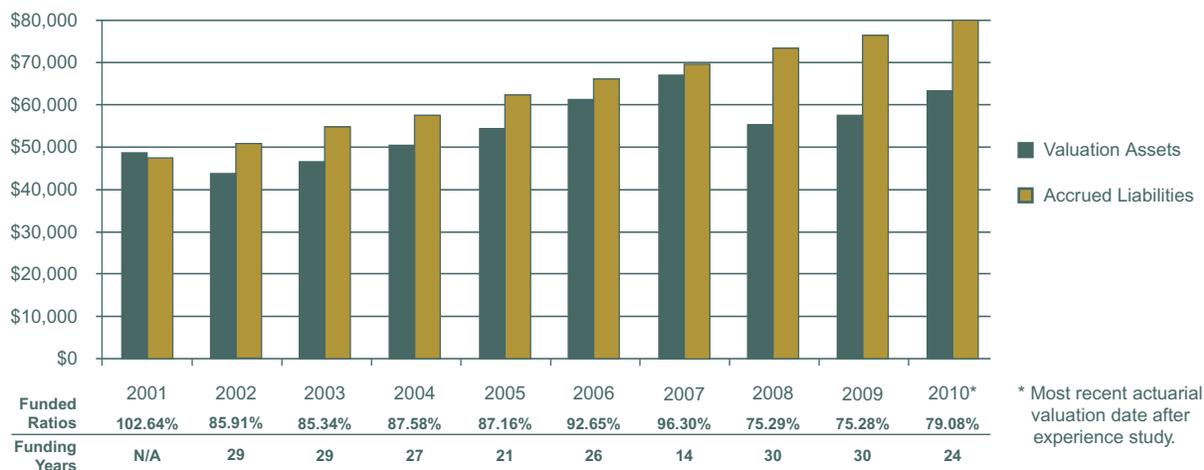
\* Excludes Additional Annuity and Money Purchase plans.

## Retirement Funding Status

Retiree benefits are funded from employee payroll deductions (member contributions), employer contributions, and income earned from the prudent investment of these funds over the member's career. Retiree pensions are 100% funded at the time the member retires, with reserve transfers to the pension funds from which these benefits are paid. For those retiring in 2011, nearly 81% of the lifetime pension was funded by employee payroll deductions and investment income.

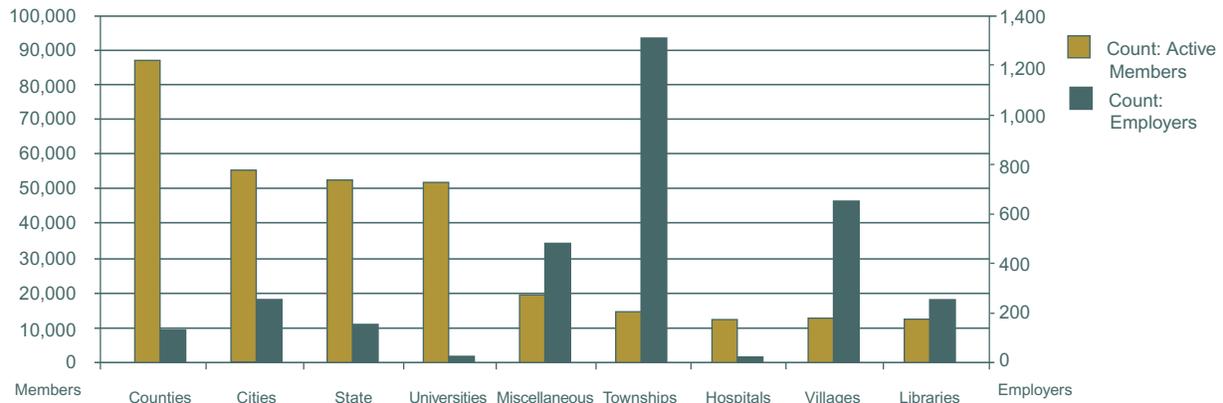
The graph below displays the value of assets available to pay benefits to current and future retirees (valuation assets) compared to the estimated cost of these benefits at each year end (accrued liabilities). Asset values fluctuate with the economy and volatility within the investment markets, and are typically followed by periods of high returns. Investors who remain focused on long term goals typically emerge from the volatility in a favorable position. Despite the market declines of the post 9/11 economy and the recession of 2008, OPERS remains positioned to fund all pension liabilities within a 24-year period.

### Funded Ratios—Valuation Assets vs. Accrued Liabilities (\$ in millions)



## Meet Ohio's Public Employees by Employer Type

OPERS serves more than 349,000 actively contributing members and their nearly 3,700 employers who provide services to Ohio residents. Public employers range from township trustees to city governments providing municipal services, transportation and airport authorities, state government and the judicial court systems, and state-supported universities. The chart below displays the number of active members who work in each of the primary employer groups, providing services that touch the lives of every Ohioan.



