

Ohio Public Employees Retirement System

# Popular Annual Financial Report

For the year ended December 31, 2015



*An 80-Year Tradition  
of Balancing Change  
to Ensure Stability*

2015  
1935

Sylvia Joab, OPERS Retiree (since 2006) with her daughter,  
Rhonda Caldwell –Garrett, OPERS Benefits Supervisor (since 2015)



# Popular Annual Financial Report

(for the year ended December 31, 2015)

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## Who We Serve



*"I appreciate OPERS because I knew I had a solid retirement waiting for me when I left my position at OSU after 38 years. It's comforting to know my daughter Rhonda, an OPERS benefits supervisor, will have the same waiting for her. After my husband passed away in March, I was totally lost. Rhonda guided me through the process. I couldn't have figured it all out without her. She not only did that for me, but she helps OPERS members and retirees to understand their benefits every single day."*

**Sylvia Joab, OPERS Retiree (since 2006) with her daughter, Rhonda Caldwell –Garrett, OPERS Benefits Supervisor (since 2015)**



## Letter of Transmittal

# From OPERS Leadership



Blake W. Sherry, Karen E. Carraher and Jennifer H. Starr

Dear Fellow Members:

On behalf of the Ohio Public Employees Retirement System (OPERS or System) Board of Trustees, management and staff, it is our pleasure to present this *2015 Popular Annual Financial Report* for the fiscal year ended December 31, 2015. Our 2015 activities reflect the results of our efforts to balance the changes deemed necessary to ensure the longevity of the System well beyond our first 80 years. The key activities of 2015 are summarized below:

### MEDICARE CONNECTOR

Fiscal year 2015 marked a key milestone as OPERS implemented the OPERS Medicare Connector. Beginning with January 2016 coverage, Medicare-eligible retirees will select an individual Medicare supplement or Medicare Advantage plan, and a prescription drug plan. Throughout the year, we provided extensive communications to help educate eligible retirees in anticipation of the enrollment period in late 2015. This included guidance on using the new Health Reimbursement Arrangement Plan (HRA) which will provide reimbursement of qualified medical expenses.

### NEW GASB STANDARDS

In 2015, the Governmental Accounting Standards Board (GASB) required a new pension standard be implemented for most OPERS-reporting employers. We worked throughout 2014 and 2015 to educate and prepare all affected public employers so the necessary tools and information required for implementation were available by the GASB-mandated implementation date. We also began providing guidance on new GASB requirements announced in 2015 for health care financial reporting that will impact the System, as well as employers, similar to the new pension standards.

### OTHER KEY ACTIVITIES AND ACHIEVEMENTS

#### Continuing Pension Implementation

The System continued to implement elements of 2012 pension legislation. These included changes to the defined contribution plan and education and outreach for members and other stakeholders to ensure a full understanding.

#### Re-employed Retirees Health Care Coverage

Because federal law does not allow retirees re-employed in OPERS-covered positions to participate in the HRA Plan, we developed alternative health insurance solutions. As with all changes we propose or initiate, those affected received extensive education and outreach.

#### CIO Hired

After an extensive search, Richard Shafer was selected as OPERS Chief Investment Officer.

OPERS continues to be a strong system as we report our 80<sup>th</sup> year of business. Our strength, balance and longevity result from our ability to anticipate and adapt to change while remaining steadfast in our mission and principles. OPERS delivers on our promise to provide retirement security to generations of members. We appreciate the work and achievements of those who have come before us in the first 80 years and we look forward to the next 80 years.

*Karen E. Carraher*

Karen E. Carraher, CPA  
Executive Director

*Blake W. Sherry*

Blake W. Sherry  
Chief Operating Officer

*Jennifer H. Starr*

Jennifer H. Starr, CPA  
Chief Financial Officer

# 2015 Financial Highlights

## PENSION FUNDING

Funded status measures the progress of accumulating the funds necessary to meet future obligations. Historically, periods of diminished funded status were made up as market conditions improved. Similarly, years of enhanced funded status are eroded when market conditions are poor. OPERS continues to maintain this necessary balance by constantly monitoring and adapting to market conditions. We have remained in compliance with the 30-year funding window required by law—and will continue to work toward that mandate for the next 80 years and beyond.

The December 31, 2015 valuation shows a funded status of 85.0%, with the unfunded liability expected to be funded within 19 years.

Pension liabilities are  
→ **85% funded**  
We have remained in compliance  
with the 30-year funding  
window required by law

## INVESTMENT RESULTS

The 2015 investment market was frustrating and yielded low returns for all the OPERS pension and health care portfolios. The OPERS total return was a loss of 0.03% or (0.03%), substantially less than the expected rate of return of 8% but better than the benchmark return of (0.06%).


While these results are disappointing, OPERS is a long-term investor. We have managed to maintain a strong funding status throughout the market turmoil.

OPERS invests in a diverse set of asset classes to minimize risk. We periodically review the asset allocation to balance the appropriate level of expected risk and return, relative to the characteristics of the liabilities we ultimately expect to fund.

*A complete discussion of OPERS' investment returns, activities, asset allocation strategy, and policies governing those activities can be found in the Investment Section of the 2015 Comprehensive Annual Financial Report available at [www.opers.org](http://www.opers.org).*

## HEALTH CARE FUNDING

OPERS is not required by law to provide health care coverage. However, OPERS has historically set aside money for these costs. The combined actions of pre-funding and making changes to the OPERS health care plans have yielded favorable results. As of the December 31, 2014 valuation, which is the most recent actuarial valuation, OPERS health care was 62.2% funded, with funds expected to be sufficient for future health care needs.

 Health care costs are  
**62% funded** ←

# Assets and Liabilities

*(Summary Comparative Statements of Fiduciary Net Position for all Plans and Trusts)*

This statement shows the assets and liabilities for the years ended December 31, 2015 and 2014. The net position represents the funds OPERS has accumulated thus far to pay pension benefits for retirees, active

and inactive members, as well as health care costs for current and future retirees. Current retirees' benefits are 100% funded, while active members' future pensions are still being funded.

	2015	2014	Amount Increase/(Decrease) from 2014 to 2015	Percent Increase/ (Decrease) from 2014 to 2015
<b>Assets</b>				
Cash and Short-Term Investments	\$3,064,065,686	\$2,882,858,353	\$181,207,333	6.3%
Receivables	954,980,282	1,088,837,041	(133,856,759)	(12.3)
Investments	83,819,475,118	87,891,142,075	(4,071,666,957)	(4.6)
Collateral on Loaned Securities	8,270,812,672	7,854,368,780	416,443,892	5.3
Net Capital Assets	132,811,651	133,629,210	(817,559)	(0.6)
Prepaid Expenses and Other Assets	1,217,369	2,261,461	(1,044,092)	(46.2)
<b>Total Assets</b>	<b>96,243,362,778</b>	<b>99,853,096,920</b>	<b>(3,609,734,142)</b>	<b>(3.6)</b>
<b>Liabilities</b>				
Benefits Payable	93,550,718	99,844,976	(6,294,258)	(6.3)
Investment Commitments Payable	475,568,951	593,164,943	(117,595,992)	(19.8)
Obligations Under Securities Lending	8,271,338,789	7,852,803,699	418,535,090	5.3
Other Liabilities	111,502,502	63,388,194	48,114,308	75.9
<b>Total Liabilities</b>	<b>8,951,960,960</b>	<b>8,609,201,812</b>	<b>342,759,148</b>	<b>4.0</b>
<b>Net Position Held in Trust for Pension Benefits and Post-employment Health Care</b>	<b>\$87,291,401,818</b>	<b>\$91,243,895,108</b>	<b>(\$3,952,493,290)</b>	<b>(4.3%)</b>

# Income and Expenses

## *(Summary Comparative Statements of Changes in Fiduciary Net Position for all Plans and Trusts)*

This statement shows the annual additions (income) and deductions (expenses) for the System. Investment earnings and contributions typically make up the majority of the income; however, investment returns were minimal in 2015. These results provided net investment income of \$9.4 million in 2015 compared to \$5.8 billion in 2014.

