

OPERS Adapts to Changes in Investment Environment

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Like many other pension plans, OPERS is reducing its investment return expectations because of changes in the global economy. This adjustment in OPERS' expected rate of return is part of our continuing effort to keep our pension plan healthy and sustainable, and is part of a rigid review cycle. The changes OPERS made in 2012 to our pension and health care funds strengthened our system and allowed us to lower our expected returns now.

"This adjustment is important because it determines how we expect to fund the plan," said OPERS Executive Director Karen Carraher. "It will increase our

unfunded liabilities in the short term. But the good news is that we remain financially sound and in compliance with Ohio retirement law, and our ability to pay pensions to our members is unaffected."

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OPERS' long-term investment assumption had been 8 percent since 2002, but at their October meeting the OPERS Board of Trustees lowered the rate to 7.5 percent. The vote followed the review of a five-year experience

study prepared by independent financial experts that projected a future investment environment less conducive to earning the 8 percent return.

It's important to note that this rate is intended to be representative of a long-term investment horizon, one which exceeds 30 years.

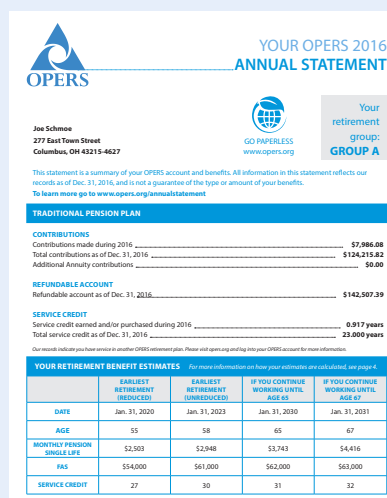
Many institutional investors have been lowering their earnings expectations, reflected in the interest rate they use to estimate future benefit liabilities. The average rate used by 126 public pension plans, surveyed by the National Association of State Retirement Administrators, was 7.68 percent in May 2015. Check out our YouTube channel (OhioPERS1) to view a brief video about these changes.

Get Your Annual Statement Early!

2016 Annual Statements will begin mailing at the end of March.

2016 Annual Statements will begin mailing at the end of March. If you'd like to receive yours sooner, log into your OPERS online account and set your correspondence preference to "electronic" for access to your statement before the mailing date.

This year's statements will feature a new streamlined look making it easier to find the information you need. Also new this year – an online tool that will help you navigate your annual statement.



YOUR OPERS 2016 ANNUAL STATEMENT

Joe Schme
277 East Town Street
Columbus, OH 43215-4627

GO PAPERLESS
www.opers.org

Your retirement group: GROUP A

This statement is a summary of your OPERS account and benefits. All information in this statement reflects our records as of Dec. 31, 2016, and is not a guarantee of the type or amount of your benefits.
To learn more go to www.opers.org/annualstatement

TRADITIONAL PENSION PLAN

CONTRIBUTIONS
Contributions made during 2016 \$7,986.08
Total contributions as of Dec. 31, 2016 \$142,215.82
Additional Annual contributions \$0.00

REFUNDABLE ACCOUNT
Refundable account as of Dec. 31, 2016 \$142,507.39

SERVICE CREDIT
Service credit earned and/or purchased during 2016 0.917 years
Total service credit as of Dec. 31, 2016 23.000 years

Our records indicate you have service in another OPERS retirement plan. Please visit www.opers.org and click on the OPERS account for more information.

YOUR RETIREMENT BENEFIT ESTIMATES For more information on these estimates, see page 6

	EARLIEST RETIREMENT (REduced)	EARLIEST RETIREMENT (UNREduced)	IF YOU CONTINUE WORKING UNTIL AGE 65	IF YOU CONTINUE WORKING UNTIL AGE 67
DATE	Jan. 31, 2020	Jan. 31, 2023	Jan. 31, 2030	Jan. 31, 2031
AGE	55	58	65	67
MONTHLY PENSION SINGLE LIFE	\$2,500	\$2,948	\$3,743	\$4,416
PAY	\$54,000	\$61,000	\$62,000	\$63,000
SERVICE CREDIT	27	30	31	32

Investments Drive Our Success

The OPERS Investments division skillfully manages more than \$87 billion used to pay our members' pension benefits and provide retirees access to health care coverage.

