

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Combined Plan

Weather market downturns with a long-term investment focus

A message from Chris DeRose, Ohio PERS CEO

Understandably, the turbulent financial marketplace in recent months has caused many members to become concerned over the stability of their pensions. However, while uncertainty in the investment market persists, OPERS remains solid. The changes that occurred in the investment world in 2008 had a significant impact on all Americans saving for retirement.

there would be declines in the market. One of the keys to successfully preparing financially for your retirement is being a long-term



Chris DeRose

investor. This includes having a diversified portfolio spread over many asset classes, market sectors and geographies. OPERS strives to offer you investment options with low fees that meet these criteria.

The OPERS investment options allow you, as a participant in the OPERS Combined Plan, to weather market volatility and to benefit when market stability and growth return. In fact, in examining OPERS investment performance over the last 25 years, significant lows, brought about by difficult market conditions, were always followed by record-setting gains.

Prior to 2008, OPERS reported five consecutive years of strong investment returns for the defined benefit plan. The OPERS fund earned a return of 25.3 percent in 2003, 12.5 percent in 2004, 9 percent in 2005, 14.7 percent in 2006 and 8.9 percent in 2007.

In 2008 the OPERS fund, which includes your investment options, realized its first decline in five years. The fund assets ended the year at \$59.3 billion, compared to assets of \$82.9 billion at the end of 2007. You can view the total returns for each of the 16 OPERS Investment Options at www.opers.org under the "Investments" tab, click on "Defined Contribution Plan."

The credit crunch, high energy prices, a troubled housing market and other factors have combined to cause Wall Street's downturn. While this downturn has been significant and perhaps historic, it is not unexpected that during your working life

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While there are no assurances in the investment market, OPERS is confident that by following a disciplined approach to long-term investing OPERS members will emerge from this decline. As an OPERS Combined Plan member it is important to maintain focus on your long-term retirement goals. You also may consider making voluntary contributions to your OPERS individual account or to Ohio Deferred Compensation (see "Saving for Retirement" at www.opers.org).

If you have any questions regarding the defined contribution portion of your account, please contact the OPERS Help Line at 1-866-OPERS-4-U (1-866-673-7748) or visit www.opers.org. Questions about the defined benefit portion of your account should be directed to OPERS at 1-800-222-7377.

What's new at www.opers.org Fill-in forms now available

Filling out an OPERS form just got a little easier. Now, when you use your computer to access a form, you can type your information directly onto the form. Due to signature requirements, forms cannot be submitted electronically. You should complete the forms online, print them and mail the completed copy to OPERS. Not all forms are currently available in a fill-in format, but more will be added throughout the coming months.

The new fill-in forms are encoded to guide you through the process of entering the necessary information, ensuring the form is completed correctly. This technology is convenient for you and provides OPERS with completed forms that result in fewer errors and readability issues when scanned electronically for your case file.

Access to these forms is available from the home page and also the Forms pages on www.opers.org. Detailed instructions including software requirements and a guide to entering information are also available on the site. If you have questions, please contact us at 1-800-222-7377.

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

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.

2008 Personal Statement of Estimated Benefits will arrive online or by mail

OPERS will begin mailing the *2008 Personal Statement of Estimated Benefits* in March 2009 and will continue through April. Your statement will reflect only the defined benefit portion of your OPERS account. Don't be concerned if a co-worker receives their statement before you receive yours. Approximately 80,000 statements are mailed each week in batches based on zip codes to allow us to get the best postal rates. Contact OPERS if you have not received your 2008 statement by April 30, 2009.

Members who are registered to use the Member Benefits System (MBS) can choose to view their *2008 Personal Statement of Estimated Benefits* online rather than receiving a copy by mail. If you wish to view your

2008 statement online, you must select this option via MBS no later than Feb. 19, 2009. Members who select this option will receive an e-mail notification when their statement is available to view online. Online statements can be viewed throughout the year and full color copies can be printed at any time. 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.

While reviewing your statement, you may notice that your total contributions in 2008 (shown on page 5 of the statement) 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 2008, 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 you have a question regarding your contributions as reported to OPERS, please contact your employer.

This statement is 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 2008 statement through MBS at www.opers.org. See the article below for details about the simple process of registering to use MBS.

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.

If you are not yet an MBS user, registering is simple. Just follow these steps:

1. 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).
2. Follow the on-screen prompts to complete your registration.

Upon completing your registration, you will be given the choice to receive your Personal Identification Number (PIN) by e-mail or postal mail. Once you've received your PIN, return to www.opers.org and enter your user ID and PIN. You're ready to start using MBS!