The deductions largely represent pension benefits, health care expenses and refunds of contributions. The increase in this activity is the result of an increase in retirees, continued increases in health care costs and refunded accounts and refund values increasing from 2014 to 2015.

	2015	2014	Amount Increase/(Decrease) from 2014 to 2015	Percent Increase/(Decrease) from 2014 to 2015
<b>Additions</b>				
Member Contributions*	\$1,332,308,994	\$1,307,428,830	\$24,880,164	1.9%
Employer Contributions	1,864,823,741	1,829,907,525	34,916,216	1.9
Contracts and Other Receipts	172,067,637	270,728,202	(98,660,565)	(36.4)
Retiree-Paid Health Care Premiums*	248,601,375	238,406,380	10,194,995	4.3
Federal Subsidy	175,930,875	176,619,891	(689,016)	(0.4)
Net Income from Investing Activity	9,415,961	5,775,317,835	(5,765,901,874)	(99.8)
Other Income/(Expense), net	(4,887,359)	8,304,360	(13,191,719)	(158.9)
Interplan Activity	19,759,373	10,357,663	9,401,710	90.8
<b>Total Additions</b>	<b>3,818,020,597</b>	<b>9,617,070,686</b>	<b>(5,799,050,089)</b>	<b>(60.3)</b>
<b>Deductions</b>				
Pension Benefits	5,401,880,992	5,112,123,787	289,757,205	5.7
Health Care Expenses	1,822,571,428	1,740,814,106	81,757,322	4.7
Refunds of Contributions	449,265,410	425,701,829	23,563,581	5.5
Administrative Expenses	77,036,684	74,114,491	2,922,193	3.9
Interplan Activity	19,759,373	10,357,663	9,401,710	90.8
<b>Total Deductions</b>	<b>7,770,513,887</b>	<b>7,363,111,876</b>	<b>407,402,011</b>	<b>5.5</b>
<b>Net Increase/(Decrease)</b>	<b>(3,952,493,290)</b>	<b>2,253,958,810</b>	<b>(6,206,452,100)</b>	<b>(275.4)</b>
<b>Net Position Held in Trust, Beginning of Year</b>	<b>91,243,895,108</b>	<b>88,989,936,298</b>	<b>2,253,958,810</b>	<b>2.5</b>
<b>Net Position Held in Trust, End of Year</b>	<b>\$87,291,401,818</b>	<b>\$91,243,895,108</b>	<b>(\$3,952,493,290)</b>	<b>(4.3%)</b>

\* Retiree-Paid Health Care Premiums for 2014 were previously included in Member Contributions. These lines have been restated to appropriately reflect the reclassification.



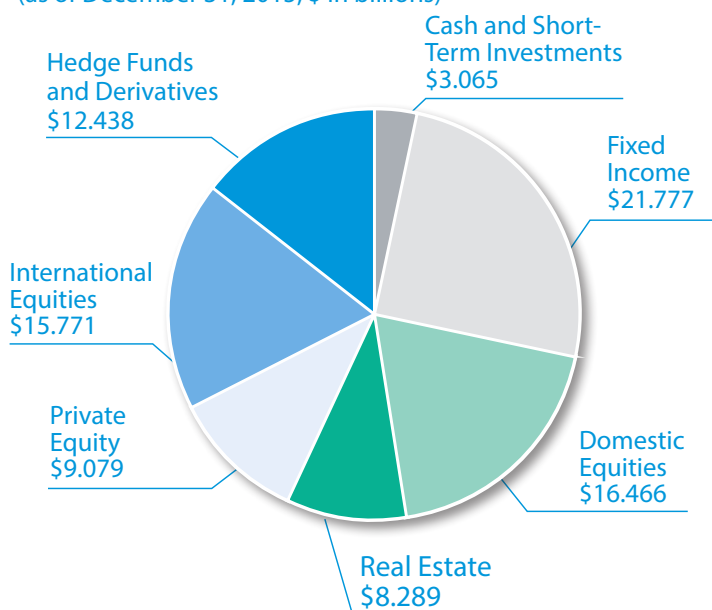
# Investments Summary

Financial markets were not strong in 2015. Wall Street signaled robust expectations for the market in early 2015 but those expectations did not become reality and returns were muted. The most common message from experts for investing in any economy is to keep asset allocation plans intact in both strong and weak markets. Adhering to Board policies, OPERS did just that in 2015. While the actuarially established benchmark return for each portfolio was not attained, the Defined Benefit portfolio did provide a positive return and, most importantly, remained positioned for better results.

The Total Investments Summary relates to the System-wide investments and includes the assets of all four portfolios. The OPERS total investment portfolio must continue to produce returns over the long term that will sustain the funding status of the System. The past 10 years of returns by portfolio and in total are included in the table below.

## TOTAL INVESTMENTS SUMMARY

(as of December 31, 2015, \$ in billions)



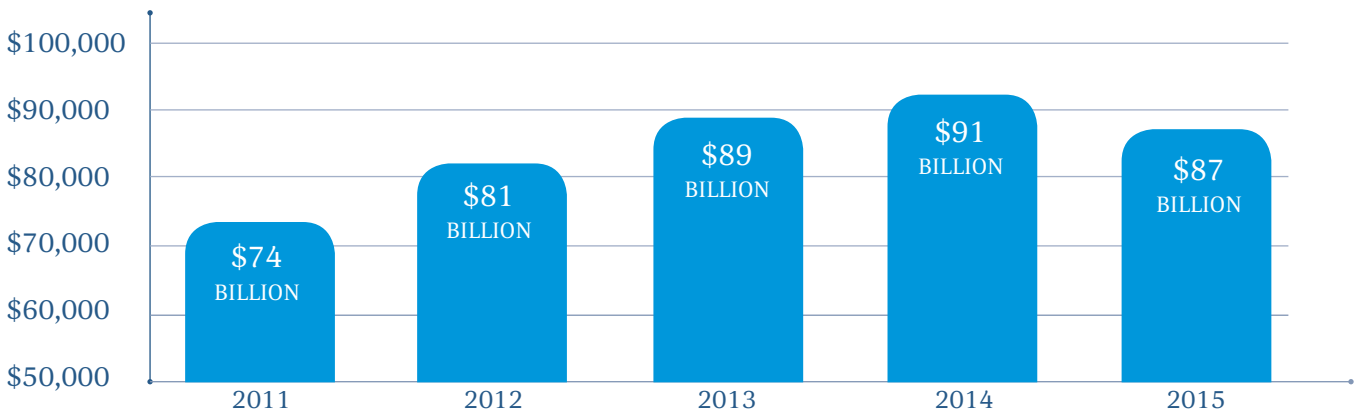
## HISTORICAL INVESTMENT RETURNS

Year	Total Portfolio Return	Total Defined Benefit Return	Total 401(h) Health Care Trust Return	Total 115 Health Care Trust Return*	Total Defined Contribution Return
2015	(0.03%)	0.33%	(2.18%)	(3.23%)	(1.71%)
2014	6.70	6.96	5.28	(0.03)	4.83
2013	14.00	14.38	11.36		20.45
2012	14.40	14.54	13.72		13.37
2011	0.20	0.36	(0.38)		(2.59)
2010	13.90	13.98	13.93		13.74
2009	20.06	19.09	24.80		26.44
2008	(26.92)	(27.15)	(25.77)		(28.00)
2007	8.52	8.89	6.87		5.80
2006	14.66	15.05	12.78		12.96

\*The 115 Health Care Trust was established in September 2014. Returns are two-month cumulative returns in 2014 since funding of the 115 Health Care Trust portfolio began in November 2014.

