

# Ohio PERS NEWS

## YOUR BENEFIT CONNECTION

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

Combined Plan

### Our commitment to pension redesign legislation will continue in 2012

It has been two years since the Ohio Public Employees Retirement System Board of Trustees approved a plan that would ensure our continued financial stability by updating our plan design. However, the final picture of pension redesign legislation is still not as clear as we'd like.

The six consultants included: The Hay Group, Milliman, Deloitte, Segal, Bolton Partners, and Pension Trustee Advisors/KMS Actuaries. Each of the six firms were invited to make presentations at the Nov. 16 ORSC meeting, after which the council chose Pension Trustee Advisors/KMS Actuaries.

Change is still to come. As we move into 2012, we will continue to offer our members and retirees several ways to follow the pension redesign process:

- Frequent updates in the Special Coverage section of [www.opers.org](http://www.opers.org)
- Semiweekly posts to our *PERSpective* blog, which you can read at <http://perspective.opers.org>
- Information posted on our Facebook page: [www.facebook.com/ohiopers](http://www.facebook.com/ohiopers)
- Messages via Twitter: <http://twitter.com/ohiopers>
- *eNewsNow* e-mail news alerts

We encourage you to interact with us on all our social media sites, and to update your e-mail via secure account access on the OPERS website so you can receive e-mails containing the latest information.

Earlier this year the Ohio Retirement Study Council (ORSC) said it would take no action on pension redesign legislation pending an actuarial study of the public pension systems' redesign proposals by a third-party consultant. The council's role is to assist in the creation of pension policies.

ORSC Chairman, Senator Keith Faber appointed Representatives Kirk Schuring and Dan Ramos, as well as Mr. Seth Morgan to a subcommittee tasked with "preliminarily evaluating and scoring" proposals to carry out the actuarial study submitted by six bidders. Rep. Schuring was appointed chairman of the subcommittee, which submitted its findings to the full ORSC in mid-October, and the ORSC unanimously accepted scoring results of the six finalists.

Carraher named Executive Director

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## OPERS Board of Trustees names Carraher Executive Director

*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)

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*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 OPERS Board of Trustees named Karen Carraher executive director during their August board meeting. The appointment took effect Aug. 18, 2011.

Following the departure of former OPERS executive director Chris DeRose, Carraher officially began Feb. 28 as interim director of OPERS. Previously she served as OPERS' director of finance.



*Karen Carraher*

Carraher plans to continue the OPERS mission of delivering retirement security to our members and retirees. "For more than 75 years, OPERS has delivered on its promise of retirement security for its members," Carraher said. "I will work hard to make sure that commitment continues."

Carraher joined OPERS in December 2002 after serving as the director of business services for the Ohio Education Association. She also was controller for both Mount Carmel Health and Riverside Methodist Hospitals after beginning her career as an audit manager with the accounting firm Ernst & Young.

Carraher earned her Bachelor of Science degree in business administration from The Ohio State University and her Master's degree in business administration from Capital University.

As a certified public accountant, Carraher is uniquely qualified to guide OPERS through several expected changes in upcoming months. They include statewide pension legislation, the demographic impact of the baby boomer generation, and the rising costs of health care.

The Board of Trustees is confident Carraher will provide the necessary leadership to move the organization forward and will be a strong advocate for the plan design changes pending before the legislature.

## Review your current disability benefit plan

It is important to be aware of which disability benefit plan you are currently under – the original or revised – because there are differing eligibility requirements for each.

### Differing eligibility requirements:

- For members under the *original plan* - Members must file an application for disability benefits and terminate public employment before age 60.
- For members under the *revised plan* - You may file an application for disability benefits at any age.

Access your account online and review your annual statement to see which disability benefit plan you are currently under. You can also contact OPERS for this information.

