

# Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

## Combined Plan

## Cast Your Vote in the 2014 OPERS Board of Trustees Election

Elections for four seats on the OPERS and Ohio Deferred Compensation Boards of Trustees are underway. Those elected will

serve four-year terms beginning Jan. 1, 2015. One seat representing 49,307 state employees, and one seat representing 48,790 state college and university employees are up for election

this year. The seat representing 60,116 municipal employees is also up for election; however, the candidate is running unopposed.

### Your Voice

As an OPERS member, your vote is your voice in decisions and policies affecting your retirement benefits. Every member and retiree is part of a specific group and that group has a representative on the Board of Trustees.

The Board is 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.

### 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.

**Voting materials were mailed Aug. 26, and you will be able to vote until Oct. 3. The election count is scheduled for Monday, Oct. 6, and the final results will be certified by the Ohio Secretary of State's office.**

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!

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**You will be able to cast your vote for your board representative by mail, phone or online through Oct. 3.**

*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

Monday - Friday

8 a.m. to 4:30 p.m.

[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.*

*OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.*

## Get connected to OPERS

**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>.



**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.

**Facebook and Twitter** - More than 5,500 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. Follow us on Twitter by searching @ohiopers and “Like” us on Facebook in order to receive updates from OPERS within your newsfeed.



**YouTube** - OPERS has its own YouTube channel where you can find a number of informational videos covering issues such as investments, health care and other hot topics. You can find these videos on YouTube by searching “OhioPERS1.”

**Educational Webinars** - OPERS offers targeted, educational webinars tailored to Combined Plan participants. To register for a webinar, visit [www.opers.org](http://www.opers.org) and click on Seminar Options.

**Ready to Retire Pension:** This webinar shows you how to calculate your monthly benefit and apply for retirement and provides details about payment options for your investment account.

**Ready to Retire Health Care:** This webinar provides information about important health care changes that will impact your retirement. It also discusses health care eligibility and how to calculate the monthly premium.

## Terminating your public employment

When considering retirement, applying for a refund or returning to OPERS-covered service, it's important to remember you are considered a public employee until complete separation occurs, meaning you terminate your public employment. The definition of "public employee" is not dependent upon whether contributions are remitted to the retirement system.

This is especially important to keep in mind if you are compensated in a manner that does not represent earnable salary. Certain processes, such as a refund or retirement, cannot occur unless there has been a **complete termination of employment** – regardless of whether contributions are remitted to the retirement system.

### What is earnable salary?

Under Ohio law, contributions are made on an employee's earnable salary. Not all compensation is considered earnable salary. The following are examples of what compensation may be included or excluded for purposes of contributions to OPERS.

Earnable salary includes amounts such as salary, wages, pay for sick or vacation leave used or converted in the year earned (except for state employees), pay for overtime worked or converted in the year earned, or longevity supplements.

### What is NOT earnable salary?

Earnable salary does not include employer-paid amounts for insurance, reimbursement for job-related expenses, leave or overtime hours earned previously but converted in the current year, amounts paid as part of an agreement to retire, or incidental benefits such as cars.

Earnable salary also does not include payments made as fees or commissions that are fixed charges, including but not limited to, amounts paid to individuals who serve on a fee basis or compensation on a per page, per meeting, per inspection, or per emergency response event.

If you and/or your employer are unsure if amounts paid to you are earnable salary, please have your employer contact OPERS Employer Services at 888-400-0965 to request a determination.

## Ohio PERS Board of Trustees

The 11-member Ohio PERS Board of Trustees 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, 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**  
Vice Chair  
Retired Members

**Heather Link**  
State College and  
University Employees

**Sean Loftus**  
County Employees

**John W. Maurer**  
Retired Members

**Matthew Schulz**  
State Employees

**Cinthia Sledz**  
Chair  
Miscellaneous  
Employees

**Ken Thomas**  
Municipal Employees

### Statutory Board Member

**Robert Blair**  
Director, Department  
of Administrative  
Services

### Appointed Board Members

**Vacant**  
Investment Expert  
Governor Appointee

**Robert Smith**  
Investment Expert  
Treasurer of State  
Appointee

**James R. Tilling**  
Investment Expert  
General Assembly  
Appointee



**Karen Carraher**  
Executive Director

# Your path to retirement

## Important dates and deadlines if you plan to retire prior to Dec. 1, 2014

Effective Jan. 1, 2015, to be eligible for retiree health care coverage, OPERS members are required to have at least 20 years of qualifying service credit and be at least age 60, or be any age with 30 years of qualifying service.

