

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 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.

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.

The benefits of membership

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New Address

Though you are not yet receiving a retirement benefit from OPERS, it is important that we have your current address. If you neglect to inform us of a change in address, we cannot guarantee that you will receive timely news and information regarding your retirement benefits.

The easiest way to inform OPERS of a new address 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).

You can also update your address by completing the *Address/Bank/Name Change Request* 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.

(continued on page 3)



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.



Chris DeRose and Eva Burris

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.

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.

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 benefit 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.

Managing your OPERS account through life-changing events (continued from page 1)

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
- 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 Traditional 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 benefits. We can help answer these questions by providing an estimate of your benefits at retirement. You can calculate your own retirement benefit estimate using the MBS system at www.opers.org. You can also write the OPERS office, call 1-800-222-7377.

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.

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 written authorization. You can provide this authorization by completing an *Authorization for Release of Account Information* 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.



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.

The OPERS health care plan

What you need to know

Effective Jan. 1, 2007, OPERS implemented changes to the structure of our retiree health care plan with the goal of improving the financial solvency of our health care fund in the face of constantly rising health care costs.

Under the OPERS health care plan, members who become eligible to retire with health care coverage after Jan. 1, 2007 will receive a monthly health care allowance based on their years of service at retirement.

Members who become eligible to retire after Jan. 1, 2007 and were hired prior to Jan. 1, 2003 (Group 2) will receive an allowance if they have at least 10 years of qualifying service credit at retirement. The allowance will increase with each year of service and range from between 50 percent of the cost of health care coverage with between 10 and 15 years of service to 100 percent with 30 years of service.

Eligible family members will receive an allowance of between 25 and 90 percent of the retiree's allowance depending on the retiree's years of service.

Members who were hired after Jan. 1, 2003 with no prior service credit (Group 3) will receive an allowance if they have at least 10 years of qualifying service credit at retirement. Members with between 10 and 15 years of service at retirement will receive an allowance equal to 25 percent of the cost of health care coverage. The allowance will increase with each year of service and range from between 25 percent with 15 years of service to 100 percent with 30 years of service. Eligible family members will receive an allowance of between 12.5 and 65 percent of the retiree's allowance depending on the retiree's years of service.

Retirees use their monthly allowance to purchase health plan coverage options consisting of medical/pharmacy, dental, vision and long-term care. Retirees can choose from three levels of coverage to customize a health plan that suits their individual needs. If the retiree's monthly health care allowance exceeds the monthly cost of their choice of health care coverage options, the excess will be deposited into a Retiree Medical Account (RMA).

More information regarding the OPERS health care plan is available on the OPERS Web site at www.opers.org.

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).

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 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, over the phone or in cities listed on page 7. 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.

HOW TO SELECT YOUR Ohio PERS RETIREMENT PLAN

Batavia July 9	Elyria July 18	Port Clinton August 13
Canton August 6	Findlay October 9	Sandusky July 8
Circleville July 10	Hamilton July 9	Seaman July 29 September 30
Columbus July 9 August 1 August 28 September 11 September 24 October 15 October 30	Lancaster August 6 October 8	Woodsfield October 15
Coshocton October 15	Lebanon August 6	Wooster August 11
Dayton July 31 September 16 October 30	Mansfield August 7	Youngstown September 10
Delaware August 7	Marion September 10	Web Seminars (Register at www.opers.org) July 10 July 30 August 14 August 27 September 11 September 24 October 9 October 22
	Medina August 6	
	Newark August 1	
	Painesville August 14	

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	

2008 – 2009 calendar of educational seminars

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

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	April 9	

2008 REMOTE COUNSELING SESSIONS

Cincinnati Eastgate Nov. 17 - 20	Elyria/ Lorain Aug. 4 - 7	Wickliffe July 21 -24
Cuyahoga Falls Oct. 6 - 9	Perrysburg Oct. 27 - 30	Youngstown Sept. 8 - 11
Dover/New Philadelphia Sept. 29 - Oct. 2	Strongsville Nov. 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

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



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Two More Private Equity Fund Managers Selected for Ohio-Midwest Fund

OPERS and Credit Suisse have recently announced the investment of a total of \$11 million in two more Ohio private equity fund managers, Early Stage Partners and Mistral Equity Partners.

The fund managers selected for the Ohio-Midwest Fund are subject to a rigorous and comprehensive review process and are required to have a significant market presence in Ohio and the Midwest region, while maintaining a return-oriented investment strategy. Fund commitments are also targeted to

take advantage of Ohio's clusters of innovation, including industrial, consumer and business services segments, information technology, advanced electronics and biosciences.

Early Stage Partners, headquartered in Cleveland, was formed in 2001 to provide early-stage capital to companies primarily located in Northeast Ohio. Mistral Equity Partners was formed in 2006 to pursue buyout and growth-oriented investments, with a focus on the consumer and media industries.

The firm is headquartered in New York City with a second office in Columbus. "These two fund managers are very well suited for our two-fold mission of generating superior returns for our members and encouraging business growth within Ohio and the surrounding region," said Jennifer C. Hom, Director of Investments for OPERS. "We're pleased to have two more high-caliber fund managers join our already outstanding portfolio."

For more information about the Ohio-Midwest Fund, visit www.ohioinvestmentfund.com.