

# Ohio PERS NEWS

YOUR BENEFIT CONNECTION

News and information for active members of the Ohio Public Employees Retirement System

## Traditional Pension Plan



## The benefits of membership

### 2008 will bring more audience-specific OPERS publications

OPERS serves more than half a million active and retired members. Should we assume that each of these members is at the same point in their career and has the same needs and concerns? Of course not. We have long made a distinction between the needs and interests of active and retired members in our communication materials. In 2007, we changed our "one-size-fits-all" active member communication philosophy by introducing newsletters and other

The communication will address subjects members ought to keep in mind during their last years of employment. Also included will be a description of the OPERS retirement process and an overview of the seminars and one-on-one counseling we provide to assist members leading up to and during the retirement application process.

The benefits of membership

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publications tailored to those active members participating in each of OPERS' three distinct retirement plans. In 2008, we'll expand on this concept by introducing communications that provide specific information for members in different stages of their careers. Our goal is to help members start early and consider their plans for retirement throughout their career.

### Five years and counting –

During the first quarter of 2008, we will begin sending a special publication to those members who are within five years of eligibility for retirement.

**18 months in** – Also in 2008, we plan to introduce another specialized communication directed at those members who have achieved 18 months of service in an OPERS-covered position. This is a crucial time to let members know what benefits they have already earned and describe those they can look forward to earning as their career in public employment progresses. This communication also provides an excellent opportunity to stress the advantages of beginning a supplemental retirement savings program early in a career.

**Five years and counting** – We plan to tailor these new publications to address the specific needs of members participating in each of our three retirement plans as well. Our intent is to be your partner as you plan for retirement – whether retirement is on down the road or right around the corner.



## 2007 Personal Statement of Estimated Benefits will arrive online or by mail

OPERS will begin mailing *2007 Personal Statements of Estimated Benefits* in March 2008. Members who are registered to use the Member Benefits System (MBS) can choose to view their *2007 Personal Statement of Estimated Benefits* online rather than receiving a copy by mail.

Members who select this option will receive an e-mail notification when their statement is available to view online. They can continue to view their statement online throughout the year and print full color copies at their convenience. Members who signed up to receive their statement online last year will receive it online again this year and going forward unless they change this preference via MBS.

Statements will be mailed throughout the months of March and April. Don't be concerned if a co-worker receives their statement before you receive yours. Approximately 80,000 statements are mailed per week in batches based on zip codes to allow us to get the best postal rates. Contact OPERS if you have not received your 2007 statement by April 30, 2008.

While reviewing your statement, you may notice that your total contributions in 2007 (shown on page 5) may not be the same as the amount found on your W-2 form. There are two potential reasons for this difference. First, your statement reflects the salary amount earned in 2007, while the W-2 reflects the amount paid in a given year. Second, your W-2 may include pay that is not subject to OPERS contributions.

These statements are full of valuable, personalized information. Please keep it with your important financial records so you can refer to it as needed. If you misplace your statement or require a duplicate for any reason throughout the year, you can view and print a copy of your 2007 statement through our Member Benefits System (MBS) at [www.opers.org](http://www.opers.org). You will need to register for MBS. Registration is a simple process and instructions can be found by clicking on the MBS log-in button on our Web site home page.

*Ohio PERS NEWS – Your Benefit Connection* is a quarterly newsletter providing news and information to more than 381,000 active members of the Ohio Public Employees Retirement System. An active member is anyone currently contributing toward an Ohio PERS retirement benefit. This publication allows us to communicate vital information concerning retirement benefits to our active members and also educate them on the services we provide.

### CONTACT INFORMATION:

[www.opers.org](http://www.opers.org)  
1-800-222-7377  
[newsfeedback@opers.org](mailto:newsfeedback@opers.org)

*This newsletter is written in plain language for use by members of 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 our office or seek legal advice from your attorney.*

# OPERS implements changes to Additional Annuity Program

Last year, the Ohio General Assembly enacted legislation to enhance the OPERS Additional Annuity Program. The legislation permits the OPERS Board to change how the funds in the program are invested.

On Jan. 1, 2008, the total value of a member's additional annuity account including accrued interest will be converted to shares in the OPERS Stable Value Fund. The conversion will be on a dollar-for-dollar basis. For example, if there is \$2,000 in a member's additional annuity account and the market price of the Stable Value Fund is \$25.00 per share, \$2,000 will be converted to 80 shares of the OPERS Stable Value Fund.