**You must terminate public employment and be completely off your employers' payroll no later than Nov. 30, 2014, apply for retirement and have a benefit effective date on or before Dec. 1, 2014, to qualify for OPERS retiree health care coverage under the current eligibility of 10 years of qualifying service.**

Also effective Jan. 1, 2015, a participant's monthly premium allowance will be based on their years of service at retirement and their age at enrollment in the OPERS health care plan.

You are encouraged to visit the **Your Path to Retirement - Learn, Plan, Act** section of [www.opers.org](http://www.opers.org). A link to this section can be found on the home page of the OPERS website. The section offers detailed information on the steps you need to take as you move toward retirement and also provides answers to frequently asked questions.

**Apply for retirement online.** You can apply for retirement up to six months prior to your expected retirement date, through your online account. It is simple and reduces the amount of errors made during the application process by guiding you through it, step by step.

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## Managing the defined contribution portion of your account

### What to do, and when

It is important for you to take an active role in managing the defined contribution portion of your account. You should understand your plan, monitor your investments and adjust your investment strategy to fit your changing goals.

Each of the topics below offer suggestions to help you manage the defined contribution portion of your account throughout your career.

#### **What should you consider doing on a quarterly basis?**

You receive a statement of your account and The Ohio PERSONal Investor newsletter each quarter. Make sure that the statement is accurate, especially if you made any account transactions during the 3-month period or have selected the rebalancing feature for your account. Reading the newsletter will give

you added information about how to manage the defined contribution portion of your account. It includes an Investment Education and Investment Perspectives section, as well as the total returns for the OPERS Investment Options.

#### **What should you consider doing on an annual basis?**

You should review your asset allocation and consider rebalancing to maintain your ideal asset allocation mix. You have the option of activating the automatic rebalancing feature to keep your desired asset allocation on track. This can be done through your OPERS online account.

#### **Life-changing events may affect your individual account**

You should consider re-evaluating your asset allocation throughout your career especially if you experience a

life-changing event during the year. The birth or adoption of a child, your marriage or divorce or an illness may be reasons to change how you want the defined contribution portion of your account invested.

There also are going to be periods of uncertainty, which may make you uncomfortable with your investments. The economy, global issues and threats of war and terrorism can increase the volatility of investments and this may make you unsure of the investments you have selected. It is a good idea to re-evaluate your Investor Profile if these issues are of concern to you.

**To learn more, visit [www.opers.org](http://www.opers.org) and click the Members tab on the home page, or call the OPERS Help Line at 866-673-7748.**

## Important notice for re-employed retirees

### Your health care benefits can be affected by re-employment

OPERS will continue to offer a group health care plan for re-employed OPERS retirees for 2015. **However, if you are or become re-employed by an OPERS-covered employer during your retirement, your health care options with OPERS will change Jan. 1, 2016.**

The changes will not apply to those employed with private employers or public employers under another Ohio retirement system (for example, STRS or SERS). Keep in mind that pursuant to state law, if your OPERS employer offers health care coverage to those performing similar work, you must enroll in that employer's coverage or other coverage that is not sponsored by OPERS during re-employment. Effective Jan. 1, 2016, OPERS will need to make changes to its health care offerings to retirees who are re-employed by OPERS-covered employers so that our health care plans can take advantage of the plan features available to health care plans that solely cover retirees.

OPERS is still working out the details of the health care options for re-employed retirees in 2016, and we will share more information as it becomes available. For now, re-employed retirees should simply be aware that while we will continue to offer a group plan for re-employed retirees in 2015, there will be changes to what we offer in 2016.

A retiree cannot continue to receive benefits and OPERS health care coverage and work as an independent contractor under a contract for any period of time for the employer from which they retired. This is applicable regardless of the number of hours or days actually worked.

