

Quarterly Statements to Include Monthly Retirement Projection



When you retire from OPERS, you have the option to convert (annuitize) all or a part of the defined contribution portion of your account into monthly lifetime payments, or take a lump sum refund of your full account balance. To help you plan for retirement and consider your options, you will see an estimated monthly retirement benefit projection on your quarterly statement beginning in December.

The projection will convert your defined contribution account balance into potential monthly payments. Here's how:

The projection will take your current vested account balance, add in future contributions using your current salary and assume a 6 percent rate of return until your earliest retirement eligibility age (reduced or unreduced). Then it will convert the balance at retirement into an estimated monthly payment.

This projection will appear if you have full-time service and have 60 or more contributing months. You will not see a projection if you only have part-time service and the projection will not include the defined benefit portion of your account.

Keep in mind annuity factors are subject to change each year and investment returns cannot be predicted.

Busting the Top 5 Myths about OPERS

Myth

If I retire with an unreduced benefit, my pension will be 100 percent of my salary.

FACT

In most circumstances your retirement benefit will be less than your ending salary with your employer. Your retirement benefit is based on a formula and your retirement eligibility determines whether you receive a reduced or unreduced calculation of the formula. Learn more at opers.org.

Myth

Once I retire my pension can go down.

FACT

The defined benefit portion of your pension benefit will never go down from its original amount and, in fact, you may receive a cost-of-living adjustment component to the benefits. The COLA is not compounded. Any portion of your defined contribution account converted to a monthly payment will also never go down from its original amount.

Myth

Health care coverage is guaranteed.

FACT

OPERS is not required to provide health care by law, however it is our desire to preserve long-term health care funding and provide meaningful health care for retirees as long as possible.

Myth

OPERS is in financial trouble.

FACT

OPERS is a well-managed, strong retirement system. OPERS' 80-year history of prudent management has resulted in secure retirement benefits for thousands of public workers – now and in the future.

Myth

I can borrow against my OPERS account.

FACT

Your OPERS account does not have a loan feature like other retirement accounts such as a 401(k). As a qualified retirement plan under Internal Revenue Code Section 401(a), OPERS is prohibited from issuing "in-service distributions" to members, meaning, we cannot distribute funds to a member while they are working in Ohio public employment.

How to Build an Emergency Fund When You're Counting Every Penny



You've heard it time and again: It's important to set aside three to six months' expenses for an emergency fund. Easier said than done, right? If you have a lot of debt, live on a fixed income or have unpredictable expenses, putting aside that much money can seem nearly impossible. The good news is you don't have to do it all at once - even a little money in savings can go a long way.

Slow and steady can win the race

Starting small is the key to successfully building a solid rainy-day fund. If you're too focused on finding a big chunk of money with which to start saving, you may feel overwhelmed. So, start by putting aside a little each week, even if it's just \$10 or \$20.

Want to make saving even easier? Go automatic. Have the money taken out of your checking account automatically each week and deposited into some kind of savings account. You won't have to think about it, and you may not even notice the money is gone. Over time, you may realize that you can afford to set aside more money each week, and your balance will grow faster.

Making the most of what you already earn

Where will the money you need for your emergency fund come from? Here are a few ideas and tips for finding extra cash:

- **Use your tax refund.** Most of us get a tax refund each year. If you can,

consider putting at least some of your refund in your emergency fund. It's an easy way to quickly build your balance.

- **Pay yourself first.** Instead of getting a refund every year, adjust your tax withholding by filing a revised W-4 form. Your paycheck will get a bit of a boost, and you can have that extra money put into your emergency fund automatically.
- **Make a budget.** Simply by keeping track of where your money goes each week, you'll likely find areas where it's easy to cut back. Fewer coffee runs, one or two more dinners at home, using coupons at the grocery store - there's extra cash hidden in all kinds of places, and it can add up fast.