The objective of the Ohio PERS Stable Value Fund is to preserve capital and provide a reasonably predictable return that moves in the general direction of prevailing interest rates. It offers a high degree of security and is specifically designed to protect the original investment.

## What this means to participants:

- All future deposits made on or after Jan. 1, 2008 will purchase shares in the Stable Value Fund.
- Deposits will be invested within 48 hours or two business days following receipt.
- Members can make deposits as frequently as they like in any amount.
- At the end of each quarter, we will send participants a notice stating the value of their account.
- As with other investment options, Additional Annuity accounts will be subject to the daily gains or losses of the fund and will no longer receive a flat interest rate.
- The value of your additional annuity account will be based on the number of shares you own and the daily value of the Stable Value Fund, which is net of any fees.

## Features that will not change:

- Additional annuity accounts will continue to be held and managed by the OPERS investment staff.
- Earnings on additional annuity accounts remain tax-deferred until distribution.
- Payment options remain the same.
- If a participant dies prior to retirement, their beneficiary(ies) are entitled to their Additional Annuity account.

Current Additional Annuity Program participants were sent a personalized letter explaining the changes and indicating their projected account value as of Dec. 31, 2007.

If you would like to establish an additional annuity account, please see the *Additional Annuity Program* leaflet available at [www.opers.org](http://www.opers.org) under "Publications" on the "Members" section.

## Be sure vital OPERS information finds you – Keep your personal data current

Have you moved recently or had a change in your family status? If so, it is your responsibility to let OPERS know of any changes in your personal data including your address or beneficiary designation. Also, if you have chosen to view annual statements and newsletters online instead of receiving paper copies, be certain that OPERS always has your current e-mail address. By keeping your personal information current, you will receive accurate information from us in a timely manner.

The easiest way to make changes to your personal data is through the Member Benefits System (MBS) at [www.opers.org](http://www.opers.org). If you are not yet an MBS user, registering is simple. Just follow these steps:

1. Go to [www.opers.org](http://www.opers.org) and choose 'Register Now' from the pull-down menu in the MBS log in section (top right corner of page).
2. Follow the on-screen prompts to complete your registration.

Upon completing your registration, you will see a confirmation screen, letting you know that your registration was successful. You will receive a letter with your six-digit Personal Identification Number (PIN) in the mail. Once you've received your PIN, return to [www.opers.org](http://www.opers.org) and enter your user ID and PIN. You're ready to start using MBS!

## Legislative update

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### **OPERS continues work outlined in Iran and Sudan divestment policy**

As reported in the last issue of *Ohio PERS News*, the Ohio PERS Board of Trustees adopted an Iran and Sudan Divestment Policy at its September meeting. OPERS continues to screen our affected investment portfolios to identify companies that may be doing business in Iran or Sudan. We have also begun the process of engaging these companies in a written dialogue advising them of our new policy and requesting a written explanation of their business activities in Iran and Sudan.

Once the list of scrutinized companies has been finalized, OPERS will notify our external managers and investment staff regarding our list of scrutinized companies and encourage them to divest from holdings in these companies provided that comparable investments offering similar quality, return and safety are available.

We believe that the new Iran and Sudan Divestment Policy will allow us to pursue voluntary divestment from companies doing business in these countries while maintaining our duty of loyalty to our members. This policy addresses concerns raised regarding OPERS' investments in companies having actual ties to Iran and/or Sudan, without necessity of mandated divestment as currently provided in House Bill 151.

House Bill 151 is currently pending in the House Rules and Reference Committee. We will continue to post developments on this important issue at [www.opers.org](http://www.opers.org).

### **Senate committee holds hearing on GPO and WEP**

The Senate Finance Subcommittee on Social Security, Pensions and Family Policy held a hearing on Nov. 6, 2007 on the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP).

A retired teacher from Massachusetts and a CalPERS Board member provided witness testimony urging repeal of the GPO and WEP.

The General Accounting Office and the Urban Institute also appeared on the panel and presented testimony. Ohio PERS supports the repeal of the GPO and WEP on the basis that it unfairly penalizes many OPERS retirees.

