

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

Member-Directed Plan

Update: Board of Trustees recommends changes to OPERS pension plan design

A message from Chris DeRose, CEO

Last November the OPERS Board of Trustees recommended changes in pension plan design to the Ohio Retirement Study Council (ORSC). In May 2009, the ORSC requested all five of Ohio's public pension systems examine their benefit plans with the goal of ensuring long-term fiscal strength. The OPERS Board's recommended pension

plan changes are part of a proactive, comprehensive funding plan designed to keep OPERS' pensions secure and allow us to provide access to retiree health care coverage 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 recommended plan design changes must be enacted by the Ohio General Assembly before they can be implemented.

The changes include:

- Adding two years to age and service retirement eligibility
- Extending the benefit formula
- Tying the Cost of Living Adjustment (COLA) to the Consumer Price Index
- Extending the final average salary calculation from three to five years.



Chris DeRose

My Benefits System - Access your retirement information instantly

○○○ 3

Your Voice, Your Choice
2010 OPERS Board election

○○○ 4

Recognizing 75 years of
Retirement Security

○○○ 6

One-on-one retirement
counseling available

○○○ 6

Legislative Update

○○○ 7

Learn how to invest at
Investor.gov

○○○ 8

Coming Soon - Town Hall Meetings!

OPERS will hold the next series of Town Hall meetings at locations around the state beginning in late April and continuing through May and June. These meetings will be open to all OPERS members and are designed to provide information and answer your questions about the recommended pension plan design changes. Details are currently being finalized. Please visit www.opers.org for dates and locations. The majority of these meetings will be held in the early evening and pre-registration is not required.



changes to OPERS pension plan design

(continued from page 1)

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.

The Board also reviewed several ways to transition to the proposed changes and approved a tiered approach, with members who have a certain number of years in the system being grandfathered in for a portion of the changes being implemented.

A more detailed explanation of the recommended changes can be found in the Special Coverage section of our website, www.opers.org. The section features a document explaining the proposed changes in detail and also a presentation that is being used as part of our outreach efforts.

Since receiving the Board's recommendations last fall, the ORSC has worked with the legislature to draft a bill encompassing pension plan design changes for all five Ohio pension systems. Once a bill is officially introduced, we hope the ORSC will vote to send it to the House and Senate committees for review yet this year.

We are pursuing these pension plan changes with two goals in mind – providing retirement security for public employees in Ohio and continuing to provide health care coverage for our retirees and their beneficiaries.

Retirement security can be achieved by planning, in partnership with OPERS, for the retirement income you'll need for your lifetime. It is important that members fully understand how these changes could impact their retirement plans.

OPERS staff members are hosting a series of Town Hall meetings across the state in order to provide details to our members and retirees. Town Hall meeting dates will be posted on our Web site as they are confirmed. Visit www.opers.org to learn when we will be holding a meeting in your area of the state.

As the legislative process of enacting the recommended pension changes moves forward, the newest information and announcements will be available within the Special Coverage section on the OPERS Web site. Upcoming newsletters will also feature reports on the progress of this important legislation.

The Board is committed to member involvement and communication on this process. If you have comments for us, please feel free to send them to: giveusyourthoughts@opers.org. Thank you for your continued support of OPERS.

My Benefits System

No waiting necessary! Access your retirement information instantly

My Benefits System (MBS) offers instant access to your personal account, instant retirement estimates, instant access to online publications and the opportunity to update your address and beneficiary information – that’s right – instantly! You can also request service purchase estimates and register for seminars.

Registering for MBS automatically provides OPERS with your e-mail address. We will soon begin providing news alerts to members via e-mail. Alerts will be sent when the need arises to communicate an important issue to members quickly. Register for MBS and be one of the first to receive news about your retirement.

MBS Registration

There’s no reason to wait on the phone or wait for the mail to receive personalized information about your retirement benefit. Register for MBS today – it’s quick and easy.

1. Log on to www.opers.org
2. Click on the MBS ‘Register’ button in the top, right corner of the home page. You will need your social security number and an active e-mail account. MBS will guide you through the registration process.

Selecting Online Publications

Once registered, it’s simple to select online publications which saves time and paper/postage costs:

1. Log in to MBS and select the “My Contact Info” tab. The first box on the page allows you to be sure your e-mail address is correct. If not, click on “Edit” (on right side of box) and enter the correct one. Please remember to update your e-mail address in MBS if it changes. If you update your e-mail address with your employer, it will not automatically update with OPERS.
2. The second box on the page contains your correspondence preferences. Click on the word “Edit” on the right side of the box to adjust your preferences to online publications.
3. **OPERS newsletter:** Check the box next to “Ohio PERS NEWS – Your Benefit Connection” that reads, “I elect to be notified via email when newsletters are available at www.opers.org.” In the future, you will receive an e-mail containing a link to the latest newsletter issue on the day it’s posted.

