

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Combined Plan



Important changes coming to OPERS Investment Options Target date funds to be introduced in October

Beginning Oct. 1, 2008 changes will be made to the OPERS Investment Option lineup.

- 10 new target date funds will be added Oct. 1, 2008
- The three pre-mixed portfolios (Conservative, Moderate and Aggressive) will be eliminated Dec. 1, 2008

Like the current pre-mixed portfolios, they offer a mix among stocks, bonds and other investments, however, they are convenient because the asset allocation automatically changes and becomes more conservative as you near retirement.

More Information Coming Soon

You will receive specific information about how this change may affect your individual account. Watch for details about the transition to the target date funds in special mailings, upcoming newsletters and at www.opers.org.

Important changes coming to OPERS Investment Options

○ ○ ○ 1

Ohio Treasurer of State names Burris to OPERS Board

○ ○ ○ 2

The benefits of membership

○ ○ ○ 3

Legislative Update

○ ○ ○ 4

OPERS answers your questions regarding contributions

○ ○ ○ 4

Summary Annual Report

Planning to retire?

○ ○ ○ 5

2008 educational seminars

○ ○ ○ 6

Introducing the OPERS Target Date Funds

The OPERS Board of Trustees is making these changes to continue to offer the best investment options for our Member-Directed and Combined Plan participants. Target date funds offer a simple solution to those of you who don't want to pick your own mix of individual OPERS funds or actively manage the allocation of your funds throughout your career. They are easy to use because they

automatically select the asset allocation of OPERS funds that is suitable for you based on your "target" retirement date or the date you plan to start taking distributions from your account.

Target date funds are a one-stop investment option for your long-term retirement planning. You simply pick the fund with the date in the name that's closest to the year you expect to start taking distributions from your individual account. You make the selection – we do the rest. The investment mix changes automatically over time – you won't have to do a thing.



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.

Ohio Treasurer of State names Burris to OPERS Board

Ohio Treasurer Richard Cordray has appointed Eva M. Burris of Youngstown to serve as the Treasurer’s investment designee to the OPERS Board of Trustees. Burris was officially sworn in as a member of the Board in May.

A retired Court Administrator of the Mahoning County Court of Common Pleas Juvenile Division, Burris brings experience in all facets of public sector finance to this Board position. Burris also previously served as Regional Director for the Youngstown Region of the American Federation of State, County and Municipal Employees, Ohio Council 8.



Burris has a Bachelor of Arts from Kent State University and also holds a Master of Business Administration from Weatherhead School of Management, Case Western Reserve University.

Important changes coming to OPERS Investment Options

(continued from page 1)

We still encourage you to review your individual account on a regular basis, especially if a life-changing event (birth or adoption of a child, your marriage or divorce) occurs that would cause you to consider working longer.

For example: If you are 37 years old and expect to retire in 25 years at age 62, your retirement year would be approximately 2033. The OPERS Target Date 2035 Fund is closest to when you expect to start withdrawing money from your individual account. This fund would provide you with an appropriate and simple investment strategy for your time horizon.

The benefits of membership

Managing your OPERS account through life-changing events

Throughout your career as a public employee in Ohio, a variety of life-changing events could occur and have an impact on your OPERS account. It is your responsibility to make OPERS aware of these changes and furnish the required documentation to update your account records. Below is a list of common life-changing events and the forms and documentation necessary for OPERS to officially update your account.

New Address

It is important that we have your current address in order for you to receive timely news and information regarding your retirement benefits. The easiest way to inform OPERS of an address change is by using the Member Benefits System (MBS) at www.opers.org. If you are not yet an MBS user, simply go to www.opers.org and choose 'Register Now' from the pull-down menu in the MBS log in section (top right corner of page). 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, log in to MBS to update your address as necessary.

You can also update your address by completing the *Address/Bank/Name Change Request* (F-50) and returning it to OPERS. The form can be found on our Web site, www.opers.org, on the member forms and publications page. You can also receive a copy of the form by calling 1-800-222-7377.

Legal Name Changes

Please use the following methods to inform OPERS of a change to your legal name.

Maiden name to married name – Please submit an *Address/Bank/Name Change Request* with a copy of your marriage certificate.

Married name to maiden name – Please submit an *Address/Bank/Name Change Request* with a **COMPLETE** copy of your decree of divorce or dissolution decree **AND** separation agreement (if a separation agreement was entered during your marriage termination proceedings).