If this occurs, the pension portion of the retirement benefits will be forfeited for the entire period of service as an independent contractor. The annuity portion of the retirement benefit will be suspended for the period of service as an independent contractor and will be paid as a lump sum when the contract ends.

Benefits may continue if the retiree is providing services as an independent contractor for another public employer.

If you are thinking of working as an independent contractor for the employer from which you are retired or another public employer, please contact OPERS to see how that can impact your retirement benefits.

## The latest information on the OPERS Medicare Connector

In 2016, retirees and spouses age 65 and over and enrolled in Medicare Parts A and B will purchase health care coverage via the OPERS Medicare Connector. Participants will select a Medicare Advantage or Medigap (Medicare Supplement) plan and a Medicare D prescription plan on the individual Medicare market that best suits their needs. The Medicare Connector provides retirees with affordable choices, but still provides one-on-one help in selecting a plan.

OPERS will continue to sponsor a health care coverage plan for retirees and spouses under age 65 and those age 65 and over but not eligible for Medicare Part A.

The following resources are available on [www.opers.org](http://www.opers.org):

**OPERS Health Care Plan 2016 Preview Guide** - This guide was designed to help you better understand the changes to OPERS health care plan and answer many of your questions.

**2016 OPERS Medicare Connector Recorded Online Presentation** - This online recorded presentation, featuring OPERS Health Care Director Marianne Steger, provides you with the most up-to-date information regarding the OPERS Medicare Connector.



## Save early and often - if you can

### OPERS offers ways you can build a nest egg of your own

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One of the tips that we see most often in saving for retirement is to begin early. That means not only counting on your pension, but putting away a nest egg of your own.

An article in a recent edition of the New York Times repeats this refrain. It cites a retirement manual called “If You Can,” written by William J. Bernstein, who recommends putting away “at least” 15 percent of your salary. That’s beginning in your mid-20s – if you can.

A lot of people might find that hard to do, especially young workers who may be earning starting salaries. If they live in a large city, they could find that everyday expenses can make that a difficult goal. Focused savings is more important for some young workers than for others.

Bernstein tells The Times that it’s not only young people who need to better plan for retirement. “About one-half of boomers are already in trouble,” he said, citing data from the Center for Retirement Research at Boston College.

The center’s December 2013 report, “Will the Rebound in Equities and Housing Save Retirements?” states that 53 percent of American households are at risk of not being able to maintain their standard of living in retirement. “The only way out of this box is for people to save more and/or work longer,” the report states.

The OPERS “Saving for Retirement” leaflet provides additional information and examples of the time value of money.

For instance, by putting aside \$100 per pay for 30 years, you could accumulate more than \$250,000 based on a 7 percent annual effective rate of return. The leaflet is available on [www.opers.org](http://www.opers.org) under the Member Publications tab.

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## OPERS video series and YouTube channel

Did you know OPERS has its own You Tube channel? A number of informational videos covering topics such as investments, health care and other hot topics, can be found on You Tube by searching “OhioPERS1.”

These videos are also available on [www.opers.org](http://www.opers.org).

**Milestone 2015** - OPERS Benefits Director Allen Foster talks about Milestone 2015, our effort to help eligible retirees make the right decision about retirement.

In the video, you’ll hear about the ways we’re helping you consider when to retire, and how we can facilitate your application when you decide to do so.

**2014 OPERS Annual Investment Plan** - OPERS Chief Investment Officer John Lane and trustee Bob Smith, who chairs the board’s Investment Committee, discuss the importance of having an annual investment plan.

**Connector Readiness 2016** - OPERS Health Care Director Marianne Steger provides you with the most up-to-date information regarding the OPERS Medicare Connector.

**Learn, Plan, Act** - OPERS Executive Director Karen Carraher introduces the “Learn, Plan, Act” section of our website, designed to help those members who are close to retirement.

**2014 OPERS Corporate Governance Forum Keynote Address** - Keynote address at the 2014 OPERS Corporate Governance Forum by Charles M. Elson, director of the John L. Weinberg Center for Corporate Governance at the University of Delaware.

