

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Traditional Pension Plan

Pensions remain secure in an uncertain investment market

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. With nearly \$60 billion in assets, our pension obligations will be met and members can be assured that their accounts are safe.

Street's downturn. However, the pension system is intentionally designed to withstand the market fluctuations brought about by these problems.



Chris DeRose

As a long-term investor, OPERS maintains a diversified portfolio spread over many asset classes, market sectors and geographies. Stress in any one asset class is often moderated by positive performance in other asset classes within the portfolio.

This investment strategy allows OPERS to weather market volatility and to benefit when market stability and growth return. In fact, in examining our 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. 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.

Pensions remain secure

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The changes that occurred in the investment world in 2008 had a significant impact on OPERS resulting in the fund realizing its first decline in five years.

While OPERS fund assets ended the year at \$59.3 billion, compared to assets of \$82.9 billion at the end of 2007, OPERS' investment professionals did better than the market. In comparison, while the Dow Jones Industrial

Average declined 32 percent in 2008, OPERS declined 26.9 percent.

The credit crunch, high energy prices, a troubled housing market and other factors have combined to cause Wall



Pensions remain secure

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While there are no assurances in the investment market, OPERS is confident that our disciplined approach to long-term investing will help the fund to emerge from this decline as it has after every other financial storm over its 74 years.

No one knows how soon market stability and growth will return, but we know that when they do, the OPERS fund is well-positioned to take advantage of more favorable market conditions.

If you have any questions regarding your retirement account, please contact OPERS at 1-800-222-7377 or visit www.opers.org.

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

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.

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. 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!

Legislative update

House Bill 600 Update

At the request of the OPERS Board, Representative Lynn Watchmann (R-Napoleon) introduced HB 600 in July. The goal of the legislation is to modify the current statutory formulas for determining the cost of purchasing various types of service credit so that the system receives close to the full actuarial cost of the service credit purchased.

A 2006 study by the Ohio Retirement Study Council indicated that OPERS is subsidizing approximately 80 percent of the actuarial liabilities to the pension and health care funds caused by service credit purchases under current law. HB 600 would reduce the service credit purchase subsidy and it represents sound pension trust fund policy.

On Dec. 10, 2008 the Ohio Retirement Study Council (ORSC) voted to recommend that the Ohio General Assembly approve HB 600 with two amendments:

- An amendment that would require the member to retire within 90 days of purchasing the service and to prohibit the purchased service from being counted for purposes of health care eligibility or subsidy.
- An amendment to include the comparable sections of the Revised Code governing the State Teachers Retirement System, the School Employees Retirement System, the Ohio Police & Fire Pension Fund, and the Highway Patrol Retirement System.

OPERS will continue to provide updates on this legislation as it is introduced to the general assembly in 2009.

Senate Bill 267

Amended Sub. SB 267 has passed both the Ohio House and Senate and was signed by the Governor on Dec. 23, 2008. Here is a brief summary of the provisions within SB 267 that impact OPERS.

Recognition of Public Safety Division

The bill recognizes in statute the two existing sub-groups in the OPERS law enforcement (LE) division by creating a public safety officer division. It includes in the new public safety division officers whose primary duties are other than to preserve the peace, protect life and property, and enforce Ohio laws and all Hamilton County Municipal Court bailiffs.

Service credit conversion

The bill permits the OPERS Board to establish by rule a program under which an OPERS member may convert up to five years of service credit for non-law enforcement (or public safety) service to credit for service as a law enforcement officer by paying not less than 100 percent of the additional liability resulting from the conversion. If a rule is adopted, the bill specifies certain additional requirements that must be met in the conversion.

LE member contribution rate

This provision authorizes the OPERS Board to establish LE member contribution rate as the rate established for public safety officers plus an additional percentage, which is initially 1 percent of members' earnable salaries but may be increased by the Board to not more than 2 percent.

Municipal Public Safety Directors in the LE program

Beginning on the bill's effective date, municipal public safety directors will no longer participate in LE division and, instead, these members will contribute to regular OPERS.

Medicare Part B reimbursement

The bill limits monthly reimbursement by OPERS for Medicare Part B premiums to an amount, determined by the Board, that is not less than \$96.40. The reimbursement cannot exceed the amount paid for coverage. The bill requires the recipient of the reimbursement to report to OPERS the amount paid for the coverage.

OPERS has not been informed of an official effective date for SB 267. Typically, a bill becomes effective 90 days after it is signed by the Governor. Please watch future issues of your OPERS newsletter or visit www.opers.org for more information.

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

2009 Monthly Premium for Spouses Not Yet Eligible for Medicare

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

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 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	Independence July 16 November 13
Athens November 20	Lima December 4
Cambridge March 27	Mansfield June 19
Canton March 20	Mentor May 29
Cincinnati Eastgate May 1	Newark July 24
Cincinnati Sharonville November 13	Portsmouth July 10
Columbus OPERS March 13 May 15 September 18	Ravenna December 11
Dayton August 28	Steubenville June 25
Elyria April 17	Toledo February 26 September 4
Huron August 21	Youngstown April 24 September 11

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.

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.

Remote counseling sessions – personal retirement counseling is available at the OPERS office in Columbus, over the phone or in cities listed here. 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

Circleville March 19	Elyria Feb. 27	Youngstown March 11
Columbus Feb. 26 March 4 March 11 March 26 April 30	Hamilton March 4	Web Seminars (Register at www.opers.org/members/webinar.shtml) Feb. 20 March 11 March 27
Dayton Feb. 26 March 17	Painesville April 16	
Delaware March 5	Port Clinton Feb. 18	
	Seaman March 31	
	Wooster March 9	

2009 REMOTE COUNSELING SESSIONS

Cincinnati Eastgate July 6-9 Nov. 16-19	Lima Feb. 23-26	Wickliffe June 15-18
Cuyahoga Falls May 4-7 Oct. 5-8	Miamisburg April 13-16	Wooster July 20- 23
Dover/New Philadelphia Sept. 21-24	Perrysburg May 11-14 Oct. 26-29	Youngstown March 16-19 Aug. 31- Sept. 3
Elyria/Lorain Aug. 10-13	Sidney March 2-5	
	Strongsville June 8-11 Nov. 2-5	

2009 calendar of educational seminars

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 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
Cincinnati North June 10		

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
Cincinnati North June 11		

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



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Re-employment reminder for disability benefit recipients

In order to avoid immediate termination of benefits, it is important that anyone receiving an OPERS disability benefit contact OPERS for a review of their potential employment before becoming re-employed. Becoming employed in any capacity may affect the continued receipt of disability benefits. Please complete a *Request for Review of Employment from a Disability Benefit Recipient* form (DR-2) and submit it to OPERS. This form is available on the OPERS Web site, www.opers.org, or by calling OPERS.

OPERS disability benefit recipients who return to public employment are subject to immediate benefit termination. Public employers are required to notify OPERS in writing when a disability benefit recipient becomes re-employed in an OPERS-covered position. Any overpayment of benefits due to a failure of notice is the liability of the employer. If the public employer properly notifies OPERS of the re-employment, the disability benefit recipient may be liable for benefits paid after they return to employment.

Employment with a private employer or with an employer covered by State Teachers Retirement System of Ohio (STRS), School Employees Retirement System of Ohio (SERS) or as an independent contractor may also affect continued receipt of disability benefits. If you have questions regarding disability benefits and re-employment, please contact us at 1-800-222-7377.