# OPERS' Net Position

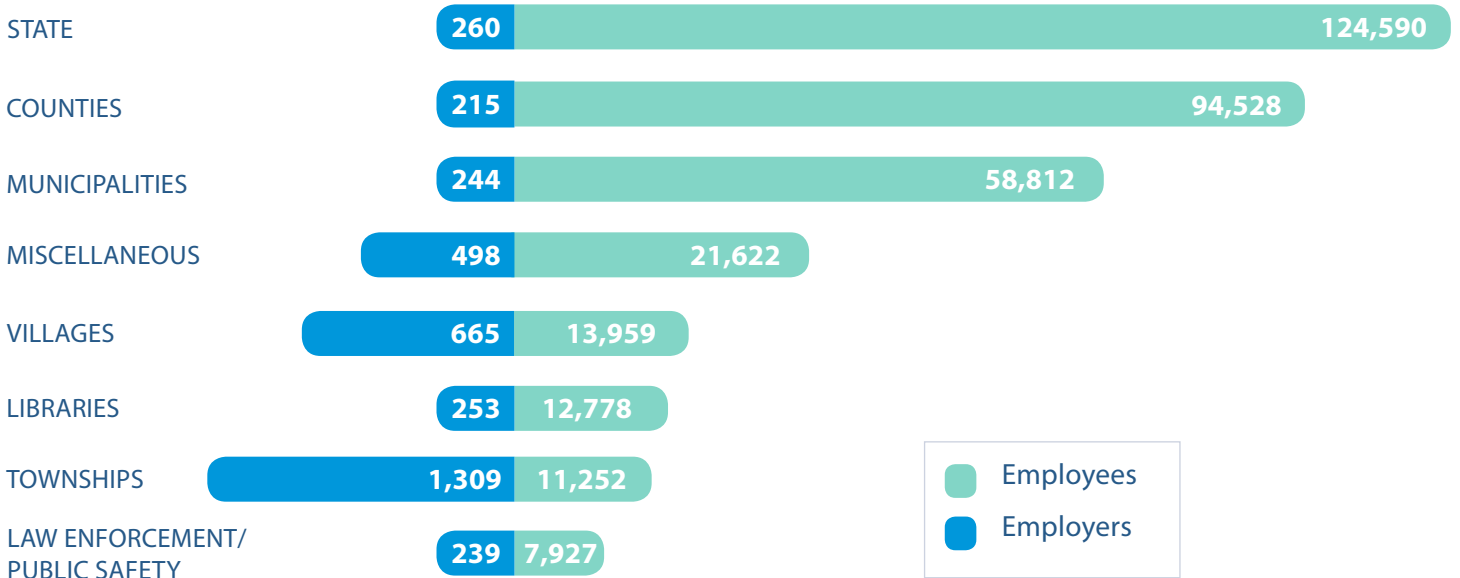
Here's the history of OPERS' total net position (or net assets) for the last five years. As of December 31, 2015, net position was approximately \$87 billion.



# Ohio's Public Employees by Employer Type

OPERS serves more than 345,000 actively contributing members and nearly 3,700 employers who provide services to Ohio residents. This chart displays the number

of active members who work in each of the primary employer groups, providing services that touch the lives of every Ohioan.



# Funding Retiree Pension Benefits

## *(Pension Funding Status)*

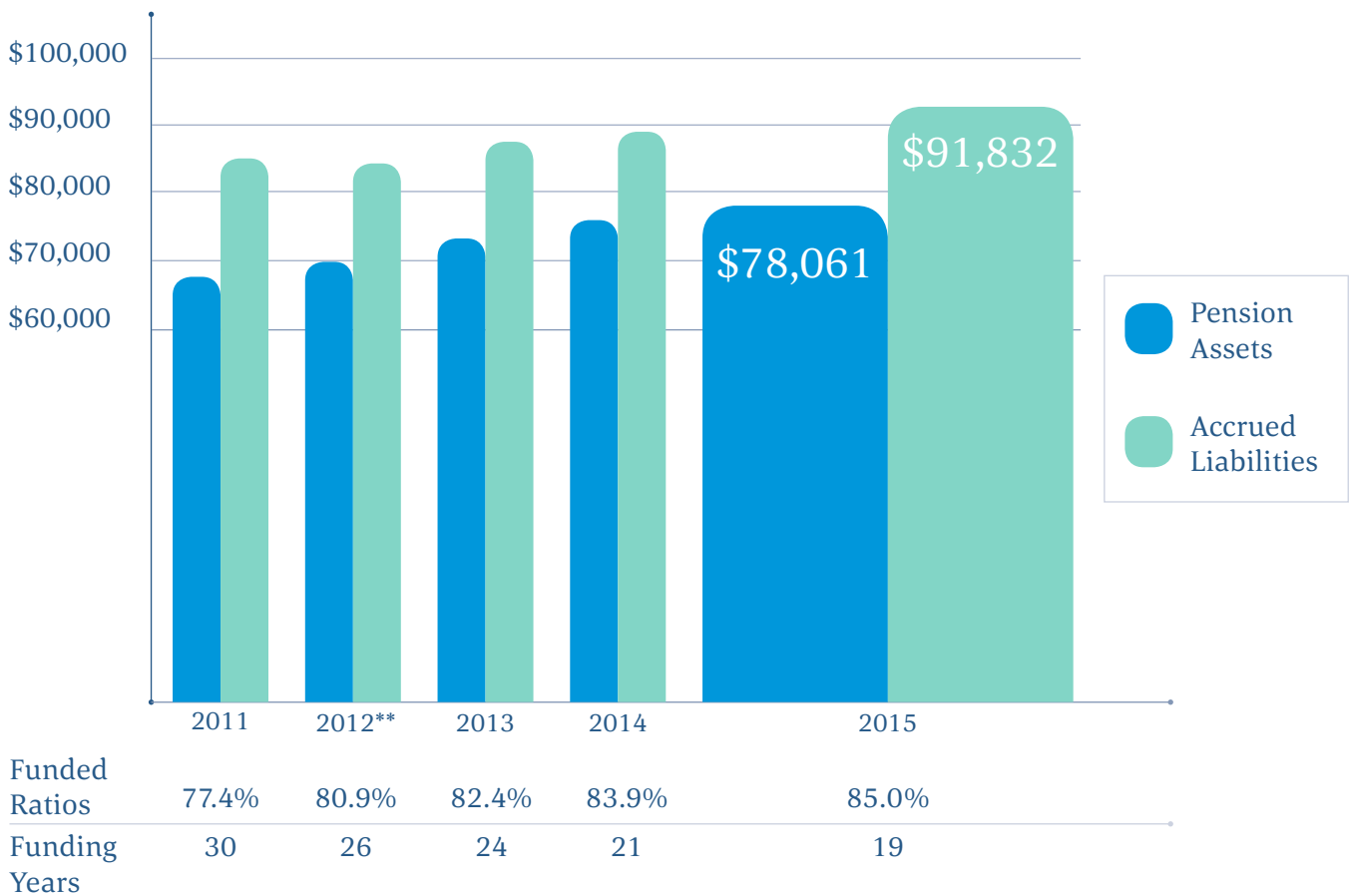
Retiree pension benefits are funded by contributions from members and employers and income earned from investing these funds over the member’s career. Retiree pensions are 100% funded at the time of retirement. Funded status measures the progress of accumulating the funds necessary to meet future obligations. By law, OPERS must remain within a 30-year funding window—

meaning the System will pay all liabilities within 30 years.

