

# Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Traditional  
Pension Plan

## Legislative Update: Bill to go into effect that will positively impact OPERS

Senate Bill 42 was signed into law by Governor John Kasich at the end of 2014, and will go into effect in March 2015.

Several provisions in the bill will positively impact OPERS members, including one on joint retirement and another that will allow participation in the OPERS Medicare

Connector by members who do not qualify for premium-free Medicare Part A insurance.

Senate Bill 42 also included

corrective changes to statutes that were amended or enacted in Substitute Senate Bill 343, the pension redesign bill passed into law in 2012. S.B. 42 made technical corrections and non-substantive changes to be consistent with OPERS governing law.

### Joint retirement

The updates to joint retirement will provide members with service credit in OPERS and SERS or STRS the choice to retire from each system independently or to accumulate service credit in one system and retire from that system. Previously, members were not given a choice and had to accumulate the time in one system and retire. Now members

will be able to evaluate which alternative is more financially advantageous.

Independent retirement, permitted by the new law, will allow inactive members to refund their contributions from the inactive system without a reduction in service credit, as long as they're not currently employed with the same public employer under both systems.

Additionally, changes were made to the formula that prescribes the amount of funds one system will transfer to another.

Under the new statutes, the transferring system will continue to certify service credit. Members will still not be awarded service credit from more than one system for time worked concurrently. The transferring system will not certify more than one year for any "year" of service credit as determined by the transferring system.

The new law also affects restored funds, in which OPERS members may restore a refund by payroll deduction at SERS or STRS. Currently, funds paid to restore service credit are held by the other systems until retirement. The new law will require transfers of these funds at least annually.

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## Legislative update *(continued)*

*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.*

### **Medicare Part A**

In the summer of 2014, in response to member feedback, the OPERS Board of Trustees recommended that OPERS staff pursue changing the section of Ohio Revised Code that defines how the system provides insurance to retirees over 65 but who do not qualify for premium-free Medicare Part A hospitalization coverage throughout their careers.

Under the new plan, which will take effect in mid-2016, OPERS will reimburse 100 percent of the retirees' Medicare Part A premium as well as any applicable surcharges when the retiree enrolls in Medicare Part A and selects a plan through the OPERS Medicare Connector. Enrolling in Medicare Part A makes these retirees eligible to select health care coverage through the Connector and receive an applicable allowance. OPERS also will reimburse 50 percent of the premium and surcharges for retirees' spouses.

The Board took this action following requests from our qualifying retirees that they be allowed to participate in the Connector. These retirees realized that without the option of the Connector they could see their health care costs increase by up to \$300 a month in 2018 when the health care changes are fully implemented. Current Ohio law requires OPERS to provide Medicare Part A-equivalent coverage to the approximately 6,500 affected retirees.

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.

## OPERS Medicare Connector update

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. The Connector will use Towers Watson's OneExchange to provide retirees with access to plans on the individual Medicare market. The Extend Health Medicare exchange, acquired by Towers Watson in 2012, is now known as OneExchange and is the nation's largest and longest-standing private Medicare exchange. The OPERS Medicare Connector will provide retirees with affordable choices and 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.

If you are considering retirement and would like to learn more about the OPERS Medicare Connector, visit the Connector Readiness section of [www.opers.org](http://www.opers.org). The Connector Web pages contain detailed information about the Connector, the basics of Medicare, and the Health Reimbursement Account (HRA) allowance.

### Notice about re-employed retiree health care:

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. 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.

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. 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.

## Annual statements to begin mailing in March

OPERS will begin mailing *2014 Personal Statements of Estimated Benefits* in mid-March and will continue mailing statements through April. Your annual statement includes your total contributions, account value, service credit totals and beneficiary designations through Dec. 31, 2014. Your statement also provides a basic estimate of your retirement benefits. Want to view your annual statement sooner? Log in to your online account and select the Documents tab to view your statement online. If you misplace your statement or require a duplicate for any reason throughout the year, you can view and print a copy of your recent statement through your online account.

## 2015 Educational Opportunities

### Ready to Retire Pension and Health Care

**Seminars for Group A** - These back-to-back seminars will review important pension and health care changes and how they will impact your retirement.

To register for a seminar, log into your online account or call 1-800-222-7377. To register for a webinar or to view a recorded presentation, visit [www.opers.org](http://www.opers.org), and click on Seminar Options.

### 2015 READY TO RETIRE SEMINARS

|                                |                                 |                                |
|--------------------------------|---------------------------------|--------------------------------|
| <b>Athens</b><br>Feb. 10       | <b>Columbus</b><br>April 28     | <b>Toledo</b><br>June 16       |
| <b>Zanesville</b><br>Feb. 24   | <b>Cleveland South</b><br>May 5 | <b>West Chester</b><br>June 30 |
| <b>Beavercreek</b><br>March 10 | <b>Sharonville</b><br>May 12    | <b>Cambridge</b><br>July 14    |
| <b>Cincinnati</b><br>March 24  | <b>Mentor</b><br>May 19         |                                |
| <b>Bellville</b><br>April 14   | <b>Portsmouth</b><br>June 9     |                                |



Printed in Ohio on paper with a 10% post-consumer content

## Three elected to fill vacant Board seats

Three new trustees began serving on the OPERS Board of Trustees Jan. 1, 2015. Charles Latsa, Christopher Mabe and Steve Toth joined the board after winning their respective elections. The governor's appointed investment representative position has not yet been filled after the resignation of Frank Ciotola in April. Incumbent municipal employee representative Ken Thomas ran unopposed for his seat.

## 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

**Charles Latsa**  
State College and University Employees

**Sean Loftus**  
County Employees

**Christopher Mabe**  
State Employees

**John W. Maurer**  
Retired Members

**Cynthia Sledz Chair**  
Miscellaneous Employees

**Ken Thomas**  
Municipal Employees

**Steve Toth**  
Retired Members

### Statutory Board Member

**Bob 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