

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Member-Directed Plan

Answers to your questions regarding recent OPERS investment performance

A message from Chris DeRose, Ohio PERS CEO

Because it's important for our entire membership to have a clear understanding of the impact the recent financial downturn has had on OPERS, we have compiled the answers to some of the most common questions we've received.



How did OPERS perform in 2008?

For the first time in five years the pension fund experienced a decrease in fund assets in 2008 ending the year with \$59.0 billion in assets compared to \$82.9 billion at the end of 2007. This decrease

represents a negative 26.9 percent return. In the previous five years the returns were 8.9 percent in 2007, 14.7 percent in 2006, 9 percent in 2005, 12.5 percent in 2004 and 25.3 percent in 2003.

What can I do in response to the downturn?

As a long-term investor in the OPERS Member-Directed Plan, your investment options are spread over many asset classes, market sectors and geographies. These options allow you to weather market volatility and to benefit when market stability and growth return.

Has OPERS ever experienced a market downturn to this degree?

No. The lows that we witnessed in the investment market over the last several months have impacted just about every sector of the economy and are unprecedented for OPERS. However, it's important to understand that the system remains strong and stable due to our

diversified portfolio, disciplined investment approach and experienced investment staff.

It is important to maintain focus on your long-term retirement goals and maintain a diversified portfolio. You should be realistic about how much time you have left until retirement. Look at your own situation to see if you are able to make additional contributions to your individual account or to Ohio Deferred Compensation (see "Saving for Retirement" at www.opers.org).

Answers to your questions

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Required Minimum Distributions Waived for 2009

The Worker, Retiree and Employer Recovery Act, signed into law late last year, eliminated required minimum distributions (RMD) from defined contribution plan accounts for 2009. The Act provides relief to Member-Directed Plan participants who would otherwise be forced to take distributions from their accounts at a time when their balances have dropped significantly due to the current market downturn.

Member-Directed Plan participants normally must begin taking annual withdrawals from their qualified plan accounts, including OPERS individual defined contribution accounts, in the year they reach age 70½ or in the year they retire, whichever is later. The amount of the RMD in any year is based on account balances as of December 31 of the prior year. RMD rules do remain in effect for all other years, including 2008.

The new law eliminates the stipulation that RMDs be taken for 2009. However, if an RMD-eligible member takes a refund during 2009, the part of that refund that would have been considered the 2009 RMD amount will be paid directly to the member with 10 percent withheld for taxes.

All or a portion of that refund for 2009 may be rolled over to an eligible retirement plan since it is no longer classified as an RMD under the new provision. If you choose this option, the RMD amount will be mailed to you at the address on file with OPERS. With that check, you also will receive notification of the 2009 RMD amount and your eligibility to roll it over. If you elect to roll over this amount, rollovers must take place within 60 days of the distribution. The remaining amount will be sent to the financial institution accepting the rollover.

For more information on this new legislation, you can call the OPERS Help Line at 1-866-673-7748, Monday through Friday, 7:30 a.m. until 5:00 p.m.

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
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.

Elections to be held for three positions on the OPERS and Ohio Deferred Compensation Boards of Trustees

Elections for three seats on the OPERS and Ohio Deferred Compensation Boards of Trustees will be held in September. Active county and miscellaneous employees as well as retirees will have the opportunity to elect a candidate for representation on the Boards. Individuals elected to the OPERS Board also automatically serve on the Ohio Deferred Compensation Board. Those elected will serve four-year terms beginning in January 2010.

Under Ohio law, a candidate seeking an employee member seat is required to obtain a minimum of 500 signatures from active members of their employee group. At least 10 different counties must be represented by a minimum of 20 signatures each. The same rules apply to a retiree seeking nomination except that they must obtain at least 250 signatures. At least 5 different counties must be represented by a minimum of 10 signatures each.

Monday, Oct. 5. The final results will be certified by the Secretary of State's office.

Change of address? Please be certain that OPERS has your current address so that you will receive your election ballot.

2009 OPERS Board of Trustees election schedule

Nominating petitions available	June 12
Completed petitions due	August 3
Voting materials mailed	August 28
All votes must be received by	October 2
Election count	October 5

Nominating petition packets will be mailed to employers on Friday, June 12 for distribution to interested candidates.

Packets will also

County employees are those working for a county in Ohio. Miscellaneous employees include, but are not limited to, those working for one of the following: park district, conservancy district, sanitary district, health district, township, metropolitan housing authority, state retirement board, public library, county law library, union cemetery, joint hospital or institutional commissary.

be available at the OPERS office at 277 East Town Street, Columbus, Ohio. These packets contain official nominating petitions and all other necessary forms to be completed by the candidate. Completed nominating petitions and forms are due at the OPERS office no later than 4:30 p.m., Monday, Aug. 3; petitions postmarked on this date, but received later, are invalid.

Any active OPERS member, with the exception of one receiving a disability benefit, is eligible for election to represent the employee group in which they belong. Any OPERS retiree receiving an age and service retirement benefit or a disability benefit is eligible for election as a retiree representative.

Any candidate successfully meeting the above nomination criteria will be placed on an official ballot. Every effort is made to ensure that each candidate is given equal space and placement on the ballot. Voting materials will be mailed to qualified voters at the home address of record on Aug. 28, 2009. Eligible members and retirees will be able to vote until Oct. 2, 2009. The election count is scheduled for

OPERS 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 (college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retirees); 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.

OPERS Board of Trustee members receive no compensation for their service, but reimbursement is made for necessary expenses. All meetings of the OPERS Board are open to the public. All Board meeting agendas and materials are available on our Web site, www.opers.org.



One-on-one retirement counseling now available close to home

You can now get your questions about preparing for retirement or changing plans answered close to home. Beginning this month, OPERS counselors will be in locations around Ohio for remote counseling sessions specifically for our Member-Directed and Combined Plan participants.

Just click on “Counseling” in the “Members” section of www.opers.org and follow the links to Remote Counseling to view the locations and dates for these sessions. Call 1-800-222-7377 to register.

If there isn't a session scheduled close to where you live, you have other counseling options. You can set up an in-person counseling session in Columbus or you can have your questions answered over the phone from the comfort of your own home. Call 1-800-222-7377 to schedule an in-person appointment with a counselor at the OPERS office or set up a time for an up to 30-minute session over the phone at an appointed time at the place most convenient for you.

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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