## OPERS Membership

OPERS administers three pension plans and two health care plans on behalf of more than 985,000 members. The pension plans include:

- **Traditional Plan**—A defined benefit plan under which pension payments are determined by a formula set in statute. The formula benefit amount is determined by the member's years of contributing service and final average salary.
- **Member-Directed Plan**—A defined contribution plan in which both the member and employer contributions are invested by the member, and the member's future retirement benefit is based on these employee and vested employer contributions and investment gains and losses.
- **Combined Plan**—A hybrid plan in which member contributions are deposited to a defined contribution account, and employer contributions fund a defined formula benefit.

OPERS began offering the Combined and Member-Directed plans in 2003 to new employees and members with less than five years of service as of December 31, 2002. Participation in these plans is an election the member makes at the time their employment commences, and members may elect to change plans at intervals during their career.



In 1960, OPERS celebrated its 25<sup>th</sup> anniversary, serving 158,634 active and inactive members, and 17,250 retirees and their beneficiaries. As of December 31, 2011, the member population had grown to 985,504, of which 184,963 are receiving retirement benefits. With medical advances and healthy lifestyles, these retirees may live as many years in retirement as the span of their working careers.

The chart below displays the number of active, inactive, and retired members in each plan. Inactive members represent members who no longer work in public employment, but have not refunded their employee contributions. These members may be eligible for a future retirement benefit depending on their age and years of service.

	Traditional Plan	Combined Plan	Member-Directed Plan	Total
<b>Active Members</b>	<b>333,340</b>	<b>6,674</b>	<b>9,175</b>	<b>349,189</b>
Average Age	43.0	42.4	41.9	
Average Service Credit	9.9 Years	6.0 Years	4.0 Years	
Average Salary (FAS)	\$34,597	\$42,228	\$37,543	
<b>Inactive Members</b>	<b>448,417</b>	<b>1,314</b>	<b>2,987</b>	<b>452,718</b>
Average Age	38.5	40.8	37.9	
Average Service Credit	1.3 Years	3.5 Years	2.3 Years	
Average Salary (FAS)	\$7,758	\$34,767	\$26,416	
<b>Retired Members</b>	<b>184,876</b>	<b>36</b>	<b>53</b>	<b>184,965</b>
Average Age	68.1	65.3	66.6	
Average Service Credit (YOS)	21.7 Years *	7.9 Years	N/A	
Average Annual Benefit	\$22,836	\$4,006	\$2,652	
<b>Total Members</b>	<b>966,633</b>	<b>8,024</b>	<b>12,215</b>	<b>986,872</b>

	Traditional Plan	Combined Plan	Member-Directed Plan	Total
<b>Retirement Benefits:</b>				
Plan Type	Defined Benefit	Hybrid	Defined Contribution	
Minimum Eligibility Age	Age 55, 25 YOS	Age 55, 25 YOS	Age 55	
Benefit Formula	2.2% x FAS x YOS	1.0% x FAS x YOS	N/A	

\* Includes disability retirees and survivors eligible for benefits with less than 25 years of service.

In addition to the pension plans, OPERS administers two health care plans. Members in the Traditional and Combined plans are eligible for post-employment health care coverage funded by a portion of the employer contributions received by the System over the duration of the member's career. Members and their eligible beneficiaries may utilize this coverage only on retirement.

A portion of the employer contribution for members in the Member-Directed Plan is deposited to a Voluntary Employees' Beneficiary Association (VEBA) account. The VEBA functions like a retiree medical account and is available for the member's use upon termination or retirement.

	Post-employment Health Care	VEBA	Total
Active		9,170	9,170
Inactive		2,918	2,918
Covered Lives:			
Retirees & Primary Beneficiaries*	161,315	2,073	163,388
Dependents & Other Beneficiaries	62,507		62,507
<b>Total Members</b>	<b>223,822</b>	<b>14,161</b>	<b>237,983</b>

