



# Member-Directed and Combined Plan Changes

Current Feature	Changes effective July 1, 2015	Impacted Members/Timing
<b>CHANGING PLANS</b>		
<p>Eligible members are permitted up to three plan change opportunities during specified service credit windows:</p> <ul style="list-style-type: none"> <li>Once after initial plan selection and before attaining five years of service credit</li> <li>Once between five and 10 years of service credit</li> <li>Once after 10 years of service credit</li> </ul>	<p>Eligible members will have one plan change opportunity during their career.</p>	<p>All members eligible to change plans</p> <p>Plan change forms received at OPERS on or after July 1, 2015, will count as a member's one plan change opportunity.</p>
<b>COMPLETING PLAN CHANGE SERVICE PURCHASES</b>		
<p>Members have 180 days from their plan change effective date to complete the purchase of service in their new plan. Any remaining service that is not purchased is forfeited.</p>	<p>After OPERS transfers the prior plan funds to the new plan, members will have 60 months to make payments toward the service purchase. If all service has not been purchased after 60 months, members may make one payment on the balance before they retire. Any service they do not purchase will be forfeited.</p>	<p>All members eligible to change plans</p> <p>The new rules apply to plan change forms received at OPERS on or after July 1, 2015, for the following plan changes:</p> <ul style="list-style-type: none"> <li>Member-Directed to Combined</li> <li>Member-Directed to Traditional</li> <li>Combined to Traditional</li> </ul>
<b>MEMBER-DIRECTED RETIREE MEDICAL ACCOUNT VESTING SCHEDULE</b>		
<ul style="list-style-type: none"> <li>1 year of participation = 20% vested</li> <li>2 years = 40%</li> <li>3 years = 60%</li> <li>4 years = 80%</li> <li>5 years = 100%</li> </ul>	<ul style="list-style-type: none"> <li>Years 1-5 = 0% vested</li> <li>Years 6-15 = 10% vesting per year</li> <li>Full vesting at 15 years of participation</li> </ul>	<p>New members who begin employment on or after July 1, 2015, who select the Member-Directed Plan during their first 180 days of employment, and members whose plan change forms we receive on or after July 1, 2015</p> <p>Current members of the Member-Directed Plan as of June 30, 2015, will not be impacted.</p>

(Continued on back page.)

## Member-Directed and Combined Plan Changes *(continued)*

Current Feature	Effective Jan. 1, 2016	Impacted Members/Timing																		
<b>MEMBER-DIRECTED RMA CONTRIBUTION RATE</b>																				
<p>Employer contributions equal to 4.5% of member's earnable salary are credited to the RMA.</p> <table border="0" data-bbox="73 667 462 814"> <tr> <td><u>Employer contribution</u></td> <td><u>14.00%</u></td> </tr> <tr> <td>Investment account</td> <td>8.73%</td> </tr> <tr> <td>Retiree Medical Account</td> <td>4.50%</td> </tr> <tr> <td>Mitigating rate</td> <td>0.77%</td> </tr> </table>	<u>Employer contribution</u>	<u>14.00%</u>	Investment account	8.73%	Retiree Medical Account	4.50%	Mitigating rate	0.77%	<p>Employer contributions equal to 4% of member's earnable salary will be credited to the RMA.</p> <p>Employer contributions equal to 0.5% of member's earnable salary will be used to pay a portion of the Member-Directed Plan's administrative expenses.</p> <table border="0" data-bbox="578 667 984 848"> <tr> <td><u>Employer contribution</u></td> <td><u>14.00%</u></td> </tr> <tr> <td>Investment account</td> <td>8.50%</td> </tr> <tr> <td>Retiree Medical Account</td> <td>4.00%</td> </tr> <tr> <td>Mitigating rate</td> <td>1.00%</td> </tr> <tr> <td>Administrative expense</td> <td>0.50%</td> </tr> </table>	<u>Employer contribution</u>	<u>14.00%</u>	Investment account	8.50%	Retiree Medical Account	4.00%	Mitigating rate	1.00%	Administrative expense	0.50%	<p>All current and future Member-Directed Plan participants</p> <p>Beginning Jan. 1, 2016</p>
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<b>MEMBER-DIRECTED RMA INTEREST RATE</b>																				
<p>4% annually</p>	<p>Interest rate will be tied to the annual investment return of OPERS' pension assets:</p> <ul style="list-style-type: none"> <li>• If returns are greater than zero, the RMA will be credited with 4% interest the following year.</li> <li>• If returns are zero or negative, no interest will be credited to the RMA the following year.</li> </ul>	<p>All current and future Member-Directed Plan participants</p> <p>Interest granted during 2017 and thereafter will be based on the new requirements.</p>																		
<b>MEMBER-DIRECTED AND COMBINED PLAN ADMINISTRATIVE FEES</b>																				
<ul style="list-style-type: none"> <li>• Active members – 0.1% of earnable salary, deducted from member contributions</li> <li>• Inactive members – monthly fee ranging from \$2 - \$6 for accounts with balances less than \$5,000</li> </ul>	<p>Monthly fee of \$5 deducted from the investment account of all active and inactive members</p> <p>For inactive members, the fee will be deducted until the balance is depleted.</p>	<p>All current and future Member-Directed and Combined Plan participants</p> <p>Beginning Jan. 1, 2016</p>																		
<b>MEMBER-DIRECTED AND COMBINED PLAN MITIGATING RATE</b>																				
<p>Employer contributions equal to 0.77% of member's earnable salary are credited to the Traditional Pension Plan.</p>	<p>Employer contributions equal to 1% of member's earnable salary will be credited to the Traditional Pension Plan. The rate will increase to 1.5% Jan. 1, 2017, and to 2% Jan. 1, 2018.</p>	<p>All current and future Member-Directed and Combined Plan participants</p> <p>Beginning Jan. 1, 2016</p>																		