Where to stash that cash

Where's the best place to put your emergency fund? Consider these options:

- **Savings account.** The point of an

emergency fund is to have a reserve of cash that's easily accessible when you really need it. That's why a savings account at your bank or credit union is a good place to start. If it happens to pay a little interest, even better.

- **CDs.** For a little more interest, but a little less flexibility, consider putting your emergency fund in a bank CD. It's not as accessible as a savings account, but your money may grow a bit faster during the term of the CD (six months is smart for an emergency fund).
- **Treasury bills.** Another option is buying a U.S. Treasury bill. It's a safe place to put your money, it earns interest and, like a CD, it can be timed to mature on a regular schedule.

The best time to start saving for a rainy day is when it's not raining. It is generally a good idea to have enough cash to cover three to six months of essential living expenses. Start now, start small, start slow, and before you know it, you'll have enough money set aside to help protect yourself and your loved ones in case of an emergency.

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Are You Doing All You Can to Ensure Your Financial Security in Retirement?

National Retirement Security Week Oct. 17-21

National Retirement Security Week is a great time to think about choices you can make that will affect your retirement future. As a public employee in Ohio you can supplement your retirement benefit and help ensure your financial security in retirement through the Ohio Public Employees Deferred Compensation Program.

Ohio Deferred Compensation is a supplemental 457(b) retirement plan for all Ohio public employees that allows you to supplement your retirement benefit by saving and investing pre-tax dollars through payroll deferral. Your contributions remain tax-deferred until you withdraw your money. Enrollment is easy. You can sign up online at ohio457.org, or by calling [1-877-644-6457](tel:1-877-644-6457) to speak with a

licensed account executive. Ohio Deferred Compensation provides you with educational tools, a diverse set of investment options, flexible savings and withdrawal options, as well as portability when changing jobs within the public sector. Throughout NRSW Ohio Deferred Compensation will be hosting a series of webinars on retirement planning. To learn more or to register for a webinar, visit ohio457.org and click on the Resources tab.

- **Approaching Retirement: Preparing to Retire** – Oct. 18 and Oct. 19 at 11:30 a.m.
- **Approaching Retirement: Beyond the Basics** – Oct. 20 and Oct. 21 at 11:30 a.m.
- **Retired Minds Want to Know** – Oct. 26 at 11:30 a.m. and Oct. 27 at 9 a.m.

Discover the Large Network of OPERS Employers

Are you considering changing jobs or planning to move, but still want to remain in an OPERS-covered position? OPERS covers a large network of more than 3,700 employers across Ohio. That means you have many opportunities to become an OPERS member or remain a member no matter where your career takes you.

To help you discover our many employers, OPERS has developed a new online employer database. You can search the database by city or ZIP code and learn which OPERS-covered employers are in your area. To access the employer database, visit the Member section of opers.org.

OPERS News

OPERS News is a quarterly newsletter providing news and information to active members of the Ohio Public Employees Retirement System. This publication allows us to communicate vital information concerning retirement benefits to our active members and also educate them on the services we provide.

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 federal or state law, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code or Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.

Contact information:

www.opers.org
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newsfeedback@opers.org

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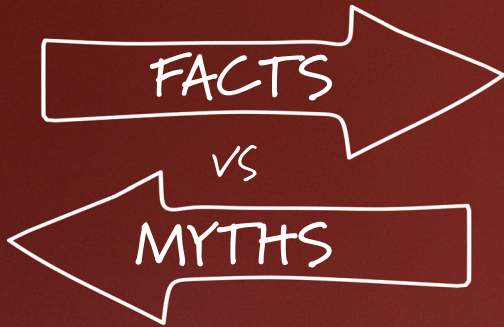
Third quarter 2016

OPERSNEWS

News and information for active members in the
OPERS Combined Plan.



*This quarter you will also be receiving an electronic copy of OPERS News. If you no longer wish to receive a paper copy of your newsletter, log into your OPERS online account and **update your correspondence preferences to electronic.***



There are many misconceptions about OPERS and its benefits. We're breaking down the top five myths on page 1.