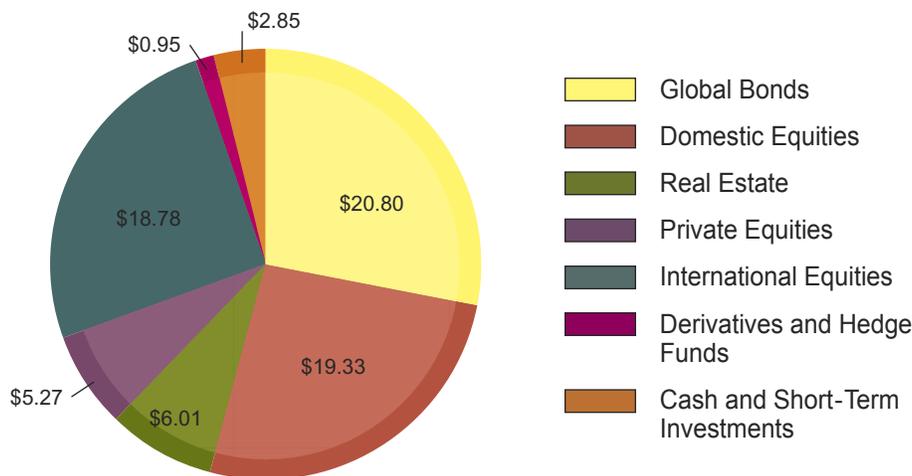
\* A primary beneficiary is a survivor of a deceased member who continues to receive coverage on the member's account.

## Investment Summary

The foundation for OPERS' financial strength and stability rests upon the diversification of investment assets. In good times and in challenging times, OPERS has been diligent in following a strategic asset allocation plan.

This pie chart shows the diversity of OPERS' investment holdings as of December 31, 2011.

Through diversification, the investment portfolio is designed to meet the Systems' funding objectives, while managing an acceptable level of risk through varying economic conditions.

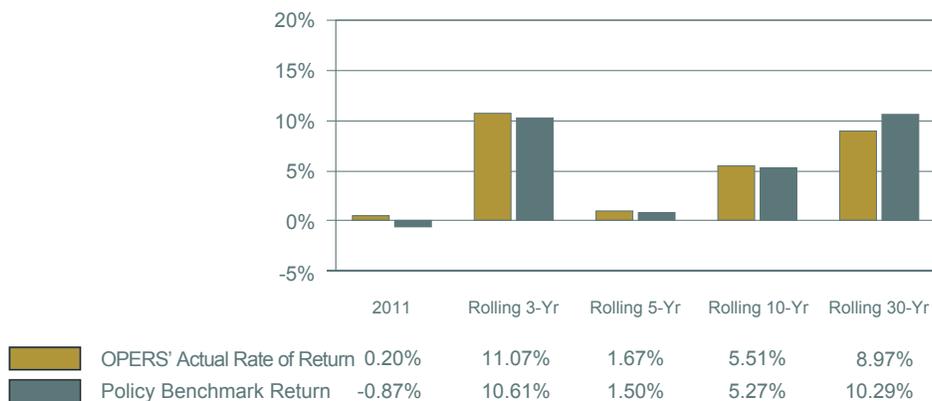


The 2011 investment market continued the volatility present throughout much of this decade. In times such as these, it's important to remember that OPERS is a long-term investor, and as such, focuses on long-term results rather than yearly returns that reflect the market volatility.

Comparing actual investment returns to specific benchmarks—or goals—is a way of evaluating our investment performance. The chart below illustrates OPERS' investment performance over time. Despite the volatility of the investment markets during the past decade, OPERS consistently exceeded the benchmark.

During the past 30 years, OPERS has experienced negative returns during four periods, times of significant economic volatility that included the global market decline of 2008, the post-9/11 recession, and the recession of the early 1980s, triggered by the 1979 energy crisis.

Despite these economic crises, OPERS achieved an average annual return of nearly 9.0% during this 30-year period, exceeding our annual funding requirement of an 8.0% return.



## OPERS: Good for Ohio

OPERS is the largest public pension system in Ohio, and the 12<sup>th</sup> largest public pension system in the U.S. OPERS serves more than 986,000 members who live, work, and retire in Ohio, supporting Ohio's economy and its citizens. For every dollar received from employers in 2011, \$3.26 is returned to the economy through pension and health care payments made to retirees. More than 90% of OPERS retirees live in Ohio, spending the majority of their retirement proceeds on goods and services within the state. These benefits provide a secure retirement for Ohio's public employees who do not participate in Social Security, and are funded predominantly from employee payroll deductions (member contributions) and income from carefully managed investments.

### Return on Taxpayer Investment

> OPERS' 2011 pension benefit payments to Ohio participants (90% live in Ohio)	\$4.3 Billion
> OPERS' 2011 retiree health care payments	\$1.6 Billion
> Assets invested with Ohio-based companies	\$0.9 Billion
> Assets under management with Ohio-Qualified Investment Managers	\$8.6 Billion
> Fees paid to in-state custodian and to Ohio-Qualified Investment Managers	\$21.5 Million
> Utilizes in-state Domestic Custodian	\$57.2 Billion