# **OPERS supports Ohio's economy**

## **OPERS positively impacts Ohio, creating jobs and supporting families**

OPERS plays a critical role in supporting and sustaining the state of Ohio. Since 1935, OPERS has meant security and peace of mind to millions of Ohio's retired public workers and their families. OPERS is the fiduciary to hundreds of thousands of current retirees and public workers who await their pension benefits and health care coverage.

OPERS is a catalyst to Ohio's economy, infusing billions of dollars in the form of benefit payments. A recent report from the National Institute on Retirement Security shows that each dollar paid in pension benefits from the five Ohio public retirement systems supported \$1.63 in total economic activity in Ohio. To thousands of employers, OPERS provides fundamental incentives attracting quality employees. For more than 1 million Ohioans, the system is the promise of hope in the form of employment by creating numerous job opportunities.

### **Supporting Ohioans and their families**

OPERS is actively engaged with more than 1 million past and present Ohio workers. This includes 347,727 active (working) members, 196,594 benefit recipients and 483,521 former public workers who maintain an account with the system. OPERS provides ongoing services and maintains regular communication with these member groups. Active members work for 3,718 public employers:

- The state of Ohio accounts for 277 public employers and 65,728 employees
- Ohio's 88 counties have 216 employer organizations and 75,579 employees
- Municipalities include 243 employers and 49,210 employees
- Townships represent 1,308 employers and 12,269 employees

- Villages represent 673 employers and 15,072 employees
- Libraries represent 253 employers and 12,810 employees

### **Creating jobs, supporting Ohio's economy**

In 2013, OPERS paid more than \$6.6 billion in pension benefits and health care coverage to more than 196,000 retired Ohioans and their beneficiaries. More than 90 percent of those retirees live in Ohio spending the vast majority of that money on goods and services in-state, thereby providing a stable foundation for the Ohio economy.

For every \$1 of taxpayer contribution to OPERS, investments and employee contributions plus other sources of revenue return \$3.67 back into the Ohio economy. As these dollars ripple through the economy they generate additional economic activity and have an even greater impact.

### **Investing in Ohio**

Through the creation of, and investment in, the Ohio-Midwest Fund, a regional investment program focusing on private equity funds with strong economic ties to Ohio and the Midwest region, OPERS has committed \$300 million to the program since establishing it in 2005. So far, the fund has invested in 63 Ohio-based companies that employ approximately 6,800 people.

To learn more about the ways OPERS impacts Ohio, its economy and its families, visit [www.opers.org](http://www.opers.org) to view the complete "Good for Ohio" brochure. You can find the brochure by clicking on the Government Relations tab on the [www.opers.org](http://www.opers.org) home page.

The OPERS Government Relations Team represents OPERS' interests in dealing with federal, state and local governments. This includes monitoring state and federal legislative issues, as well as advocating for, or against, specific legislative proposals. Visit the Government Relations page on [www.opers.org](http://www.opers.org) to view a complete list of the current bills OPERS is actively monitoring for its members. You can also find special reports and publications including, "I Am OPERS: Supporting the People Who Support Ohio," "Good for Ohio," and the monthly Government Relations newsletter, "OPERSource."



Ohio Public Employees  
Retirement System

277 East Town Street Columbus, OH 43215-4642

# Ohio PERS

NEWS

YOUR BENEFIT CONNECTION

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## National Save for Retirement Week Oct. 19-25

Ohio Deferred Compensation is offering webinars during National Save for Retirement Week, October 19-25, for those who just want the basics or want to know more about retirement. All you need is an Internet connection and phone to participate!

Register by logging onto [Ohio457.org](http://Ohio457.org); pre-registration is required and spots are limited.

### **Approaching Retirement**

*Oct. 20 or Oct. 21, 11:30 a.m.*

This webinar is for those who are getting close to retirement and want the basics such as, retirement risks, asset allocation, payout options and more.

### **Approaching Retirement: Beyond the Basics**

*Oct. 22 or Oct. 23, 11:30 a.m.*

An in-depth discussion regarding asset allocation examples, catch-up, retirement decisions and withdraw strategies.