Other name changes – Please submit an *Address/Bank/Name Change Request* and the entry of legal name change issued by a probate court in this or another state or a copy of your Social Security card.

Beneficiary changes

Certain life-changing events will automatically void your previously filed beneficiary designation. Your marriage, divorce, dissolution, legal separation, birth or adoption of a child, or withdrawal of account voids your beneficiary designation. If you do not file a new designation form, your beneficiary is determined by automatic succession. Under automatic succession your beneficiary is determined in the following order at your death: 1) spouse, 2) children, 3) dependent parents, 4) if none of the above, parents share equally in a refund of the account, and 5) if you have no living spouse, children or parents, a refund will be paid to your estate. Many OPERS members find automatic succession to be their desired beneficiary scenario; however, you may also name specific beneficiaries via MBS or by completing a *Member Designation of Beneficiary for Combined Plan* form available on www.opers.org.

Planning for the future

A life-changing event may also spark questions regarding your future and your OPERS retirement benefit. We can help answer these questions by providing an estimate of your benefits at retirement. You can write the OPERS office or call 1-800-222-7377 to request a retirement benefit estimate.

(continued on page 8)

Legislative update

Iran and Sudan Divestment Policy Update

The OPERS Board and staff have expended considerable time and effort over the past year to develop and implement a divestiture policy and process that achieves the goals of divesting from foreign companies doing business in Iran and Sudan without violating the system's fiduciary responsibility to act solely in the best interests of our 900,000 members and retirees.

Beginning Jan. 1, 2008, 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 OPERS

continues to meet its fiduciary responsibility to our members when making investment decisions.

OPERS staff presented its first quarterly report under the new policy to the OPERS Investment Committee at its May meeting. The report covered the period January through March 2008 and indicated there was a small net decrease in our holdings in scrutinized companies without any apparent material affect on the system's aggregate risk or returns due to the policy. While it is too early to draw any conclusions about the impact of the new policy, OPERS will continue to implement the new policy and provide quarterly reports to the board on our progress.

OPERS answers your questions regarding contributions

OPERS receives a variety of questions from members participating in the Member-Directed and Combined Plans regarding their monthly contributions and when those contributions are posted to their individual accounts. For your convenience, we have provided answers to the most common questions here.

When does OPERS receive my member contributions?

Your member and employer contributions are due to OPERS on a monthly basis. Timely and accurate posting of your contributions is contingent upon the information provided by your employer. For example your contributions for May 2008 would be due into OPERS by June 30, 2008. If you are interested in seeing the payroll end date for your posted contributions, this information is available by logging on to the Member Benefits System (MBS) at www.opers.org. In April 2008, OPERS began posting a "Payroll Period End Date" to the account activity summary available through MBS.

When do my member and employer contributions post to my individual account?

All contributions post to your account within three business days of receipt, in the correct format, by OPERS.

What happens if my employer misses a monthly deadline?

OPERS works with your employer to facilitate timely reporting and payment of your member and employer contributions. If your employer does not remit member or employer contributions by the due date, a penalty is assessed to the employer.

Rule amended for disability benefit recipients

OPERS has revised its administrative rule requiring all service purchases to be complete before an initial benefit check can be issued. The rule has been amended to provide an exception for disability benefit recipients who remain members and are eligible to purchase service credit, while on leave of absence from employment, during the first five years following the effective date of their disability benefit. The recalculation of a disability recipient's benefit due to a purchase of service credit during their five year leave of absence period is prospective only. This amendment became effective April 1, 2008.

If you have any questions regarding your retirement and service credit purchases, please contact us at 1-800-222-7377.

Planning to retire?

Take time to learn about the OPERS health care plan

If you have determined that retirement is in your near future, each week, month and year brings you closer to the magic date circled on your calendar — your anticipated retirement date. While you are waiting for that date to arrive, use the time wisely by familiarizing yourself with the eligibility requirements and coverage options available under the OPERS retiree health care plan.

There are a variety of issues to consider when planning to move from your current employer-provided group health care plan to the OPERS health care plan. If you have at least 10 years of qualifying service credit at retirement, you will be eligible to begin participating in the OPERS health care plan. However, every health plan is unique. For example:

- Eligibility requirements for your family members under the OPERS plan may be different than under your current plan.
- The OPERS plan uses a calendar year (Jan. through Dec.) for annual deductibles. Other plans may use a different cycle. You could end up paying annual deductibles under both plans, so you may want to consider this when you select your retirement date.
- The network of approved physicians and medical facilities under the OPERS plan may differ from your current plan requiring you to use different medical providers in order to get the maximum coverage available.

