

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Combined Plan



The benefits of membership

Members can now estimate service purchase costs using MBS

OPERS is introducing another exciting reason for members to register to use the Member Benefits System (MBS). Members can now use MBS to estimate the cost to purchase specific types of service. This new MBS feature is in addition to the ability to update addresses, designate beneficiaries, perform retirement benefit calculations and generate health care coverage cost estimates.

Members can use MBS to advise OPERS of changes they wish to make to the payoff date and/or payment amount. However, those members purchasing service via a pre-tax payroll deduction agreement will not be able to use these features.

If members are currently purchasing or decide to purchase service in the future, MBS will allow them to view their payment history, outstanding balance, monthly payment statement (if they make monthly payments) and quarterly statements (if they purchase service through payroll deduction). Members can elect to have their service purchase account summary sent via email.

Registering for MBS is quick and simple. Visit www.opers.org and use the pull-down menu under the MBS log-in box (top right corner of the homepage) to choose 'Register Now' and follow the on-screen instructions.

For more detailed information on the different types of service credit and the purchasing process, please read the *Service Credit & Contributing Months* leaflet available on the OPERS Web Site, www.opers.org, or contact us at 1-800-222-7377.

By registering for MBS, members can use a service purchase calculator to generate an estimated cost and payment options for purchasing the following types of service:

- Elective
- 35% additional service
- Exempt, leave of absence
- Out-of-state/federal
- Military
- Redeposit-OPERS
- School board

Also, members who are already purchasing service can use MBS to obtain an estimated payoff balance and determine how increases/decreases in their payments will affect the timeline for paying off the service purchase.

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New members of OPERS Board of Trustees take office

Lennie Wyatt and Eddie Parks were officially sworn in as members of the Ohio PERS Board of Trustees prior to the January meeting. Wyatt, who has served as president of the UFCW Local 1099, is the Governor's appointee. Parks, coordinator-economic development of the Public Utilities Commission of Ohio (PUCO), is the representative of state employees, filling the seat recently vacated by Ron Alexander. Wyatt's term runs through September of this year while Parks' is up Dec. 31, 2010.

Wyatt has a Bachelor of Arts in Labor Studies from Antioch University and a Master of Science, Labor Studies from the University of Massachusetts. Parks has a Bachelor of Science in Education from The Ohio State University and also holds a Master of Arts from The Ohio State University.



Eddie Parks

Lennie Wyatt

OPERS NEW MEDIA: Everywhere. Now.

New Media at OPERS means employing cutting edge technology to make sure you always have instant online access to a wealth of OPERS information, your own personal account and the latest OPERS news. Visit the New Media page at www.opers.org to learn all the ways you can use your personal computer to learn about OPERS and stay informed on-the-go.

ONLINE: Together, www.opers.org and the Member Benefits System (MBS) enable members and retirees to have instant access to online resources.

E-NEWSLETTERS: Tired of paper? OPERS' quarterly newsletters are now offered via e-mail to members of all three retirement plans as well as our retirees. Members need to be a registered user of MBS to request an e-newsletter.

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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
1-800-222-7377
newsfeedback@opers.org

It is your responsibility to be certain that OPERS has your current address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account.

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.

Understanding your Combined Plan account value

On Jan. 1, 2008, the OPERS Combined Plan was five years old. For some of you, this means you have five years of qualifying service making you eligible to receive an additional amount in the event of a refund.

There are two components that make up your Combined Plan, a defined contribution portion and a defined benefit portion. When you view your account on the OPERS Member Benefits System (MBS) you can see the value of both portions.

The value of the defined contribution portion (based on employee contributions and the performance of your investment selections) changes daily. To see those values in MBS, click on the link entitled "You may also view the Defined Contribution portion."