As of the December 31, 2015 actuarial valuation, OPERS has a funded status of 85.0%, with the unfunded liability expected to be funded within 19 years.

### PENSION VALUATION ASSETS VS. ACCRUED LIABILITIES – FUNDING BASIS \* (ALL PLANS)

(\$ in millions)



\*This table includes the funded ratio and funding years based on actuarial assumptions and includes the smoothing of investment gains and losses over a closed four-year period. Information shown on this funding basis is used to monitor the funding status of OPERS.

\*\* Results reflecting the provisions of Senate Bill 343.

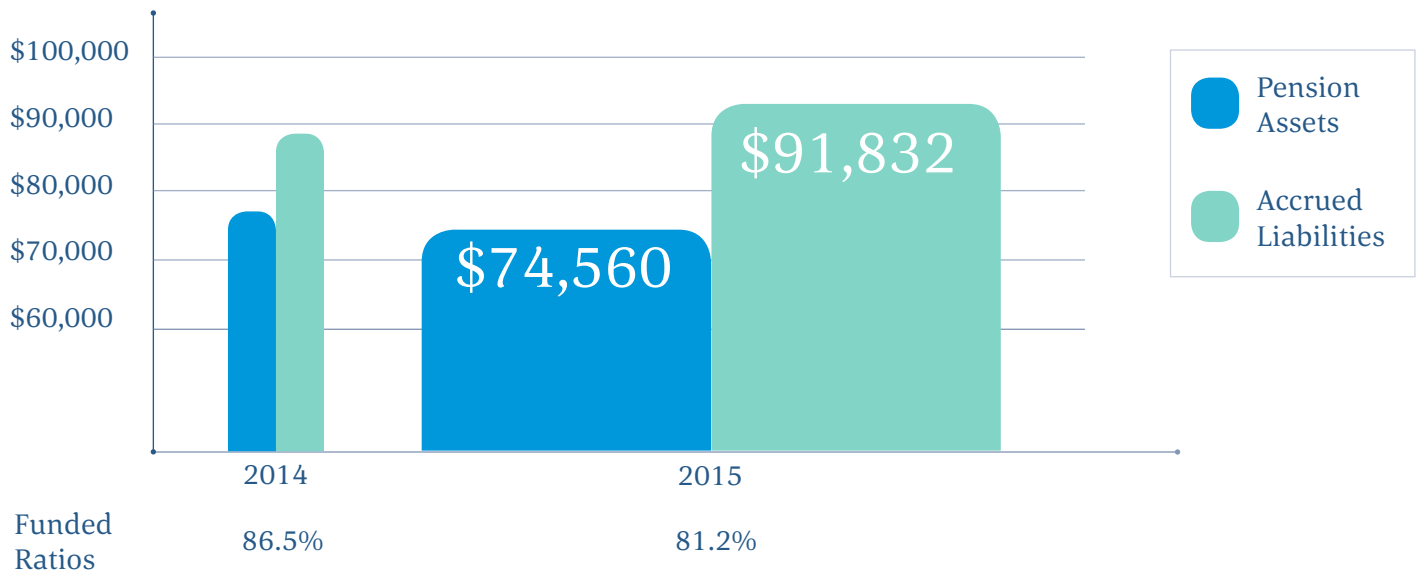
# Funding Retiree Pension Benefits

*(Pension Funding Status—continued)*

GASB 67 requires the System’s valuation for financial reporting to be calculated using market values of assets (rather than smoothed assets). The information shown

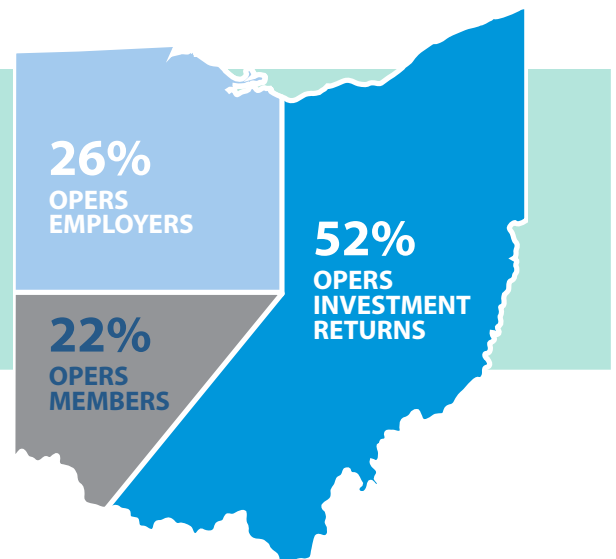
here is not used by OPERS to monitor funding and is for accounting and financial reporting purposes only.

## PENSION VALUATION ASSETS VS. ACCRUED LIABILITIES—ACCOUNTING BASIS\* (ALL PLANS) (\$ in millions)



## OPERS PENSIONS

For those retiring in 2015, 74% of the lifetime pension is funded by employee payroll deductions and investment income. The remaining 26% is funded by employer contributions. For every dollar paid by employers, the economy realized a direct return of \$3.87.



# Average Retiree Pension Benefits

The graphic below shows the average benefits paid to retirees receiving a benefit under the Traditional Pension Plan. The cost of retirements will continue to increase

as new retirees with higher final average salaries replace long-time retirees with lower final average salaries.