Enhancement to MBS provides easy way to keep addresses current

As a measure to help save postage and paper costs, if mail OPERS has sent you is returned as “undeliverable”, we will stop sending mail to you until you provide us with an updated address. We have made an enhancement to MBS that provides an easy way for you to correct your address.

If we have received “undeliverable” mail, you will receive a message when you log in to MBS. The message will prompt you to update your address or confirm that the address we have on file is correct. After doing that, you will be able to access your account on MBS.

Your Voice, Your Choice

2010 OPERS Board of Trustees Election

As a member of OPERS, you have a voice in decisions and policies affecting your retirement benefits. Every member is part of a specific employee group and each group has a representative on the Board of Trustees. The Board is ultimately responsible for all administration and management of OPERS including setting retirement system policies, approving the overall investment plan and asset allocation strategy, reviewing and approving budgets and acting as fiduciaries of the System. Individuals elected to the OPERS Board also automatically serve on the Ohio Public Employees Deferred Compensation Program Board.

Your Voice - Elected Representatives

The OPERS Board is comprised of 11 trustees—seven individuals are elected by the specific group each represents. Five individuals represent employee groups and two represent retirees. The seven elected positions on the OPERS Board of Trustees are designated for election on a staggered basis, ensuring experience and organizational knowledge is stable from year to year. Three individuals with investment expertise are appointed by Ohio’s Governor, Treasurer and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate. The Director of the Ohio Department of Administrative Services also serves on the Board of Trustees by virtue of office.

2010 OPERS Board of Trustees election schedule

Nominating petitions available	June 11
Completed petitions due	August 2
Voting materials mailed	August 23
All votes must be received by	October 1
Election count	October 4

Election 2010

Elections for four seats on the OPERS and Ohio Deferred Compensation Boards of Trustees will be held in September. Those elected will serve four-year terms beginning in January 2011.



The four seats up for election in 2010 include one representative for each of the following groups:

State employees—Representing those working at a job for the state of Ohio (approximately 55,432 employees)

State colleges and universities—Representing approximately 55,141 non-teaching employees at state colleges and universities in Ohio

Municipal employees—Representing approximately 65,783 employees working for Ohio’s municipalities

Retirees—One of two seats representing approximately 150,000 age and service and disability retirees.

Not sure which employer group you belong to? Visit the OPERS Web site, www.opers.org, where you will see an election announcement on the home page. This announcement will link you to a general election information page where you will find a link to a complete list of OPERS employers and their corresponding employer groups.

Your Choice – Every vote counts

It’s important to realize every single OPERS member and retiree is represented by a Board member. Just as in national and local elections for public office, your vote—your voice—is vital. Members of the Board of Trustees serve four-year terms. That means that every four years you have the opportunity, and the responsibility, to select your Board representative.

Voter participation in the 2009 Board election averaged only about 10 percent for active members. If your representative is up for election this year, please plan to cast your vote! Your retirement and your representation on the OPERS Board are too important not to participate in the election process.

Serve as the voice for your fellow members

Any active OPERS member, with the exception of one receiving a disability benefit, is eligible for election to represent the members of their employee group on the OPERS Board of Trustees. Any OPERS retiree receiving an age and service retirement benefit or a disability benefit is eligible for election as a retiree representative.

Members of the Board are not paid for their work, but are reimbursed for any expenses. They live all across Ohio and travel to Columbus each month for Board of Trustee meetings. Some Board members need to arrange time off from their jobs to handle their Board responsibilities.

The nomination process

Under Ohio law, a candidate seeking election to an employee member Board seat is required to obtain a minimum of 500 signatures from active members within 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.

Nominating petition packets will be mailed to employers on Friday, June 11 for distribution to interested candidates. Packets will also be available at the OPERS office, 277 East Town Street, Columbus, Ohio and on the OPERS Web site. 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, August 2; petitions postmarked on this date, but received later, are invalid. 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 on August 23. Eligible members and retirees will be able to vote until October 1. The election count is scheduled for Monday, October 4. The final results will be certified by the Secretary of State's office.

Working for your retirement security

Listed here are some of the OPERS Board's recent and most notable accomplishments aimed at providing retirement security for all OPERS members.

- Recommended changes to OPERS benefit plan design to strengthen the pension fund for current and future retirees
- Helped to create and implement the Health Care Preservation Plan designed to extend the retiree health care fund and provide coverage for as long as possible
- Supported measures to ensure the 2010 state of Ohio budget did not include a cut in contributions
- Split assets into pension and health care funds with separate, tailored investment strategies
- Evaluated new retiree health care plan administrators for 2010

Recognizing 75 years of retirement security

As the people of our country were experiencing the Great Depression, the Ohio Legislature took the groundbreaking step of providing secure retirement for public employees in Ohio.