The value of the defined benefit portion (funded by employer contributions) is shown on MBS as the "Current Account Value." The Account Value is the amount you would receive from the defined benefit portion of the plan if

you refund your Combined Plan account. Prior to Jan. 1, 2008, that value was \$0 because Combined Plan participants must have at least 5.000 years of qualifying service credit in order to be eligible to receive an additional amount. Members who have participated in the Combined Plan since that date may be eligible for an additional amount if they refund from the plan, which is included in the total Account Value. With less than 5.000 years of qualifying service credit in the Combined Plan, members are only entitled to receive the current value of the defined contribution portion of the plan if they take a refund. See the OPERS Member Handbook for details on how the additional amount is calculated.

Keep in mind, the values discussed above are refund values and are not related to the benefit amount you would receive if you reach eligibility and take a lifetime retirement benefit from the Combined Plan. Please review your most recent *Personal Statement of Estimated Benefits* for estimates of retirement benefits or call the OPERS Member Services Center at 1-800-222-7377.

2007 Personal Statement of Estimated Benefits mailed to members in March and April

OPERS members in the Traditional Pension and Combined Plans should receive their 2007 *Personal Statement of Estimated Benefits* by the end of April. OPERS began mailing statements during the first week of March and will continue to mail them through the month of April. We mail approximately 80,000 annual statements per week during these months. Statements are mailed in batches based on zip code to allow us to get the best postal rates. Please contact OPERS if you have not received your statement by April 30. All statements will have been mailed by that time.

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.

If the beneficiary designation section (top of page 4) indicates that we do not have your beneficiary information, you can provide this information via our Member Benefits System (MBS) or by completing a *Member Designation of Beneficiary for Combined Plan* form which is available to print from www.opers.org. Having your

beneficiary designation on file allows us to provide more complete estimates making your *Personal Statement of Estimated Benefits* a more useful retirement planning tool.

Your statement contains 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 full color copy of your 2007 statement via MBS at 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.

Legislative update

Iran and Sudan Divestment Policy Update

The OPERS Board and staff have expended considerable time and effort over the past nine months to develop a divestiture policy and process that achieves the goals of HB 151 without violating the system's fiduciary responsibility to act solely in the best interests of our 900,000 members and retirees. The new policy requires each affected portfolio manager to make the divestment decision based on its own investment research as to whether a replacement company can be identified that offers similar quality, return and safety. This will ensure that the System continues to meet its fiduciary responsibility to our members when making investment decisions. While it is too early to see the results of the new policy, we will provide further updates on our Web site at www.opers.org and newsletters when new information is available.

House committee holds hearing on GPO and WEP

On Jan. 16, 2008, the U.S. House of Representatives Ways and Means Subcommittee on Social Security held a hearing entitled *Social Security Benefits for Economically Vulnerable Beneficiaries* that included a panel discussion on the impact of the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP).

Testifying on GPO and WEP at the House hearing was the state president of the Association of Texas Professional Educators, a teacher from Los Angeles representing the NEA, the secretary treasurer of the Texas American

Federation of Teachers and Joe Rugola who is an International Vice-President of AFSCME and the President of the Ohio AFL-CIO.

Witnesses advocating for the repeal of GPO and WEP did an excellent job presenting many case studies illustrating the harmful impact that GPO and WEP have on government employees. There were a number of questions from committee members directed towards the impact of GPO on lower income workers, especially women. The \$80 billion cost over 10 years of repealing the GPO and WEP was also a subject of considerable discussion.

Ohio PERS supports the repeal or modification 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. 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 House Subcommittee, Michael McNulty (D-NY) at mike.mculty@mail.house.gov and urge the committee members to move forward on measures to modify or repeal both the GPO and WEP.

OPERS NEW MEDIA: Everywhere. Now. *(continued from page 2)*



PODCASTS: It's OPERS on the go. To hear the latest headlines for members or retirees, simply download the latest, fully narrated Podcast.

WEB SEMINARS: Now, you can attend select OPERS seminars right at your PC.