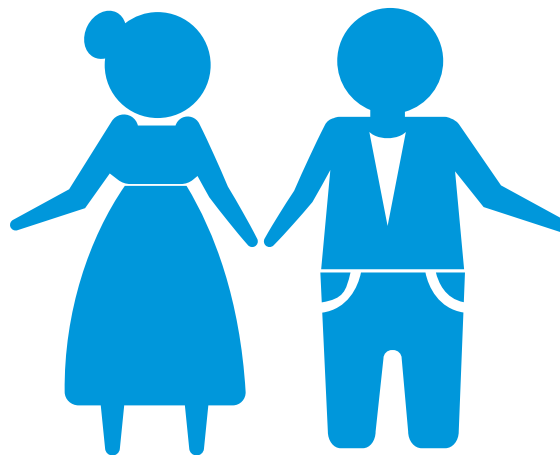
## AVERAGE DEFINED BENEFITS PAID OPERS RETIREES, TRADITIONAL PENSION PLAN

**December 31, 2015**

Average age at retirement  
**57.6 years**

Average service at retirement  
**22.9 years**

Average Final Average Salary  
**\$40,600**



Average pension at retirement  
**\$20,092**

Average age on valuation date  
**69.9 years**

Average pension on valuation date  
**\$25,600**

## Who Serves Our Members



*In 2015 Joan Stack was nominated by her peers and won the highest OPERS associate honor, the Neil V. Toth Leadership Award. As Head Trader for OPERS Internal Equities Trading, Joan is responsible for the outcome of portfolio management decisions on a daily basis that impact billions of dollars in funds OPERS invests to provide secure retirements for our members. Joan was named one of the Wall Street Women 2014 Mentors of the Year by Traders magazine.*

**Joan Stack**  
OPERS Investments – Member since 2003

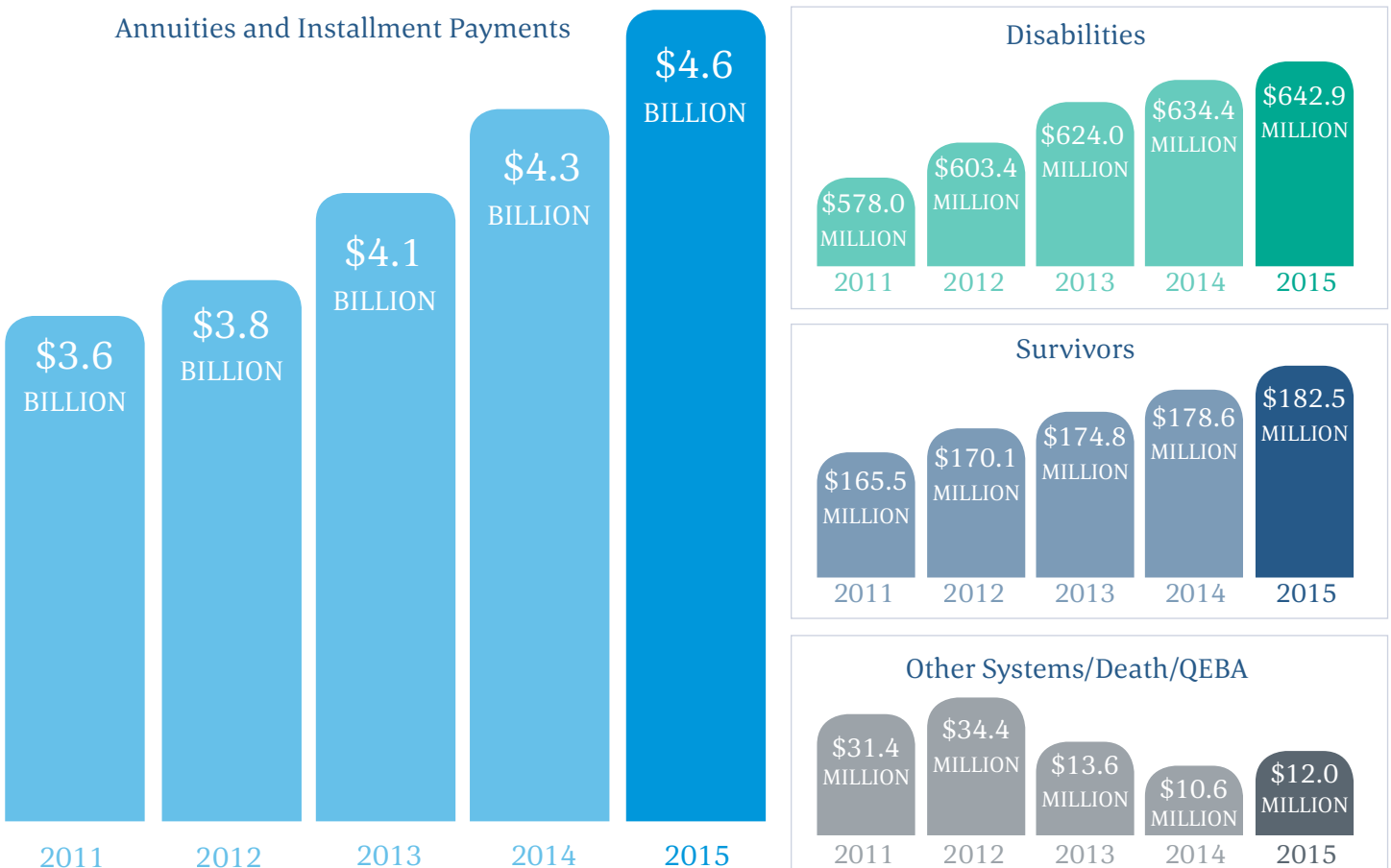
# Pension Benefits by Type

OPERS' mission is to provide financial security for our members in retirement. We do that by accepting contributions throughout an individual's working career. With careful, systematic investing to maximize earnings and the compounding effect of long-term contributions, OPERS has maintained an 80-year tradition of providing financial security to our members.

OPERS provides retirement benefits that include pension payments, disability benefits and survivor benefits. Retirees meeting specific requirements may also receive health care coverage. See page 14 for health care costs by type.

In general, defined benefit pensions (Traditional Pension and Combined plans) are determined by a formula based on the number of years of service and the highest years of salary, multiplied by a factor determined by statute.

The information below shows the trend in retiree pension benefits for the past five years. The graph tracks upward, and will continue to do so, as the number of retirees increases. In addition, as members continue to work longer, the value of their retirement benefit will continue to grow through wage increases—making the final average salary and service years higher.



# Funding Retiree Health Care Coverage

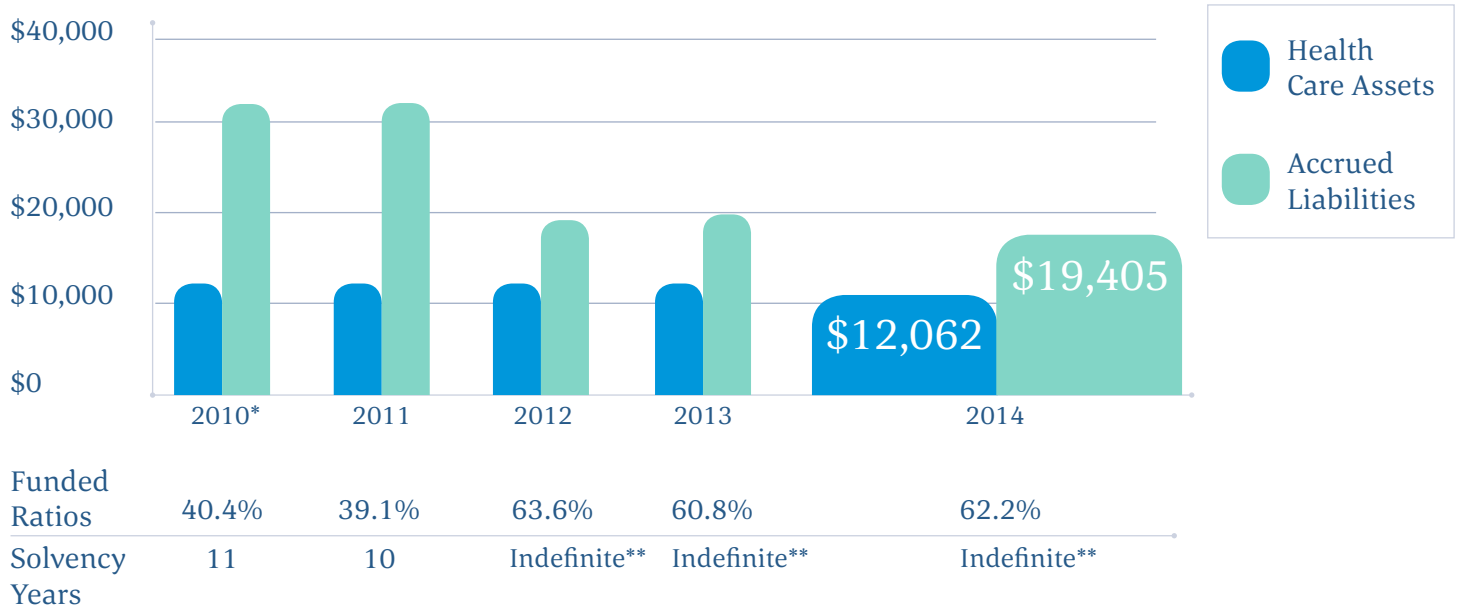
## (Health Care Funding Status)