Pre-Mixed Portfolios Closed – Target Date Funds Opened

Many members mapped to Target Date Funds

Target Date Funds became part of the OPERS investment line-up on Oct. 1, 2008 and the three Pre-Mixed Portfolios (Conservative, Moderate and Aggressive) were eliminated Dec. 1, 2008. If you were invested in one of the Pre-Mixed Portfolios, you had until Nov. 28, 2008 to move your balance into one of the Target Date Funds or build your own portfolio with the six core OPERS Funds.

If you didn't take action, your individual account balance in the Pre-Mixed Portfolio(s) was moved on Dec. 1, 2008 to the appropriate Target Date Fund based on your birth date and the assumption you will retire and begin taking withdrawals at age 65. In addition, any percentages you were contributing to the Pre-Mixed Portfolio(s) are being redirected to the appropriate Target Date Fund.

If you were one of the more than 12,000 members who were invested in the Pre-Mixed Portfolios, you saw the fund changes on your quarterly statement. It's important to take some time to review the statement. It includes your account balances, allocation percentages and shows the new fund in which you are invested.

Keep in mind Target Date Funds are one-stop investment options set up for your long-term retirement planning. They offer a mix among stocks, bonds and other investments, and the asset allocation automatically changes and becomes more

conservative as you near retirement and want less fluctuation and risk in your account.

Log on to our Web site at www.opers.org for details about the OPERS Target Date Funds and more fund information, including performance figures. You also can view a recorded seminar about the new funds. OPERS Help Line Counselors are available at 1-866-673-7748 to answer your questions or offer assistance with changes to your investments. Call Monday through Friday between 7:30 a.m. and 5:00 p.m. or use the Voice Response Unit at any time.

Even if you were transferred to a Target Date Fund, you are still able to change your investments. If you decide to make changes, remember to consider whether the change is an appropriate fit with your overall financial retirement plan. Keep your other retirement savings (i.e. Ohio Deferred Compensation, Roth IRA) in mind when making any investment decision.

If the Target Date Fund in which you currently invest is not aggressive or conservative enough for you, you can select a slightly more aggressive or conservative Target Date Fund or you could consider putting a portion of your contributions into one of the OPERS equity investment options (more aggressive) or our bond or stable value fund (more conservative). Also, see the related article, "You Can Build Your Own Portfolio."

You Can Build Your Own Portfolio

If you find yourself in a Target Date Fund that you aren't comfortable with and would like to be in a fund with a similar allocation as the Pre-Mixed Portfolio you left, see our suggestions below. By using the six core OPERS Funds you can create a comparable asset allocation to your previous Pre-Mixed Portfolio option. Keep in mind, these funds will not automatically rebalance like the Pre-Mixed Portfolios did. You will need to select that feature (through www.opers.org or the Help Line) for these new allocations.

If you want your account invested similar to the Aggressive Portfolio:

Exchange into	%
OPERS Stock Index Fund	30
OPERS Large Cap Fund	25
OPERS Non-US Stock Fund	25
OPERS Stable Value Fund	10
OPERS Bond Fund	10
OPERS Small Cap Fund	10

If you want your account invested similar to the Moderate Portfolio:

Exchange into	%
OPERS Stock Index Fund	25
OPERS Large Cap Fund	20
OPERS Non-US Stock Fund	10
OPERS Stable Value Fund	20
OPERS Bond Fund	20
OPERS Small Cap Fund	5

If you want your account invested similar to the Conservative Portfolio:

Exchange into	%
OPERS Stock Index Fund	12
OPERS Large Cap Fund	10
OPERS Non-US Stock Fund	5
OPERS Stable Value Fund	35
OPERS Bond Fund	35
OPERS Small Cap Fund	3

New health care eligibility rule for spouses effective Jan. 1, 2011

OPERS has implemented an on-going strategy to preserve our ability to subsidize retiree health care premiums amid rising costs and a rapidly growing retiree population. As part of this strategy, the OPERS Board of Trustees has adopted a modification to our health care plan eligibility rules affecting covered spouses.