In the past, mandatory Social Security coverage has been suggested as a way to cover the costs of repealing the GPO and WEP. However, we remain opposed to mandatory Social Security coverage for public sector employees because it would undermine our ability to provide current benefits and impose an additional financial burden on our employers.

Interested parties should contact the Chairman of the subcommittee, Senator John Kerry (D-MA) and urge the committee members to support S. 206, which would repeal both the GPO and WEP.

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## **Ready to retire? OPERS offers one-on-one counseling**

OPERS offers one-on-one counseling sessions to help members participating in the Traditional Pension Plan complete their retirement paperwork and answer questions about the retirement process.

OPERS counselors will conduct retirement counseling sessions on a "walk in" basis if necessary. However, we strongly recommend that you make an appointment with a counselor in order to get the most from a retirement planning session. Scheduling the appointment at least two

weeks in advance allows us to send you an estimate of your benefits and a retirement application packet. This information will help you identify questions and gather required documentation prior to your appointment.

You can schedule a one-on-one counseling appointment by calling us at 1-800-222-7377. We schedule retirement planning sessions on weekdays between 7:30 a.m. and 3:30 p.m.



# Changes affect when some members can receive their first benefit payment

OPERS recently made Administrative Rule changes that affect when members can receive their first retirement or disability benefit payment if they are purchasing or wish to purchase service at retirement or upon applying for a disability benefit. Members affected by the new rules are those who are planning to retire effective Jan. 1, 2008 or later AND who intend to purchase service or are currently purchasing service via payroll deduction. The rule change provides that all service purchases shall be completed before OPERS issues your initial benefit check.

If you plan to retire effective Jan. 1, 2008 or after, and you wish to make a service purchase or complete an existing purchase, please contact us for assistance. OPERS will provide you with a cost statement and advise you of the methods in which you can submit payment. If you file your retirement application prior to the completion of the service purchase, your application will remain pending until you complete the purchase. Once the purchase is complete, OPERS will proceed with processing your benefit application and issuing your retirement benefit check.

If you are purchasing service using a pre-tax payroll deduction and you are not be able to complete your service purchase before you terminate employment, you may request a payoff balance of any remaining service up to three months prior to termination of employment. The payoff balance will assume OPERS is continuing to receive payroll deductions through your termination date. You may make a lump sum payment to complete the purchase if your retirement application has been received by OPERS.

When submitting a disability benefit application to be effective Jan. 1, 2008 or after, if you wish to have your purchased service credit used in your initial disability benefit, you must complete the purchase before the issuance of your first benefit payment.

In addition to completing service purchases, becoming familiar with all the forms and documentation necessary for OPERS to process your retirement or disability benefit application will also help avoid unnecessary delays in processing your first benefit payment. OPERS offers the following ways for you to learn about what is required to apply for a retirement or disability benefit:

- You can contact us to order a service retirement or disability benefit application packet that explains the process in detail and includes all necessary forms.
- You can contact us to schedule an appointment with an OPERS benefit counselor. Benefit counselors will explain the process and supply you with necessary forms.
- You can attend a Retirement Readiness seminar where OPERS education representatives will discuss the retirement process in detail.
- You can find a detailed description of the forms and documents necessary to apply for a benefit at [www.opers.org](http://www.opers.org).

## Retiring in 2008?

*If you are planning to retire in 2008, please consider the following as you make your preparations:*

### **OPERS will change pharmacy benefit managers effective April 1, 2008**

OPERS will change the pharmacy benefit manager (PBM) for the OPERS health care plan from Medco to Express Scripts effective April 1, 2008. Express Scripts will open toll-free, customer service phone lines and an OPERS-specific Web site in late January. OPERS will offer educational seminars throughout Ohio during the first quarter of 2008 aimed at providing information and helping retirees make a smooth transition to Express Scripts.

More detailed information and a seminar schedule are available at [www.opers.org](http://www.opers.org). Please check the Web site periodically. We will be updating it as more information on the transition becomes available.

### **Copies accepted – and preferred**

When preparing to submit your retirement application paperwork, please keep in mind that photocopies of documents such as birth certificates and marriage records are acceptable for establishing proof of date of birth, name changes and marriage. In fact, we prefer to receive copies as opposed to the original documents. These documents are now electronically imaged as soon as they are received. Providing a photocopy eliminates the process interruption and cost involved with returning the documents.

