

# Ohio PERS NEWS

## YOUR BENEFIT CONNECTION

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

### Member-Directed Plan

## Addressing the present, planning for the future

A message from Chris DeRose, Ohio PERS CEO

OPERS has a history of carefully planning for the future and proactively managing potential challenges. For over a year and a half, we have been evaluating the changing demographics of our Traditional Pension Plan. In the midst of this analysis, we experienced an unprecedented downturn in the financial market. While your retirement system remains in solid financial condition, we need to act in order to safeguard the future. The Board of Trustees has taken the steps that are within its authority and, on

Nov. 18, recommended a further set of changes to the legislature.

The rationale, goals and specifics of the recommended changes to the Traditional Pension Plan can be found on the OPERS Web site, [www.opers.org](http://www.opers.org). I want

you to know these changes are the result of a deliberative process designed to maintain the strength of the pension system and allow continued contributions to the health care trust fund. If approved by the state legislature, the changes will build on past actions by the Board to keep pensions secure and provide health care for as long as possible.

This review of the Traditional Pension Plan was the first step in the evaluation of each of

the OPERS retirement plans. At some point, the Board will be assessing the elements of the Member-Directed Plan to see if changes are needed to strengthen the fund and contain costs.



The Board felt it was important to involve members and retirees in this process, just as we did a few years ago when we made changes to the health care plan. We shared the rationale, goals and specifics of these new benefit plan recommendations in meetings with stakeholder groups representing thousands of OPERS members and retirees. With this input, the Board made its final recommendations. Now, we're sharing these recommendations with you.

Through all the stakeholder meetings and discussion, we sought to find the right balance. The result is a long-term strategic approach that minimizes undue hardship on members while laying the foundation for change.

Now that the Board has recommended a set of changes to our Traditional Pension Plan benefit design, we will work with the Ohio General Assembly to have the changes enacted. Meanwhile, as we move forward, we will continue meeting with our stakeholder groups and will be communicating with

(continued on page 2)

Cost-saving (furlough) days will impact your OPERS account

2

Help OPERS cut costs and go green  
Sign up for online publications

3

Questions about retirement? OPERS member counselors can help!

3

OPERS Board of Trustees election results announced

4



## Addressing the present

(continued from page 1)

members to increase the understanding of the changes, answer questions and report progress. Our Web site, [www.opers.org](http://www.opers.org), will be updated regularly with information that you are free to reference as the legislative process commences. We will also continue our proactive planning process to fund and protect the benefits you have earned.

If you would like to share your thoughts with us directly, we've set up a special email address: [giveusyourthoughts@opers.org](mailto:giveusyourthoughts@opers.org). Thank you for your continued support as we make incremental changes necessary to secure benefits for years to come.

## Cost-saving (furlough) days will impact your OPERS account

Many public employers implemented furlough day policies as a cost savings measure in 2009. Each employer's furlough policy is different, but the general result of requiring furlough days is a reduction in employees' salaries. These lower salaries will have a consistent impact on retirement accounts and benefits.

Contributions are remitted to OPERS based on the member's actual earnable salary. Ohio law provides that the amounts of employee and employer contributions remitted to OPERS are derived from the actual earnable salary paid to the member. The contributions remitted to OPERS are not based on what the member would have earned this year without the furlough days. Contributions are remitted to OPERS based on what the member was actually paid. When a public employee is paid less money by his or her employer, OPERS likewise receives less money in contributions. OPERS records the contributions and determines the member's annual earnable salary based on the actual contributions received.

Earnings or losses to Member-Directed Plan participants' individual defined contribution accounts are based on actual amounts deposited and invested by the member over time. These members can make additional voluntary contributions to make up the difference in their account that may have resulted from furlough days.

If you are nearing retirement and have concerns about the impact furlough days will have on your OPERS retirement account and benefits, please call 1-800-222-7377 and arrange to speak with a retirement counselor either in person or over the phone.