### Returning to service and termination of benefits

If you are currently receiving disability benefits and you return to public service, this qualifies as a basis for termination of your benefits. Terminated from service means you are no longer receiving pay. Although you may no longer be physically showing up for work, if you are receiving pay for accumulated sick or vacation leave, you have not satisfied the requirement of terminating service.

## Mitigating rate to remain unchanged in 2012

After its annual review of the mitigating rate, the OPERS Board of Trustees has determined that there will be no change for 2012 to the employer contribution rate of 14 percent and the mitigating rate for employees of both state and local government agencies will remain 0.77 percent

## Your voice can have an impact!

OPERS will continue to advocate for meaningful and reasonable pension redesign legislation....*and so can you!*

Use these facts to arm yourself with knowledge about OPERS and the positive economic impact it has on the state of Ohio. As an OPERS member, you can be an advocate for OPERS and help facilitate reasonable pension legislation changes.

- OPERS serves more than 365,000 members, 172,000 retirees, and 3,700 employers.
- Public employee pensions are fairly modest. The average annual benefit for an OPERS retiree is \$22,078, or \$1,840 a month.
- The average OPERS member makes \$35,848 a year.
- OPERS is the largest public pension fund in Ohio and the 11th largest public pension fund in the U.S.
- For every \$1 of taxpayer contribution, OPERS returns \$3.06 to Ohio's economy.
- In 2010 OPERS paid \$5.5 billion in pension and health care benefits.
- Over the past 30 years, OPERS' average annual investment return is 8.99 percent.

For the latest information on pension redesign legislation, visit the Special Coverage section of [opers.org](http://opers.org).

! Clip & Save !

## Great ways to stay connected

**PERSpective** - *PERSpective* is a blog we have created to share our thoughts on important pension-related issues. Subscribe to *PERSpective* by clicking on the RSS feed logo on [www.opers.org](http://www.opers.org), or read it regularly at <http://perspective.opers.org>.



**Facebook and Twitter** - Nearly 4,000 members and retirees “Like” our Facebook page, which uses the name “Ohio PERS.” We also utilize a Twitter account under the name “ohiopers.” Facebook and Twitter messages are used to inform people of news, events and items of interest. We encourage you to follow us on Facebook and Twitter by searching @ohiopers and to “Like” us on Facebook in order to receive updates from OPERS within your newsfeed.



**eNewsNow** - *eNewsNow* is our mass e-mail system that allows us to provide members and retirees with timely information more quickly and efficiently than ever before. To begin receiving these important e-mail alerts, register for or log in to your online account and update your contact information.

**YouTube** - YouTube is a video-sharing website that allows people to discover, watch and share originally-created videos. OPERS established a YouTube channel so viewers can watch important messages from OPERS, interviews with OPERS leadership and educational offerings



## Your OPERS account - On YOUR time! OPERS provides 24/7 online account access

There is no need to wait until our phone lines are open or a representative is available to access your personal account information. You can do so securely from the comfort of your home, any time you like.

After registering for online account access, members can:

- View current account information, including service credit, accumulated contributions and account value
- Update contact information and choose to receive electronic publications and e-mail news alerts
- Run an estimate of your retirement benefit
- Register for a one-on-one counseling session or education fair
- View electronic annual statements

### Registration is easy

1. Log on to [www.opers.org](http://www.opers.org)
2. Click on the “Register for account” button in the Access Your Account section (top, right corner of the home page). You will need your Social Security number and an active e-mail account.

### Annual Statements to mail early 2012 Sign up to receive yours electronically

Annual statements, for the defined benefit portion of your account, will be mailed early next year. If you would like to receive your annual statement early, you can choose to receive it electronically. You can select this option by logging in to your account online. You will receive an e-mail notification when your statement is available to view online. Online statements can be viewed throughout the year and full color copies can be printed at any time.

### Is your personal contact information up-to-date?

It is your responsibility to let OPERS know of any changes in your personal data including your address or beneficiary designation. 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 to access your account online at [www.opers.org](http://www.opers.org).