## 2008 calendar of educational seminars

**We offer a wide variety of educational seminars.** Contact us at 1-800-222-7377 to register.

**How to Select your Ohio PERS Retirement Plan** – a seminar for new Ohio PERS members who are trying to select the Ohio PERS retirement plan that is best for them. The *How To Select Your Ohio PERS Retirement Plan* seminar provides details about the benefits and features of the three plans and a summary of basic investment education.

**Providing Long-term Awareness Now (PLAN)** – a seminar for members who have at least five years of service credit and are generally mid-career public employees. Topics discussed include Ohio PERS benefits, Social Security, financial and estate planning and other issues. A total cost of \$5 covers the one-day seminar, a non-member guest, lunch and reference materials.

**Health care plan seminar** – a seminar for active and retired Traditional Pension and Combined Plan members who are planning for retirement and want to know more about the OPERS health care plan. All seminars begin at 11 a.m. and are free of charge.

**Retirement Awareness Program (RAP)** – a seminar for members who are within five years of retirement and have at least five years of service credit. Topics discussed include Ohio PERS benefits, financial planning, deferred compensation, Social Security, estate planning, and more. A total cost of \$5 covers the one-day seminar, one non-member guest, lunch and reference materials.

**Retirement Readiness** – a seminar for members who are within 12 to 18 months of retirement. Your Ohio PERS benefits are discussed, along with the various documentation and paperwork needed for processing your pension benefits. This seminar lasts three and one-half hours and there is no charge.

**Counseling sessions** – personalized retirement counseling is available at the OPERS office in Columbus, over the phone or in the cities listed here. Call 1-800-222-7377 to make an appointment.

### HOW TO SELECT YOUR Ohio PERS RETIREMENT PLAN

<b>Athens</b> January 16	<b>Elyria</b> February 15	<b>Port Clinton</b> February 13
<b>Batavia</b> February 20	<b>Findlay</b> February 13	<b>Sandusky</b> February 7
<b>Bowling Green</b> February 21	<b>Hamilton</b> March 5	<b>West Union</b> March 25
<b>Canton</b> February 6	<b>Lancaster</b> February 27	<b>Woodsfield</b> February 20
<b>Circleville</b> March 13	<b>Lebanon</b> February 6	<b>Wooster</b> February 11
<b>Columbus</b> January 8 February 7 March 5 March 27	<b>Mansfield</b> April 2	<b>Zanesville</b> March 13
<b>Coshocton</b> February 20	<b>Marion</b> April 10	<b>Web Seminars</b> (Register at <a href="http://www.opers.org">www.opers.org</a> ) Noon – 1 p.m. on: January 11 February 1 March 7 March 31 April 28 June 2
<b>Dayton</b> February 28 March 11	<b>Medina</b> February 6	
<b>Delaware</b> April 10	<b>Newark</b> February 1	
	<b>Painesville</b> April 3	

### 2008 PROVIDING LONG-TERM AWARENESS NOW

<b>Columbus (OPERS)</b> July 1	<b>Cincinnati (East)</b> June 4	<b>Strongsville</b> June 18
<b>Independence</b> April 17	<b>Perrysburg</b> October 16	

### 2008 OPERS HEALTH CARE PLAN SEMINARS

<b>Akron</b> August 22	<b>Columbus</b> May 16 August 18 November 7	<b>Mentor</b> December 5
<b>Canton</b> February 22	<b>Dayton</b> January 18	<b>New Philadelphia</b> March 14
<b>Chillicothe</b> December 12	<b>Elyria</b> April 11	<b>Portsmouth</b> May 8
<b>Cincinnati</b> February 8 September 19	<b>Huron</b> June 20	<b>Steubenville</b> July 11
<b>Cleveland</b> March 28 September 12 November 21	<b>Lima</b> September 26	<b>Toledo</b> March 6 November 12
	<b>Mansfield</b> July 25	<b>Youngstown</b> April 18
	<b>Marietta</b> June 13	