Visit the OPERS YouTube channel or *PERSpective* blog to view a video on how the OPERS Investment team approaches its task, seeking solid returns while maintaining transparency in all its actions.



How to Manage Debt (and Still Have Fun)

Yes, it's true: spending money is fun. Buying a new TV, treating yourself to a massage, taking a vacation—all of these things can feel, well, awesome. Especially when you're rewarding yourself for the hard work you do. But going into debt to be good to yourself? That takes a little of the shine off the experience, doesn't it? Fortunately, it's possible to enjoy life and manage debt, at the same time! You're a grown up, so you probably don't need to be reminded why racking up debt is a bad idea. But it never hurts to recap a few ways to reign in your personal debt and stay on track to help meet your long-term goals:

Set up a budget to track your expenses and spending.

Try our online Home Budget and Savings Calculator to get started. It's easy to use and it even gives you a chart showing where your money is going.

Use cash for everyday purchases like groceries and eating out.

You'll automatically start to rein in your spending when the money comes right out of your pocket.



Carefully monitor your credit card spending each month.

Try not to spend more than you can pay off in full each month.

Pay more than the minimum amount due.

Paying just the monthly minimum on credit cards can add extra years to pay off your balance because of all the additional compounded interest you are paying.

Pay off the credit card with the highest interest rate first.

Then pay off the card with the next highest rate. You want to pay off highest interest rates first because they eat up more of your income.

Pay off credit cards and short-term debt before paying off home mortgages.

Interest paid on short-term debt is not tax-deductible. But mortgage interest is.

Avoid paying off credit cards by borrowing against your home or 401k.

Your home and retirement are important assets. Try not to put them at risk.

As you pay off your credit cards, keep paying into your savings and retirement plans.

If you don't have a retirement plan, it's easy to open up an IRA account. An IRA lets you save for your retirement without paying taxes on the money your savings could earn while in the IRA.



A little debt is OK (and sometimes unavoidable). It's part of life. The key is to manage debt while you continue to save. Create a balance and you can treat yourself now and then, while preparing for bigger goals like buying a home, tuition, retirement and more.

Minimum Earnable Salary to Increase in 2017 and 2018

Due to changes in Ohio retirement law, the minimum earnable salary for a full month of service credit will be increasing by 5 percent in 2017, going from \$600 per month to \$630 a month. In 2018, the minimum earnable salary will increase another 5 percent, going from \$630 a month to \$660 a month. The minimum earnable salary for health care will remain at \$1,000.

In 2014, an index on the required minimum earnable salary based on any increase in salary for township trustees was established. In 2015, the Ohio General Assembly enacted House Bill 64, which provided pay increases for local elected officials including township trustees. Township trustees received a 5 percent pay increase in calendar year 2016 and another 5 percent in 2017, which triggered the increase in the minimum earnable salary.



New to OPERS? Here are 5 Things You Should Know about Your OPERS Benefits

1. OPERS members contribute 10% of their salary toward their retirement account and employers contribute 14%.
2. You have one opportunity to change your OPERS retirement plan should your retirement needs change throughout your career.
3. You are entitled to receive disability benefits should you become permanently disabled.
4. You can make additional contributions to your OPERS account through the Additional Annuity Program or supplement your account through the Ohio Deferred Compensation Program.
5. Survivor benefits are available to your loved ones in the event of your death.

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:

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For more information on the OPERS Board of Trustees, visit www.opers.org.

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Ohio Public Employees Retirement System
277 East Town Street Columbus, OH 43215-4642

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Fourth quarter 2016

OPERSNEWS

News and information for active members in the
OPERS Traditional Pension Plan.



*If you no longer wish to receive a paper copy of your newsletter and would like to receive the electronic version, log into your OPERS online account and **update your correspondence preferences to electronic.***

Manage Your Debt – While Still Having Fun!

It is possible to enjoy life and manage debt at the same time! Turn to page 2 to learn how you can reign in your personal debt and still stay on track to meet your long-term goals.