## **Important change to account payout options**

### **Changes effective April 2012**

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An important change is coming regarding how members retiring from the Combined Plan will be able to use their OPERS account.

In July 2010, the OPERS Board of Trustees voted to restructure the payout options in order to eliminate redundancies and simplify the decisions made by members retiring from this plan.

If you retire from the Combined Plan with a retirement effective date on or after April 1, 2012 you must elect a payout option that disburses all your funds out of your OPERS defined contribution account.

You may do so through one of the following three methods:

- 1.** Annuitize 100 percent of your account. You will have your entire account balance sent back to OPERS in order to receive a lifetime monthly benefit from OPERS.
- 2.** Annuitize a partial amount and elect to have the remaining account balance rolled over to another company, or sent to you directly with taxes withheld.

- 3.** Elect to have your entire account balance rolled over to another company, or sent to you directly with taxes withheld.

Please note that these distribution options only apply to the defined contribution account portion of your plan. You will still receive the retirement benefit from the defined benefit portion of your plan based on a formula that takes your years of service and earnable salary into consideration.

If you would like to roll over or take a full distribution of your entire Combined Plan account balance instead of retiring, you can still do so by applying for a refund of your account through the OPERS secure online refund application rather than filling out a retirement application.

In this instance, you would not receive the retirement benefit based on a formula from the defined benefit portion of your plan.

If you have any questions, please call the OPERS Help Line at 1-866-673-7748 (1-866-OPERS-4-U).

## **Legislative update**

### **A partial list of bills that are of interest**

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#### **House Bill 323**

If enacted, this bill would add the felony offenses of extortion and perjury to the list of crimes that may cause forfeiture of a future retirement or disability benefit or terminate an existing disability benefit if the crime was committed by a public retirement system member or alternative retirement plan participant while serving in a "position of honor, trust or profit". It also specifies, with regard to the additional offenses, that the bill applies only to offenses committed on or after its effective date. Finally, the proposal clarifies that existing law and the bill apply to retirees contributing to a public retirement system due to re-employment by a public employer.

#### **House Bill 202**

HB 202 would limit the retirement benefit of a re-employed retiree of a public retirement system and eliminate the deferred retirement option plan (DROP) in the Ohio Police and Fire Pension Fund and State Highway Patrol Retirement System. It was introduced some time ago and assigned to the House Health and Aging Committee; however, it has yet to receive a hearing. The main point of this legislative proposal is that it imposes an offset of a retiree's benefits if his or her earnings exceed \$14,160 per year.

Visit [www.opers.org](http://www.opers.org) to view a complete list of bills OPERS followed this past year.

# OPERS introduces new education format in 2012

## A new model for education

At OPERS, “education” has traditionally been synonymous with in-person seminars, but with so many of our members and retirees turning to the Web for instant access to information, that is no longer the case.

In order to better meet the needs of an ever growing population of members nearing retirement age, OPERS has developed a new education model that will offer education tailored to your specific stage in life and career.

This model is based on member demand and demographics and also takes into consideration key stages, or decision points, within a member’s life and career when they will most benefit from education.

The new format for OPERS education utilizes multiple delivery methods including:

- **Web** – webinars, videos, self-service options, e-mail news bulletins, *PERSpective* blog, Facebook, and Twitter
- **Print** – newsletters, brochures, handbooks
- **In-Person** – education fairs and counseling
- **Phone** – 1-800 line, phone counseling

### Education Fairs

A fairly new concept being introduced by OPERS is the education fair. The education fair format has been used successfully during health care open enrollment for several years. This

format provides more flexibility for our general education efforts.

These events will be customized by audience segment and will include:

- Two 45-minute presentations on topics relevant to the audience
- Access to vendors to ask questions
- Access to OPERS representatives to ask general questions
- An available PC to register attendees for online account access

In the past we have offered seminars to members several years away from retirement eligibility; however, our member demographic has changed. We now have a large number of members eligible to retire now or in the next few years which requires a concentrated effort to educate these members.