VIDEO SEMINARS: Throughout the year, OPERS will be offering various seminars in streaming video. Currently, a *Welcome to Express Scripts* video seminar is available for retirees.

RSS FEEDS: What's new at OPERS? Find out by adding OPERS RSS Feeds -- covering forms, publications and more -- to your Intranet or RSS reader.

The Ohio Tobacco Quit Line is now OhioQuits

Ohio Tobacco QUIT LINE is now OhioQuits and with the change in name comes some exciting, expanded offerings. With the introduction of OhioQuits, all Ohioans who call 1-800-QUIT-NOW are able to receive the tobacco cessation help they need by telephone, online or face-to-face coaching at one of five Ohio Tobacco Treatment Centers.

Once connected to the 24-hour call center, an OhioQuits representative will recommend the program that is best suited to the caller's lifestyle. Telephone or online coaching can be utilized by people with a busy lifestyle who prefer the convenience of appointments to fit their schedule. However, if the caller prefers face-to-face coaching, he or she can visit one of five treatment centers for in-person meetings. These tailored offerings satisfy personal preferences to ensure an increased rate of successful quitters.

OhioQuits now offers any Ohioan a starter kit with two weeks of free nicotine patches for enrolling in the program. This will benefit those without insurance or those whose insurance plan or employer has not arranged a partnership with OhioQuits. OPERS has partnered with OhioQuits and, as a result, retirees and their dependents covered under the OPERS health care plan are currently eligible for eight weeks of FREE nicotine patches. With this additional help, we are providing our retirees with a better opportunity to be successful in their quit attempt. Check with your employer to see if they have arranged for additional smoking cessation help through OhioQuits.

Commit to a healthier you and let OhioQuits help. Call **1-800-QUIT-NOW** today.

OPERS' pharmacy benefit manager is now Express Scripts

OPERS changed the pharmacy benefit manager for the OPERS health care plan from Medco to Express Scripts effective April 1, 2008. OPERS chose Express Scripts after conducting a thorough evaluation of several pharmacy administrators. Express Scripts was determined to be the best choice for OPERS based on their ratings in the areas of operations/customer service, strategy and financial performance.

If you are planning for retirement and would like to learn more about Express Scripts, please visit the OPERS Web site, www.opers.org or contact Express Scripts at 1-866-727-5873.



EXPRESS SCRIPTS®
Charting the Future of Pharmacy

The big three benefits of quitting

Greatly reduced risk of premature death:

Quitting the use of tobacco products lowers your risk of dying early by 50 percent within five years of quitting. After 15 years the risk is the same as if you had never smoked.

Reduced risk of lung cancer, emphysema and bronchitis:

Your risk of lung cancer drops by 30-50 percent after 10 years of being smoke-free. The longer you stay a non-smoker, the lower the risk. If you've begun to develop emphysema and/or chronic bronchitis, quitting could essentially stop the progression of the disease and allow your respiratory system to compensate for damaged tissue.

Reduced risk of coronary heart disease:

The potential for smoking-related heart disease is cut in half one year after quitting. Within 15 years the risk of smoking related heart disease is the same as that of someone who has never smoked.

Resource: OhioQuits



2008 calendar of educational seminars

We offer a wide variety of educational seminars. To register please call 1-800-222-7377 or register online by logging into the Member Benefits System (MBS).

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. Call 1-800-222-7377 to make an appointment.

Combined Plan participants:

As a member participating in the Combined Plan, we invite and encourage you to attend any of the educational seminars listed here. Although the information will be beneficial, we want you to be aware the current focus of these seminars is on the defined benefit portion of your individual account. We plan to add information about the defined contribution portion for Combined Plan members as time progresses and more members begin to retire under the Combined Plan.

To help us provide you with the most relevant information possible, please indicate that you are a member participating in the Combined Plan when registering for a seminar. Knowing this will allow us to have materials and staff available to address your specific needs and concerns. We also recommend scheduling a one-on-one appointment with an OPERS benefits counselor prior to applying for retirement under the Combined Plan.