**Ohio PERS NEWS – Your Benefit Connection** is a quarterly newsletter providing news and information to more than 374,000 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)

*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.*

## Help OPERS cut costs and go green

### *Sign up for online publications*

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OPERS is committed to offering electronic communication options whenever possible. Communications via e-mail have increased, online application processes have been introduced, and we offer online newsletters and quarterly statements. Online communications offer immediacy, cost savings and a positive impact on the environment. For these reasons we are asking our members to please help us in this effort by signing up to receive their OPERS publications online.

The cost for OPERS to print and mail a single newsletter is approximately \$.36. This amounts to almost \$1.50 per year for each member. If you multiply that amount by the number of active members who have not signed up for online publications (approximately 310,000), OPERS spends more than \$110,000.00 per issue on paper, printing and postage costs. These costs are virtually eliminated when a member signs up to receive their newsletter online. **If just one quarter of our**

**members currently receiving paper newsletters would sign up for the online version, OPERS could save up to \$110,000.00 per year while eliminating the need for a tremendous amount of paper.**

Signing up for online publications is fast and easy. Simply log-in or register to use My Benefits System (MBS, formerly the Member Benefits System) from the home page of our Web site, [www.opers.org](http://www.opers.org). Once logged in, you can select online publications within the 'Correspondence Preferences' section.

Once you have elected to receive your publications online, OPERS will have your e-mail address on file. We will not share your e-mail address with any other organizations or individuals, so you do not need to worry about receiving unwanted messages. OPERS may use member e-mail addresses for news alerts or other important OPERS announcements in the future. If your e-mail address changes, please remember to update it using MBS.

### **Change to Ohio PERS News publication schedule**

OPERS will publish three issues of *Ohio PERS News* for active members in 2010 instead of the customary four issues. This decision was made in response to our membership's increased use of online communication tools, our commitment to going green and because dollars earmarked for printing and postage can be reallocated to support further electronic communication initiatives. The newsletters will be published throughout the year as dictated by the need to convey news to our membership. The most current OPERS news and information is always available on our Web site, [www.opers.org](http://www.opers.org).

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## Questions about retirement?

### **OPERS member counselors can help!**

*OPERS members typically have many questions when it comes to retirement - when am I eligible? how much is my benefit? when will I receive it? will I qualify for health care?*

It may be tempting to consult your employer's human resources department with these questions because they have been a trusted source of information throughout your career. Many employers can provide OPERS publications and answer basic questions, but no one is more qualified to explain your individual OPERS account and retirement benefits than an OPERS member counselor.

OPERS offers one-on-one counseling sessions to explain the retirement process, explore plans of payment and health care

coverage, assist with retirement paperwork and answer all your questions.

You can schedule a counseling appointment by calling us at 1-800-222-7377. We schedule appointments at our office in Columbus on weekdays between 7:30 a.m. and 3:30 p.m. Counseling sessions can also be conducted over the phone. Please call OPERS to make an appointment. Counselors also travel throughout the state to meet with members.

Scheduling an appointment at least two weeks in advance allows us to send you an estimate of your benefits and a retirement application packet in advance.



Ohio Public Employees  
Retirement System

277 East Town Street Columbus, OH 43215-4642

# Ohio PERS

NEWS

YOUR BENEFIT CONNECTION

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## OPERS Board of Trustees election results announced

The 2009 OPERS Board of Trustees election has concluded and the results have been certified and accepted by a representative of the Ohio Secretary of State's office and the OPERS Board.

John Maurer has been re-elected to his position representing retirees. Helen Youngblood has been re-elected to represent county employees. Cinthia Sledz has been re-elected to represent members in the miscellaneous category.

All three Board members will begin serving new four-year terms beginning in January 2010.

### Ohio PERS Board of Trustees

The 11-member OPERS Board of Trustees is responsible for the administration and management of OPERS. 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

**Cinthia 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