OPERS is not required by law to provide health care coverage to retirees. However, OPERS recognizes the importance of access to quality health care in retirement and has historically pre-funded this expense. OPERS has made changes to the health care program to make it sustainable. The combined actions of pre-funding

health care and the changes to the program design have yielded favorable results. As of the December 31, 2014, the most recent health care actuarial valuation, OPERS was 62.2% funded, with funds expected to be sufficient to fund future health care needs.

## HEALTH CARE RATIOS – VALUATION ASSETS VS. ACCRUED LIABILITIES

(\$ in millions)



\*Information after completion of experience study.

\*\*Solvency years represent an estimate of the number of years the fund will be able to provide health care under the intermediate actuarial assumptions. Indefinite indicates funds are expected to be sufficient to fund future health care needs.



*For 80 years, OPERS has been delivering on the promise of providing a secure retirement for our members. In that time, OPERS has successfully evolved through cold wars, world war and moon shots; great economies, the Great Depression and the most recent recession.*

# OPERS Health Care Trusts

## 401(H) HEALTH CARE TRUST

The 401(h) Health Care Trust (401(h) Trust) was established under Section 401(h) of the Internal Revenue Code (IRC). This trust is pre-funded and holds the portion of employer contributions of the Traditional Pension Plan and Combined Plan that are set aside for funding retiree health care. The health care portion of the employer contribution rate for the Traditional Pension and Combined plans is comparable, as the same coverage options are provided to participants in both plans. Employer contributions to this trust ceased in September 2014 upon the establishment of the 115 Health Care Trust. The funds in the 401(h) Trust will continue to be used to fund health care expenses for retirees and their dependents.

## 115 HEALTH CARE TRUST

As OPERS prepared to change the manner of funding health care for Medicare-eligible retirees, it needed a trust that could accommodate a Health Reimbursement Arrangement (HRA). In 2014, OPERS established the 115 Health Care Trust (115 Trust) under Section 115 of the IRC to support an HRA Plan. The HRA provides reimbursement for eligible health care expenses of retirees in the Traditional Pension Plan and Combined Plan.

Effective October 1, 2015, the HRA was launched in conjunction with the OPERS Medicare Connector. While employer contributions to this trust began in September 2014, the initial health care disbursements from the 115 Health Care Trust commenced with January 2016 premium reimbursements.

## VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUST

Member-Directed Plan participants are provided with a Retiree Medical Account (RMA). The funding vehicle of the RMA is a Voluntary Employees' Beneficiary Association Trust (VEBA Trust) established under Section 501(c)(9) of the IRC. The VEBA Trust holds the portion of employer contributions of the Member-Directed Plan that are set aside for funding retiree health care.

Upon separation or retirement, the participant may use the vested funds in his RMA to reimburse for qualified health care expenses. Vesting requirements for the RMA have changed over the life of the plan. The RMA originally required 10 years of participation to fully vest in the contributions and interest earned on the account. Effective January 1, 2009, contributions and interest vested with the participant over a five-year period. Effective July 1, 2015, new participants to the RMA are required to participate for 15 years to become fully vested.

## SUBSEQUENT EVENT

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service allowing OPERS to consolidate all health care assets into the 115 Health Care Trust. Transition to the new health care trust structure will occur during 2016. The Combining Statements of Changes in Fiduciary Net Position for the year ending December 31, 2016 will reflect a partial year of activity in the 401(h) Health Care Trust and VEBA Trust prior to the termination of these trusts and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Health Care Trust.



# OPERS Health Care Trusts *(continued)*

The values included in the table below represent the number of lives covered by the OPERS health care plans funded through the 401(h) Health Care Trust and VEBA Trust in 2015. The counts for the table reflect the number of retirees and primary beneficiaries as well as the number of additional dependents and other beneficiaries receiving coverage. In addition to a retiree, a primary beneficiary could be the survivor of a deceased retiree continuing to receive coverage on the member's account.

The values in this row are representative of OPERS' contributing membership. The values for dependents and other beneficiaries represent family members receiving primarily dental and vision coverage through a member's account. These counts represent all Traditional Pension Plan and Combined Plan retirees, dependents and beneficiaries receiving post-employment health care coverage.

HEALTH CARE COVERED LIVES*	401(h) Health Care Trust	VEBA Trust	Total
Active Members		11,235	11,235
Inactive Members		4,764	4,764
Covered Lives:			
Retirees & Primary Beneficiaries	170,687	4,063	174,750
Dependents & Other Beneficiaries	52,110		52,110
<b>Total Members</b>	<b>222,797</b>	<b>20,062</b>	<b>242,859</b>

\*The 115 Health Care Trust is not included in this table as the OPERS Medicare Connector, funded by the 115 Health Care Trust, participants were eligible for allocations beginning January 1, 2016. The covered lives are already included in the 401(h) Health Care Trust participant amounts.