## Outstanding Achievement



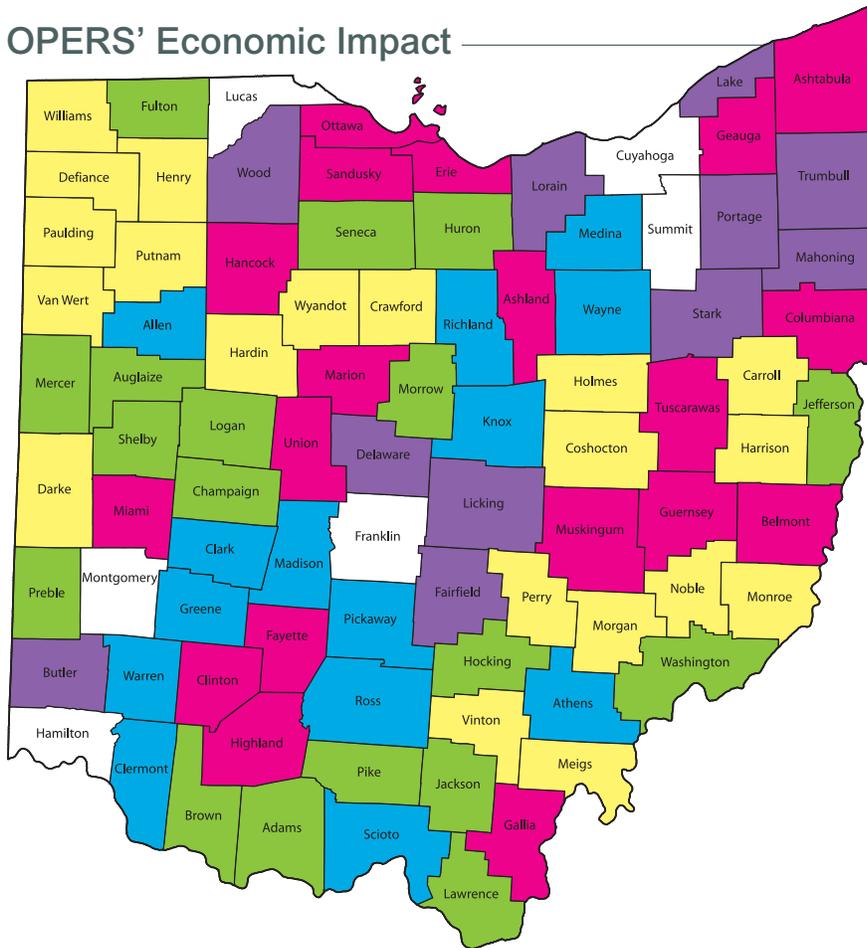
The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Outstanding Achievement in Popular Annual Financial Reporting to OPERS for its summary annual report for the fiscal year ended December 31, 2010.

This prestigious national award recognizes conformance with the highest standards of creativity, presentation, understandability, and reader appeal for preparation of governmental popular reports. The award is valid for a period of one year. We believe the current summary annual financial report continues to meet these program standards and we are submitting it to the GFOA for consideration.



**OPERS invests in Ohio-based companies, creating jobs and contributing to the stability of local economies. In 2011, OPERS invested nearly \$1.0 billion in Ohio-based firms. These investments included large firms headquartered in Ohio, as well as smaller, locally based firms that directly stimulate local job markets.**

## OPERS' Economic Impact



Of the nearly 185,000 OPERS retirees and beneficiaries, more than 90% remain Ohio residents. Pension benefits, approaching \$3.7 billion in 2011, are distributed throughout Ohio providing a steady, continuous and significant economic stimulus to Ohio's economy.

### Color Key



### OPERS Pensions



For those retiring in 2011, 81% of the lifetime pension is funded by employee payroll deductions and investment income. For every dollar paid by employers, the economy realized a return of \$3.26.

More information is always available via phone, online or in person.



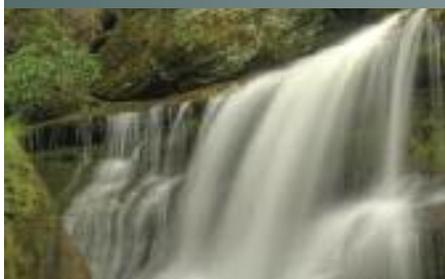
By phone: Member Services Center  
1-800-222-PERS (7377)  
8:00 A.M.-4:30 P.M. Monday-Friday



Online: [www.opers.org](http://www.opers.org)



By mail: Ohio Public Employees Retirement System  
277 East Town Street  
Columbus, Ohio 43215



OPERS has a tradition of change to provide meaningful, quality benefits to our members—evolving from a single defined benefit plan to the five-plan structure available today. In 1960, the average annual pension benefit was less than \$1,200. In 2011, the average annual defined pension benefit had grown to nearly \$23,000, providing age-and-service, disability and survivor benefits to our members.