

# Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

## Member-Directed 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 Member-Directed 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.

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

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](http://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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## Long-term investment focus (continued from page 1)

OPERS Member-Directed Plan participant 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](http://www.opers.org)).

If you have any questions regarding your individual account, please contact the OPERS Help Line at 1-866-OPERS-4-U (1-866-673-7748) or visit [www.opers.org](http://www.opers.org).

## REMINDER - RMA vesting schedule changed for Member-Directed Plan participants

The vesting schedule for your Retiree Medical Account (RMA) changed on Jan. 1, 2009. Your RMA allows you to accumulate funds for qualified medical expenses. The RMA statement you receive in January 2009, for the period ending Dec. 31, 2008, will not reflect the new vesting schedule since this change went into effect after the end of last year. The semi-annual statements being mailed in July 2009 for the period ending June 30, 2009 will reflect the new schedule.

The new vesting schedule increases by 20 percent after each of the first five years of participation in the

Member-Directed Plan (see chart). This allows you to be partially vested in the account balance after only one year of participation (versus the prior three year requirement) and allows full vesting in the RMA after only five years instead of the current 10-year requirement.

Questions about your RMA account should be directed to Aetna at 1-888-672-9136 (toll-free).

Years of Participation in the Member-Directed Plan	Percentage vested
0	0%
1	20%
2	40%
3	60%
4	80%
5	100%

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](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.*

# 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](http://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](http://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 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](http://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.

## 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