2010 marks the 75th anniversary of the Ohio Public Employees Retirement System, which was established on Jan. 1, 1935. For three-quarters of a century we've been providing a secure retirement for public workers, supporting our state's economy and making a positive difference in the quality of life of hundreds of thousands of people

who rely on us. For 75 years, our staff has worked diligently to provide retirement, disability and survivor



benefits, health care coverage, diversified investing, cost-effective administration and accurate accounting for nearly 1 million Ohioans.

To commemorate this milestone, we've designed a 75th anniversary logo that you'll see on our Web site and in our correspondence to you this year. More importantly we believe our 75th anniversary is a prime time to reflect on the accomplishments of the retirement system and also renew our commitment to providing secure retirement benefits to Ohio's public employees. We want to thank our members for helping make the first 75 years of our existence such a success.

One-on-one retirement counseling available close to home

You can now have your questions about preparing for retirement or changing plans answered close to home. OPERS counselors travel to various locations around Ohio for remote counseling sessions specifically for our Member-Directed and Combined Plan participants.

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 register for a remote seminar, schedule an in-person appointment with a counselor at the OPERS office or set up a time for a counseling session over the phone (approximately 30 minutes).

2010 REMOTE COUNSELING

Cincinnati May 12 May 13	Independence Nov. 15 Nov. 16	Toledo Aug. 10 Aug. 11
Dayton July 22 Oct. 28		

Legislative update

Federal Health Care Reform

OPERS is currently analyzing the recently passed Federal health care reform legislation to determine what impact the provisions will have on the OPERS retiree health care plan.

At first examination of the bill, OPERS staff members have identified specific areas within the language that appear to require some modifications to our plan. We are analyzing these provisions very carefully in collaboration with our health care plan administrators and legal counsel.

Our analysis of the legislation will take some time. It is critical that we have a very clear picture of its impact on our plan prior to making any announcements. We will communicate the results of our analysis and any actions to be taken as soon as possible.

Our main priorities when analyzing and formulating an implementation plan for the health care reform legislation are the welfare of OPERS retirees and the solvency of the OPERS health care fund. Our intent is to continue providing a clinically focused health care plan to current

and future OPERS retirees while complying with all provisions of the legislation.

Please read your OPERS newsletters and visit www.opers.org for the most updated information available. General information about the bill's contents and progress is available at the following websites:

www.kaiserhealthnews.org

www.healthreform.gov

Senate Bill 219

OPERS staff has provided testimony on SB 219 as an interested party. SB 219 is a bill that aims to terminate disability benefits of a state retirement system member convicted of certain felonies committed while serving in a position of honor, trust, or profit. After three hearings, the bill was amended to incorporate the technical changes recommended by OPERS and was unanimously reported out of the Senate Health, Human Services & Aging Committee. The bill was then referred to the House Financial Institutions, Real Estate & Securities Committee where it is currently pending.

United States Census 2010

We can't move forward until you mail it back

The U.S. Census counts every resident in the United States, and is required by the Constitution to take place every 10 years.

The 2010 Census will help communities receive more than \$400 billion in federal funds each year for things like:

- **Hospitals**
- **Job training centers**
- **Schools**
- **Senior centers**
- **Bridges, tunnels and other-public works projects**
- **Emergency services**

The data collected by the census also help determine the number of seats our state has in the U.S. House of Representatives. OPERS encourages all members to complete the census form to ensure federal dollars are returned to our state.

In March of 2010, census forms will be delivered to every residence in the United States and Puerto Rico. When you receive yours, just answer the 10 short questions and then mail the form back in the postage-paid envelope provided. If you don't mail the form back, you may receive a visit from a census taker, who will ask you the questions from the form.

The majority of the country will receive English-only materials. Households in areas with high concentrations of Spanish-speaking residents may receive a bilingual (English/Spanish) form.

Any personal data you provide is protected under federal law. Questions? Visit www.2010census.gov for more information.

Source: www.2010census.gov



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Learn to invest wisely at Investor.gov

The U.S. Securities and Exchange Commission (SEC) has introduced a new Web site for investors, Investor.gov. The mission of the SEC is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. As more and more first-time investors turn to

the markets to help secure their futures, pay for homes, and send children to college, the SEC's investor protection mission is more important than ever.

Information is the investor's best tool when it comes to investing wisely. Visit

Investor.gov and learn more about smart investing, test your "Money Smarts," find answers to your questions about investing and investing online. You'll also find tips for getting started in investing, protecting your money from fraud and investing as a senior.

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

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