## Who Serves Our Members



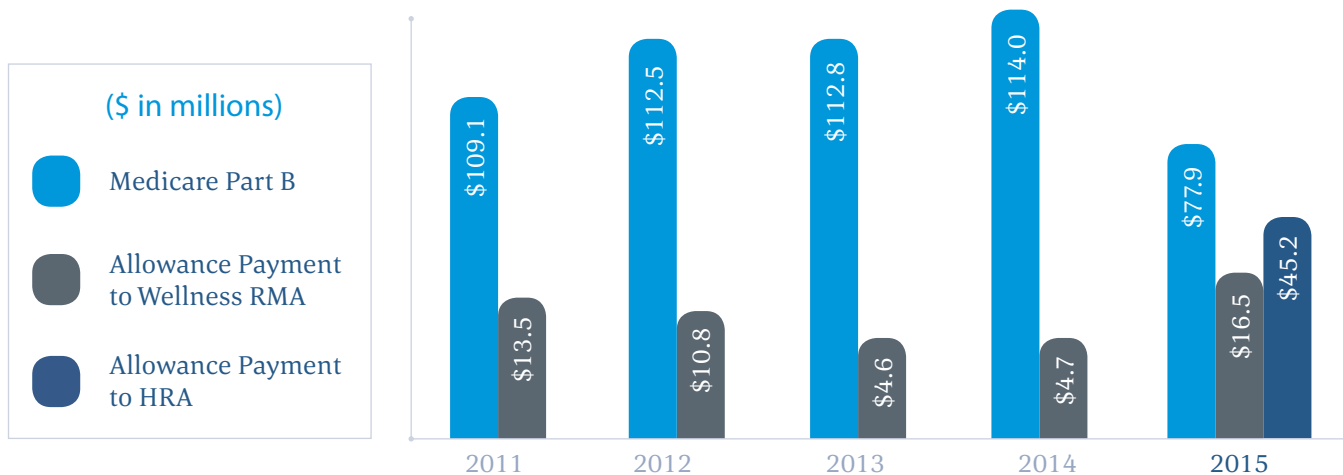
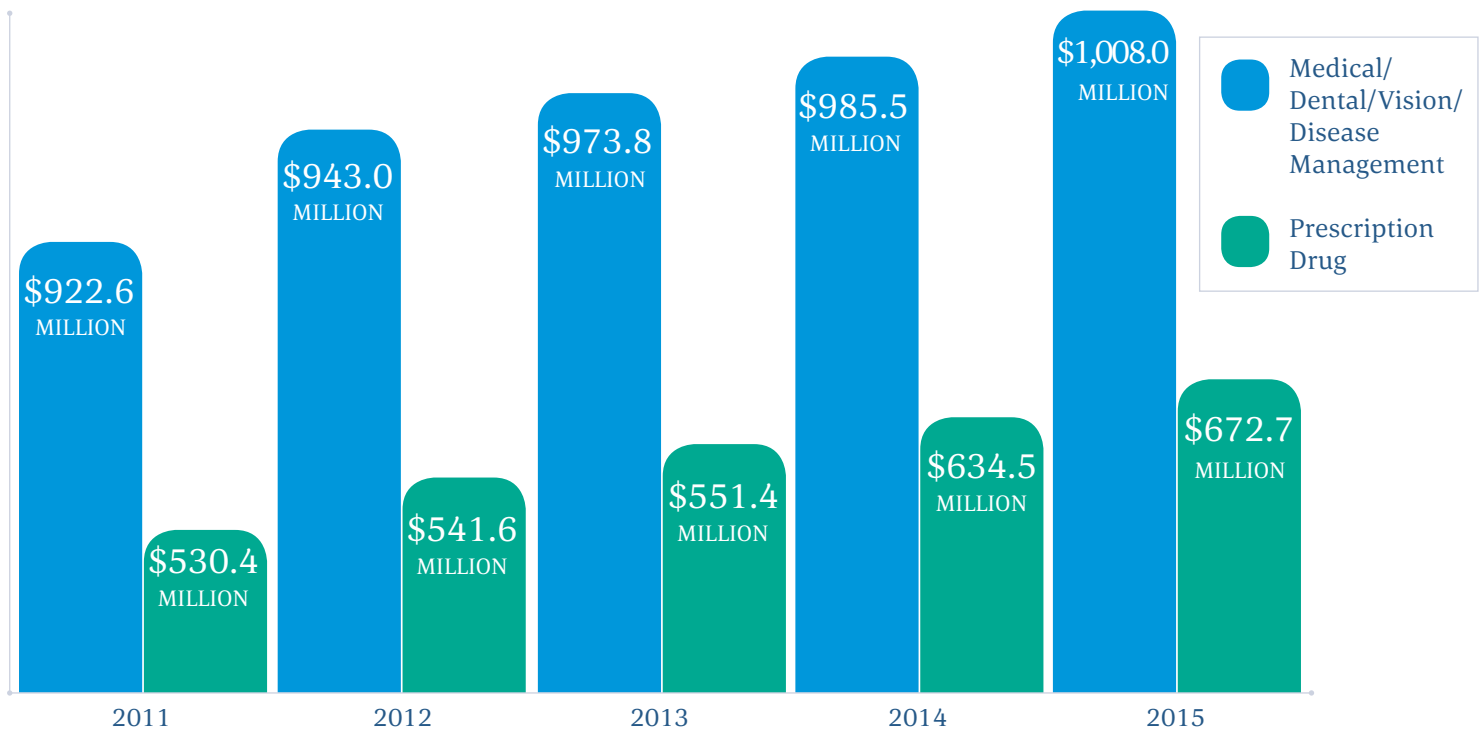
*"In a letter, a member praised Angie for making her feel special. The member said Angie's helpfulness turned a call she dreaded into an enjoyable experience. Thanks, Angie!"*

**Angie Moore**  
OPERS Member Counselor – Member since 2004

# Health Care by Cost Type

Although not required, health care coverage remains available to defined benefit retirees and their dependents. Beginning January 1, 2015, new retirees were required to have 20 years of qualifying service credit to receive health care coverage. On average, disability recipients comprise 11% of the retiree population but represent 24-26% of health care expenses. OPERS periodically reviews and modifies the health care program, which the OPERS Board of

Trustees has the authority to change, to maintain the solvency of health care for current and future retirees. Plan design changes effective in 2012, with phased-in implementation dates, are designed to strengthen the health care program to preserve access to, and provide affordable, meaningful health care coverage to all our members—both current and future.



# OPERS Members

OPERS offers its members three different retirement plans – the Traditional Pension Plan, the Member-Directed Plan and the Combined Plan. Each offers

different features and allows members to select the option that best fits their needs and retirement goals.

## THE TRADITIONAL PENSION PLAN

A defined benefit plan under which a member's retirement benefit is based on a formula set by law and determined by the member's years of contributing service and final average salary.

## THE MEMBER-DIRECTED PLAN

A defined contribution plan in which both the member and employer contributions are invested at the direction of the member. The member's retirement benefit is based on member contributions, vested employer contributions and the gains and losses on those contributions.

## THE COMBINED PLAN

A retirement plan with both a defined benefit and a defined contribution component. Member contributions are deposited into a defined contribution account and employer contributions are deposited into a defined benefit plan.

The chart below displays the number of active, inactive and retired members in each plan as of December 31, 2015. Inactive members are no longer contributing to

OPERS, but have not refunded their account or may be eligible to receive a retirement benefit.

	Traditional Pension Plan	Combined Plan	Member-Directed Plan	Total
<b>Active Members</b>	<b>326,795</b>	<b>7,587</b>	<b>11,240</b>	<b>345,622</b>
Average Age	42.4	43.3	42.5	
Average Service Credit (Years)	9.6	7.3	4.7	
Average Salary (FAS)	\$33,979	\$44,954	\$41,503	
<b>Inactive Members</b>	<b>509,194</b>	<b>2,031</b>	<b>4,824</b>	<b>516,049</b>
Average Age	39.0	42.1	38.8	
Average Service Credit (Years)	1.3	4.2	2.7	
Average Salary (FAS)	\$5,759	\$32,694	\$29,117	
<b>Retired Members</b>	<b>205,211</b>	<b>196</b>	<b>194</b>	<b>205,601</b>
Average Age	68.7	66.7	67.6	
Average Service Credit (Years)	22.1	9.8	N/A	
Average Annual Benefit	\$25,766	\$5,753	\$4,480	
<b>Total Members</b>	<b>1,041,200</b>	<b>9,814</b>	<b>16,258</b>	<b>1,067,272</b>

# Good for Ohio

As the largest public pension system in Ohio, and the 11<sup>th</sup> largest in the U.S., OPERS is a significant economic driver for the state. The majority of our one million members and retirees live and work in Ohio, providing economic stability throughout the state.



# \$3.87

For every dollar received, \$3.87 is returned to the Ohio economy

For every dollar received by OPERS from public employers in 2015, \$3.87 is returned to the economy through pension and health care payments made to retirees—retirees who spend the majority of retirement proceeds on goods and services within the state.