2008 PROVIDING LONG-TERM AWARENESS NOW

Perrysburg October 16	Strongsville June 18	
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2008 RETIREMENT AWARENESS PROGRAM

Cincinnati (East) August 27	Mansfield August 28	Sharonville December 3
Independence October 22	Perrysburg October 15	Strongsville September 25

2008 RETIREMENT READINESS

Cincinnati (North) December 4	Independence October 23	Perrysburg October 17
Eastlake August 14	Mansfield September 3	Sharonville December 4

2008 calendar of educational seminars

2008 OPERS HEALTH CARE PLAN SEMINARS

Akron August 22	Columbus August 8 November 7	Marietta June 13
Chillicothe December 12	Huron June 20	Mentor December 5
Cincinnati September 19	Lima September 26	Portsmouth May 8
Cleveland September 12 November 21	Mansfield July 25	Steubenville July 11
		Toledo November 12

Managing Your Individual OPERS Account Workshop: Two ways to participate

In-Person Workshop

OPERS staff provides investment education and discusses the tools and resources available to help Member-Directed and Combined Plan participants manage their OPERS account. During the one-hour workshop participants will learn different ways to help manage risk in their individual account. Participants will also complete and evaluate their specific Investor Profile and receive additional information regarding the nine OPERS Investment Options.

Columbus — Wednesday, May 21, 2008, 4:30 p.m.
OPERS, 277 East Town Street, Columbus

Call the OPERS Member Services Center at 1-800-222-7377 and ask for extension 8-3993 to reserve your spot at this informative workshop.

Web Workshop — July 23, 2008, 12:00 p.m.

You will receive the same information as those attending the live event, but you can do it through the convenience of your own computer at lunchtime. You will need high-speed Internet access and a phone. The web workshop is interactive, so you can ask questions and learn from what others ask.

Log on to <https://www.opers.org/seminars/members/manage.shtml> to register to participate in this workshop.

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

Eddie Parks
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

Lennie Wyatt
Investment Expert
Governor Appointee

Vacant
Investment Expert
Treasurer of State
Appointee

James R. Tilling
Investment Expert
General Assembly
Appointee

Chris DeRose
Chief Executive Officer



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You can help us provide excellent service

The volume of phone calls received by OPERS has been higher than normal in the last few months. If you have called us recently, you may have experienced a longer than average wait time before being able to speak to a member services representative. In order to provide the best possible service while managing an increasing call volume, we have maximized the number of representatives available during peak call times. We also continue to provide our representatives with extensive training to help them assist callers efficiently and, in many cases, resolve issues in just one phone call.

It is a priority for OPERS to answer all calls in a timely manner. The high number of calls has made that difficult in recent months. Below are some suggestions that may reduce the time you spend waiting for an answer and

decrease the number of calls we receive. Before you pick up the phone, consider one of the following alternatives. There may be a quicker, easier way to find the information you need.

Explore the OPERS Web site:

Our Web site, www.opers.org, is a great source of information and is available 24 hours a day, seven days a week. Besides general OPERS benefit information, our publications and many of our forms are available to read, download and print. The Web site also features the Member Benefits System (MBS). MBS offers secure access to your personal account information and the opportunity to update your personal information and ask questions via e-mail in a secure environment. Members can also use MBS to schedule an appointment with a

benefit counselor and register for some seminars.

Call with non-urgent questions on low volume days:

Currently, our phone call volume is the lowest on Wednesdays and Thursdays. If you need to speak with a representative regarding a non-urgent matter, please call on one of these days.

Refer to past newsletters:

This quarterly newsletter and *The Ohio PERSONal Investor* provide valuable, timely information and reminders. We recommend you not only keep recent issues, but past issues as well. You may find the answer to a question is already at your fingertips. Past issues are also archived at www.opers.org for your reference.