We have broken these members into two audience segments; those within three years of retirement eligibility and those eligible to retire within the next six months. Education fairs will target each of those audience segments.

The following education fairs will be offered:

**Planning to Retire** – Designed to meet the needs of those members who will be planning to retire within the next three years and prepare them for the decisions they are going to have to make at retirement.

Understanding these decisions now will allow members time to give thoughtful consideration to these decisions and, if needed, consult a financial advisor.

At an education fair for the *planning to retire* segment, the 45-minute presentations could include:

- Retirement decisions
- Hot topics – relevant issues affecting OPERS members
- Health care

**Ready to Retire** – Designed to meet the needs of those members who will be ready to retire within the next six months and provide them with information to learn how to retire. OPERS educators will review the options available, tools and forms to use and provide access to our health care vendors.

At an education fair for the *ready to retire* segment, the 45-minute presentations could include:

- How to retire – Traditional Pension Plan
- How to retire – Defined Contribution Plans
- Hot topics – relevant issues affecting OPERS members
- Health care

Members will attend the presentations applicable to their situation and have the opportunity to ask questions of OPERS educators, and representatives from Ohio Deferred Compensation and Social Security.

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## **new education format**

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Presentations during the education fairs are designed as group education, so for the sake of security and efficiency OPERS educators will not access a member's individual account or file their individual paperwork at a fair. Members are required to register for an education fair.

New members can take advantage of the How to Select Your Retirement Plan webinar and other online resources available at [opers.org](http://opers.org).

Members who are mid-career can find the information they need at this stage through newsletters, our social media

outlets including Facebook, Twitter and our blog, *PERSpective*, as well as on the OPERS website.

You can also find your account information on your annual statement which you can view online by signing up for online account access.

### **New hours of operation**

In addition to taking advantage of new online educational opportunities and education fairs, you can continue to contact OPERS by phone or schedule a one-on-one appointment with a counselor.

**To allow OPERS to better serve you by maximizing our staff, we will change the hours of operation for our call center and lobby (with a scheduled appointment) to a standard 8 a.m. to 4:30 p.m. (Monday - Friday) effective Jan. 3, 2012.**

All of these changes to OPERS member services were made with one goal in mind – to provide the highest quality of customer service while offering modern, flexible and convenient education options.

## **Schedule of education fairs - First quarter 2012**

Registration is required to secure your spot at one of our new education fairs. You can register online at [www.opers.org](http://www.opers.org) (you must be registered and signed in to your individual account) or by calling 1-800-222-7377.

Below are the fairs currently scheduled for the first quarter of 2012. However, new dates and locations will be added. The OPERS website will always feature the most current schedule.

### **Planning to Retire Education Fairs**

<b>Columbus</b> Jan. 10	<b>Boardman</b> Feb. 21
<b>Strongsville</b> Jan. 24	<b>Perrysburg</b> March 6
<b>West Chester</b> Feb. 7	<b>Independence</b> March 27

### **Ready to Retire Education Fairs**

<b>Columbus</b> Jan. 10	<b>Boardman</b> Feb. 21
<b>Strongsville</b> Jan. 24	<b>Perrysburg</b> March 6
<b>West Chester</b> Feb. 7	<b>Independence</b> March 27



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## Would you like to access your OPERS account online?

### WHY WAIT? REGISTER TODAY!

Scanning this code with any smart phone bar code reader will take you directly to our account access registration page.

## 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

**Sharon M. Downs**  
Retired Members

**John W. Maurer**  
Retired Members

**Kimberly Russell**  
State College and  
University Employees

**Matthew Schulz**  
State Employees

**Cynthia Sledz**  
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Miscellaneous  
Employees

**Ken Thomas**  
Chair  
Municipal Employees

**Helen Youngblood**  
County Employees

### Statutory Board Member

**Bob Blair**  
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

**Karen Carraher**  
Executive Director