## 2008 calendar of educational seminars

### 2008 RETIREMENT AWARENESS PROGRAM

<b>Athens</b> May 1	<b>Columbus (OPERS)</b> October 14 November 12 December 10	<b>Mansfield</b> August 28
<b>Boardman</b> July 17	<b>Cuyahoga Falls</b> July 9	<b>Perrysburg</b> July 30 October 15
<b>Canton</b> May 15	<b>Eastlake</b> August 13	<b>Sharonville</b> December 3
<b>Cincinnati (East)</b> February 20 June 5 August 27	<b>Independence</b> October 22	<b>Strongsville</b> June 19 September 25

### 2008 RETIREMENT READINESS

<b>Athens</b> May 2	<b>Cincinnati (North)</b> April 10 December 4	<b>Mansfield</b> September 3
<b>Boardman</b> July 18	<b>Cuyahoga Falls</b> July 10	<b>Perrysburg</b> July 31 October 17
<b>Canton</b> May 16	<b>Dayton</b> May 29	<b>Sharonville</b> December 4
<b>Columbus (OPERS)</b> July 3 August 29 November 13	<b>Eastlake</b> August 14	<b>Strongsville</b> June 20
<b>Cincinnati (East)</b> February 21 August 28	<b>Independence</b> October 23	

### 2008 REMOTE COUNSELING SESSIONS

<b>Cincinnati Eastgate</b> June 16-19	<b>Miamisburg</b> April 14-17	<b>Strongsville</b> Jan 28-31 May 19-22
<b>Cuyahoga Falls</b> January 7-10 May 5-8	<b>Perrysburg</b> February 4-7 June 9-12	<b>Youngstown</b> March 17-20
<b>Lima</b> February 25-28	<b>Sidney</b> March 3-6	

## Ohio PERS retirement board

The 11-member Ohio PERS Retirement Board is responsible for the administration and management of Ohio PERS. Seven of the 11 members are elected by the groups that they represent (i.e., college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retired members); the Director of the Department of Administrative Services for the state of Ohio is a statutory member, and three members are investment experts appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate.

### Elected Board Members

**Vacant**  
State Employees

**Sharon M. Downs**  
Retired members

**John W. Maurer**  
Retired members

**Kimberly Russell**  
State College and University Employees

**Cynthia Sledz**  
**Vice Chair**  
Miscellaneous Employees

**Ken Thomas**  
**Chair**  
Municipal Employees

**Helen Youngblood**  
County Employees

### Statutory Board Member

**Hugh Quill**  
Director, Department of Administrative Services

### Appointed Board Members

**Vacant**  
Investment Expert  
Governor Appointee

**Warren W. Tyler**  
Investment Expert  
Treasurer of State  
Appointee

**James R. Tilling**  
Investment Expert  
General Assembly  
Appointee

**Chris DeRose**  
*Chief Executive Officer*



Ohio Public Employees  
Retirement System

277 East Town Street Columbus, OH 43215-4642

# Ohio PERS

NEWS

YOUR BENEFIT CONNECTION

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## OPERS and Credit Suisse hold annual meeting for Ohio-Midwest Fund

Established in 2005, the Ohio PERS/Credit Suisse Ohio-Midwest Fund seeks to earn superior investment returns, foster the creation and growth of young and maturing companies in Ohio and the Midwest, encourage the development and growth of a vibrant Ohio-based private equity community and facilitate public and private partnerships within the State of Ohio. Throughout 2006 and into early 2007, Credit Suisse's Customized Fund Investment Group (CFIG), which manages the Ohio-Midwest Fund, selected eight private equity funds in which to invest \$51

million. Each of the eight funds is based in Ohio, is highly committed to building the overall investment community and has agreed to spend substantial time considering Ohio investments. Since then OPERS and Credit Suisse have added another \$51 million to the fund for future investments.

Credit Suisse's CFIG held an annual meeting for the Ohio-Midwest Fund on Dec. 4, 2007 at the OPERS office in Columbus. The group was pleased to report the funds comprising the Ohio-Midwest Fund have:

- Invested \$84.1 million in Ohio companies, representing an increase of \$55 million since one year ago.
- Impacted 2,010 jobs in Ohio, an increase of 850 positions.
- Grown the number of platform investments in Ohio from 7 to 18.
- Attracted \$34.8 million in capital from additional investors.

For more information regarding the Ohio PERS/Credit Suisse Ohio-Midwest Fund, please visit [www.ohioinvestmentfund.com](http://www.ohioinvestmentfund.com).