## Who We Serve



*“The word that comes to mind when I think of OPERS is ‘security.’ Security for me, my wife and my entire family. I will be a third generation OPERS benefit recipient - following in the footsteps of both my parents and my grandmother. I have firsthand knowledge of the significance and value of receiving an OPERS pension and I am extremely proud to be a member.”*

**Brian McSweeney, Traffic Line Crew Supervisor,  
Ohio Department of Transportation – Member since 1986**

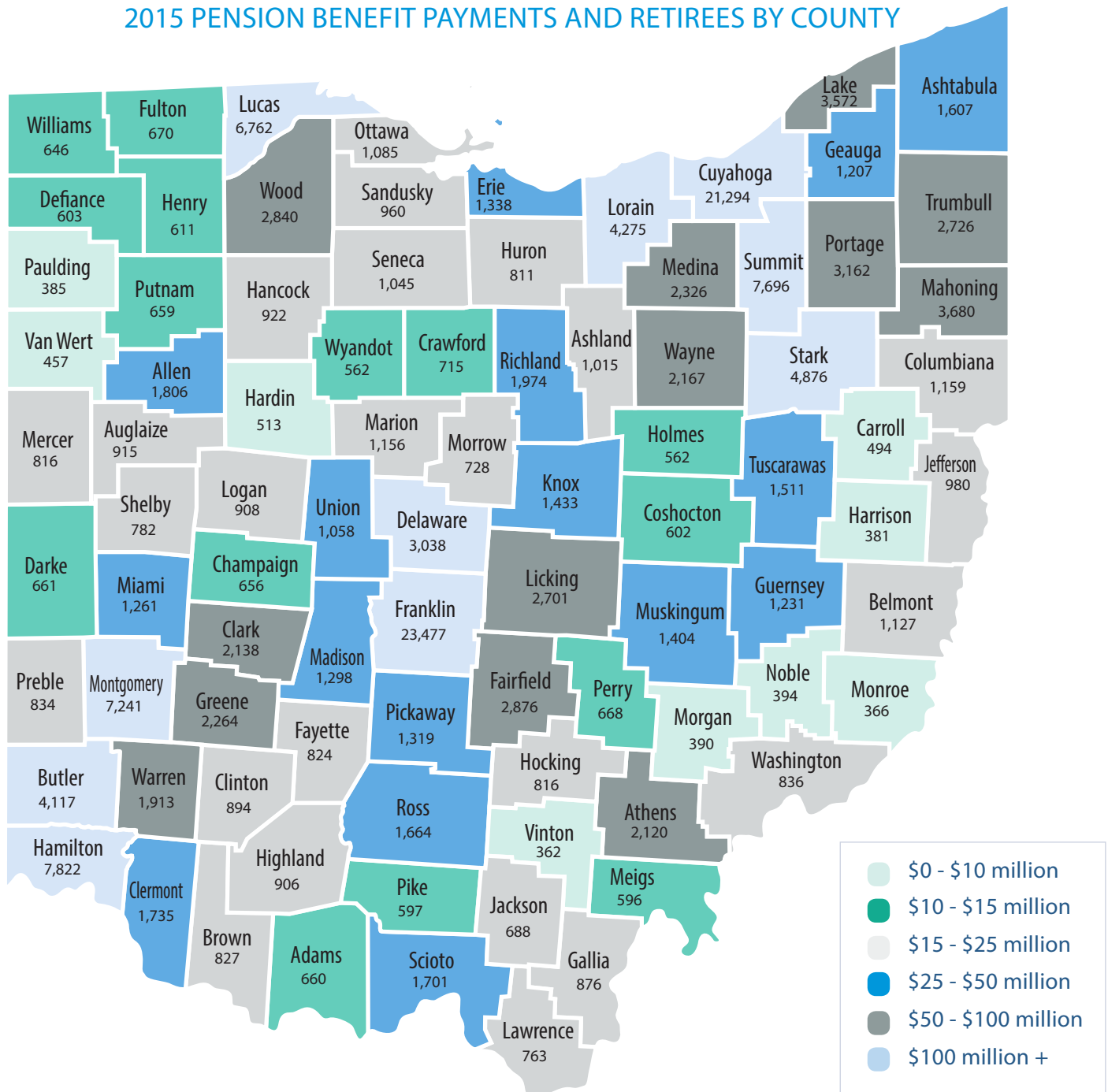
# Good for Ohio *(continued)*

## OPERS' ECONOMIC IMPACT IN OHIO

Of the 205,581 retirees in OPERS, 184,513, or 90.0%, remain Ohio residents as of December 31, 2015. Pension benefit payments approaching \$4.9 billion

this year were distributed throughout Ohio to retirees and their beneficiaries, representing OPERS' impact on the state's economy.

### 2015 PENSION BENEFIT PAYMENTS AND RETIREES BY COUNTY



## Good for Ohio *(continued)*



OPERS' 2015 pension benefit payments to Ohio participants  
*(90% live in Ohio)* **\$4.9 Billion**

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OPERS' 2015 health care costs on behalf of retirees and their beneficiaries  
**\$1.8 Billion**

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Assets invested with Ohio-based companies **\$1.4 Billion** as of  
December 31, 2015

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Assets under management with Ohio-qualified investment managers  
**\$1.4 Billion** as of December 31, 2015

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Fees paid in 2015 to in-state custodian and to Ohio-qualified investment  
managers **\$11.5 Million**

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Assets under management by in-state custodian **\$85.9 Billion**  
as of December 31, 2015

# Board of Trustees members as of January 2016

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.



**Front row (left to right):** Charles Latsa, Representative for Non-teaching College/University Employees; Robert C. Smith, Treasurer-Appointed Investment Expert; James Tilling, General Assembly Appointed Investment Expert

**Standing:** Patrick Smith, Designee for Robert Blair, Director of the Ohio Department of Administrative Services (Statutory Member); Cinthia Sledz, Representative for Miscellaneous Employees and Board Chair; Christopher Mabe, Representative for State Employees; Sean Loftus, Representative for County Employees; John W. Maurer, Representative for Retirees; Steve Toth, Representative for Retirees; Ken Thomas, Representative for Municipal Employees

**Not Shown in Photo:** Governor's Appointee—Vacant

## Mission

To provide secure retirement benefits for our members.

## Vision

To be your trusted retirement partner delivering responsive high-quality service every time, all the time.

This *Popular Annual Financial Report* is derived from information contained in the *OPERS Comprehensive Annual Financial Report (CAFR)* for the year ended December 31, 2015, but does not contain detailed financial information by plan, nor is it presented in a manner to conform to Generally Accepted Accounting Principles (GAAP). For a complete set of financial definitions included in this summary report please refer to the *OPERS CAFR*, which 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.

Additionally, those interested in learning more about the OPERS health care program are invited to obtain a copy of the *OPERS 2015 Health Care Report*. That report is also available at [www.opers.org](http://www.opers.org) as of June 30, 2016.

### More information is always available.



#### By Phone:

Member Services Center  
1-800-222-PERS (7377)  
8 a.m. - 4:30 p.m. Monday-Friday



#### By Mail:

Ohio Public Employees Retirement System  
277 E. Town St.  
Columbus, OH 43215



#### Online:

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



#### Online Accounts:

<https://member.opers.org>