To help you plan for these potential changes, OPERS provides a wealth of health care information on our Web site, www.opers.org. The site provides detailed coverage information, eligibility information, answers to frequently-asked questions, links to provider Web sites and even a personalized health care cost estimator within our Member Benefits System (MBS). You can also get information about the OPERS health care plan by calling us at 1-800-222-7377. If you need information regarding your current health plan, please contact your employer directly.

Get the prescription medications you need at the best possible price

Low copayments through most health plans have made generic medications the obvious choice for many consumers. The current competition among retail pharmacies to sell generic medications is just one more reason to be a smart, informed buyer. The following are recommended strategies for getting the most effective drug at the best possible price:

Always Ask – Each time you are prescribed a new medication ask your doctor or pharmacist if there is a generic version available. Generic drugs are required by law to meet the same standards as their brand-name counterparts.

Ask Again – If you are currently taking a brand-name drug, ask your doctor frequently if a generic equivalent has become available. Each year many widely-prescribed brand-name medications become available in generic form.

Shop Around – If you are required to take a brand name medication, it pays to shop around. There can be vast differences in price between retail pharmacies.

Be Informed – There are a variety of publications and Web sites designed to help consumers learn about prescription drugs. Many of these sites include cost comparisons for common prescriptions.

2008 – 2009 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).

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 and others. There is no cost to attend this half-day seminar. You may bring one non-member guest with you. Pre-registration is required.

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. Topics include OPERS benefits, deferred compensation and Social Security. There is no cost to attend this full-day seminar, which includes lunch and supplemental reference materials. You are welcome to bring one non-member guest with you. Pre-registration is required.

Retirement Readiness – A seminar for members who are within 18 months from retirement. Your Ohio PERS benefits are discussed, along with timeframes and details of paperwork needed for processing your pension benefits. There is no charge for this half-day seminar. Pre-registration is required of members and any accompanying non-member guest.

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

Our seminars fill up quickly, so please register as early as possible. All dates and locations are subject to change. Seminar registrants will be notified of any changes at the earliest possible time.

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 plan. 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.

2009 PROVIDING LONG-TERM AWARENESS NOW

Canton June 5	Cuyahoga Falls March 26	Mansfield June 25
Cincinnati East April 23		

2009 RETIREMENT AWARENESS PROGRAM

Athens May 19	Columbus February 4 March 31 April 15 May 13	Independence January 28 April 29
Canton June 4		Mansfield June 24
Cincinnati North June 10	Dayton February 12	Perrysburg February 25

2008 – 2009 calendar of educational seminars

2009 RETIREMENT READINESS

Athens May 20	Cincinnati North June 11	Independence January 29 April 30
Canton June 3	Columbus January 15 March 12	Perrysburg February 26
Cincinnati East April 22		

2008 OPERS HEALTH CARE PLAN SEMINARS

Chillicothe December 12	Columbus November 7	Mentor December 5
Cincinnati September 19	Lima September 26	Toledo November 12
Cleveland November 21	Mansfield July 25	

Managing Your Individual OPERS Account 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.

Web Workshop — July 23, 2008, Noon

Our web workshop provides the convenience of attending via your 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

Eva M. Burris
Investment Expert
Treasurer of State
Appointee

James R. Tilling
Investment Expert
General Assembly
Appointee

Chris DeRose
Chief Executive Officer



Printed in Ohio on paper with a 10% post-consumer content

The benefits of membership

Managing your OPERS account through life-changing events (continued from page 3)

OPERS accounts and termination of marriage

Your first resource for information on how your OPERS account may be impacted by a termination of marriage is the information sheet titled *OPERS Accounts and Termination of Marriage* and the Division of Property Order. This information sheet is available on www.opers.org. It can be found within the 'Legal' section on the 'Forms' page. You can also call OPERS and request a copy.

If you have questions about your specific situation, you should consult with your attorney. OPERS cannot provide you with legal advice. The OPERS Legal Services

department can exchange information concerning your account with your attorney, but only if we have your written authorization. You can provide this authorization by completing an *Authorization for Release of Account Information* (LL-2) and returning it to OPERS. The form can be found on the OPERS Web site, www.opers.org, within the 'Legal' section on the 'Forms' page

When your divorce or dissolution is final, please submit a **COMPLETE** copy of your final decree and separation agreement so that the matter is documented to completion in your member file and future benefit payments are processed correctly and in a timely manner.