Effective Jan. 1, 2011, OPERS will no longer subsidize the monthly health care premium cost for spouses of retirees who are under the age of 55. This change will affect spouses of retirees who are currently retired and those who will retire in the future. Retirees may continue to cover their spouse under the OPERS health care plan, but they will be responsible for the full health care premium. Once their spouse reaches age 55, OPERS will again subsidize their health care coverage premium. Below is a detailed list of those spouses who are and are not affected by the new policy:

Who is affected:

- Spouses of age and service retirees who are under the age of 55 as of Jan. 1, 2011
- Spouses, under the age of 55 as of Jan. 1, 2011, of retirees who converted from a disability benefit to an age and service benefit and
- Spouses, under the age of 55 as of Jan. 1, 2011, of survivor benefit recipients whose health care coverage subsidy has been grand-fathered

Who is NOT affected:

- Spouses of disability benefit recipients
- Any spouse who is receiving a benefit as the surviving spouse of an age and service retiree (joint and survivor annuity) or as the surviving spouse of a deceased active member (receiving a survivor benefit)
- Spouses with early Medicare
- Dependent children

While OPERS is unable to provide the exact monthly cost to cover a spouse under the age of 55 in 2011, we want to allow our members

plenty of time to plan for this change. To give a general idea of plan cost, we are providing the monthly premiums for coverage with Aetna in 2009.

Please use the premiums listed here only as a guideline. They will change for 2011. If you have any further questions, please visit the OPERS Web site, www.opers.org, and watch your OPERS newsletters for more information.

2009 Monthly Premium for Spouses Not Yet Eligible for Medicare

Enhanced	Intermediate	Basic
\$820.91	\$656.73	\$492.54

2009 health care seminars for active members

New in 2009, the member-specific health care seminar is designed to address the needs and concerns of active members within 5 years of retirement. The seminar will help prepare members for the transition from employer-sponsored health care coverage to the OPERS retiree plan. Members will learn the details of their coverage options and how to navigate the application process.

All active member seminars begin at 1:00 p.m. Registration is required and seminars do fill quickly. Please call 1-800-222-7377 or visit www.opers.org to register.

2009 OPERS Health Care seminars

Akron June 12	Huron August 21
Athens November 20	Independence November 13
Cambridge March 27	Lima December 4
Canton March 20	Mansfield June 19
Cincinnati Eastgate May 1	Mentor May 29
Cincinnati Sharonville November 13	Portsmouth July 10
Columbus OPERS March 13 May 15 September 18	Ravenna December 12
Dayton August 28	Steubenville June 26
Elyria April 17	Toledo February 26 September 4
	Youngstown April 24

2009 calendar of educational seminars

We offer a wide variety of educational seminars

Contact us at 1-800-222-7377 to register.

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.

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 or over the phone. 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.

2009 PROVIDING LONG-TERM AWARENESS NOW

Canton June 5	Cuyahoga Falls March 26	Dayton July 31
Cincinnati East April 23	Cleveland Eastlake July 9	Mansfield June 25
Columbus OPERS July 16		

2009 calendar of educational seminars

2009 RETIREMENT AWARENESS PROGRAM

Athens May 19	Cleveland Eastlake July 8	Independence April 29 (Closed) Oct. 21
Boardman Oct. 7	Columbus OPERS May 13 (Closed) July 17 (Closed) Oct. 15 (Closed) Dec. 2 (Closed)	Mansfield June 24
Canton June 4 (Closed)	Cuyahoga Falls Sept. 17	Perrysburg Feb. 25 (Closed) Sept. 3 Nov. 4
Cincinnati East Aug. 5	Dayton July 30	Strongsville Aug. 19

2009 RETIREMENT READINESS

Athens May 20	Cleveland Eastlake July 7	Independence April 30 (Closed) Oct. 22
Boardman October 8	Columbus OPERS Aug. 13 (Closed) Nov. 19	Mansfield June 23
Canton June 3 (Closed)	Cuyahoga Falls Nov. 18	Perrysburg Feb. 26 (Closed) Sept. 4 Nov. 5
Cincinnati East April 22 (Closed) Aug. 6	Dayton July 29	Strongsville Aug. 20

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

Charlie Adkins
Investment Expert
Treasurer of State
Appointee

James R. Tilling
Investment Expert
General Assembly
Appointee

Chris DeRose
Chief Executive Officer



Ohio Public Employees
Retirement System

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Ohio PERS

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New Help Line hours

Representatives are available at the OPERS Help Line, 1-866-OPERS-4-U (1-866-673-7748) weekdays from 7:30 a.m. until 5 p.m. Eastern Time (except for stock exchange holidays). You also can make changes to your individual account or request forms or account information at any time through the Voice Response Unit at 1-866-673-7748.

Legislative update

The latest information concerning federal and state legislation with an impact on OPERS can be found by visiting the Government Relations page on the OPERS Web site, www.opers.org. Summary reports on the progress of Ohio House Bill 600 (service credit purchase) and Ohio Senate Bill 267 (OPERS law enforcement division) were recently added.