

Ohio PERS

NEWS

YOUR BENEFIT CONNECTION

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

Special health care section enclosed

FOR YOUR BENEFIT:

Providing OPERS with your current banking information and address is vital to receiving your OPERS benefit



OPERS requires our benefit recipients to have their monthly pension benefit deposited directly into their choice of bank account. For convenience and planning purposes, we are providing the dates that monthly benefit funds will be deposited and available in 2007 (please see adjacent box).

Because OPERS requires our benefit recipients to use direct deposit, it is very important to notify us

if there is any change in your banking information throughout the year. This will prevent any delay in receiving your monthly benefit. In order to protect the privacy of your financial information, we are unable to process banking changes online, over the phone or even by letter. To provide OPERS with official notification of a change in your banking information, you must complete an

Address/Bank/Name Change Request form.

This form is available on our Web site at www.opers.org. You may

also contact OPERS and request to

2007 OPERS PENSION BENEFIT DEPOSIT DATES

February 1

March 1

March 30 (April)

May 1

June 1

June 29 (July)

August 1

August 31 (September)

October 1

November 1

November 30 (December)

December 31 (Jan. 2008)

have this form mailed to you. Please allow 30 days for banking changes to take effect.

Although you are using direct deposit, you will still receive newsletters, tax information, board election ballots and other publications from OPERS at your mailing address. It is important to notify us when your home and/or mailing address changes. The quickest and most convenient way to update your address is by using our Member Benefits System (MBS) located on our Web site at www.opers.org.

Keep your banking and address information up-to-date

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Ohio PERS NEWS – Your Benefit Connection is a quarterly newsletter providing news and information to more than 150,000 age and service retirees, disability benefit recipients and survivor benefit recipients of the Ohio Public Employees Retirement System. This publication allows us to communicate vital information concerning retirement benefits and health care coverage to our retirees and also educate them on the services we provide.

CONTACT INFORMATION:

www.opers.org
1-800-222-7377

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.

Four board members sworn into office

Kimberly Russell was sworn into office, along with returning board members Ronald Alexander, Sharon Downs and Ken Thomas, prior to the January meeting of the OPERS Board of Trustees. Representing college/university employees, Russell was elected to her first term on the board following last fall's elections. Russell is from Athens, Ohio where she has been employed by Ohio University for 18 years.

Sharon Downs was sworn in to continue her representation of OPERS retirees. Downs has served on the board since 1998. Prior to her election to the board as a retiree representative, she served



Pictured from left: Ken Thomas, Kimberly Russell, Sharon Downs and Ronald Alexander

on the board as a designee from the Ohio Department of Administrative Services.

Representing state employees, Ronald Alexander was sworn in to

serve his fourth term on the board. Alexander has been president of Ohio Civil Service Employees Association (OCSEA) since 1984 and has served on the OCSEA Board of Directors since 1978.

Ken Thomas was sworn in to represent municipal employees for another four years. Thomas has served on the board since 1993. He has been employed by the city of Dayton since 1986 and is a member of AFSCME, D.P.S.U. Local 101.

Officers were also elected during the January meeting of the board. Ken Thomas, municipal employee representative, will serve as board chair for 2007. Cinthia Sledz, miscellaneous employee representative, was selected as vice chair.

The 11-member Ohio PERS Board of Trustees is responsible for the administration and management of Ohio PERS. Ohio PERS Board members receive no compensation for their service, but reimbursement is made for necessary expenses. Ohio PERS Board members also serve on the Board for the Ohio Public Employees Deferred Compensation Program.

We want your opinion

OPERS Web site survey now available

Five minutes. That's all it will take for you to complete an online survey designed to help us improve our Web site, www.opers.org. Answers are anonymous and will be used in efforts to continue to make the Web site a place to find relevant benefit information and give you tools to stay up-to-date on OPERS and your retirement account.

You will have the opportunity to let us know how satisfied you are with the Web site, how easy you think it is to use and how clearly and well-organized you think the information is presented. There also is plenty of room to give us ideas on how we can make the site better. We want to know what you want to see and what tasks you would like to be able to perform while online at www.opers.org.

We encourage you to go to www.opers.org and click on the survey link located on the home page to begin the process. Your comments matter to us.

As an OPERS retiree, you may be asked to participate in one of two other surveys being conducted during the first quarter of this year. The retiree satisfaction survey is a telephone survey and a health care open enrollment process survey will be conducted by mail. A random sample of retirees will be chosen to participate. If you are contacted to participate, please complete the survey. Your input and feedback are extremely valuable.



\$11 million awarded to Columbus private equity firms

Funds part of OPERS' \$51 million regional investment program

OPERS recently announced the investment of \$11 million in two Columbus-based private equity funds, Stonehenge Opportunity Fund II and Reservoir Venture Partners II. These latest commitments bring the total investments made to \$46 million out of the \$51 million regional program, the Ohio PERS/Credit Suisse Ohio-Midwest Fund. Credit Suisse's Customized Fund Investment Group, which manages the Ohio-Midwest Fund, selected the two funds from 30 submissions.

OPERS and Credit Suisse established the \$51 million Ohio-Midwest Fund in 2005. It is a fund-of-funds, which invests in high quality, private equity funds that focus, in whole or in part, on making investments in Ohio and the Midwest region. Ohio PERS contributed \$50 million of that total with the remaining \$1 million contributed by Credit Suisse.

"The quality and diversity of the funds selected for the Ohio-Midwest Fund are a testament to the investment potential available in this state," said Greg Uebele, senior investment officer-external management, OPERS. "With offices in Cleveland, Cincinnati and Columbus, our fund managers are familiar with our state and region. Each fund will emphasize Ohio opportunities for investments, which allows for local entrepreneurs and emerging businesses to be exposed to new capital."

To date, investments made through the Ohio-Midwest Fund include:

- Riverside Micro-Cap Fund, Cleveland
- Draper Triangle Ventures II, Cleveland and Cincinnati
- Triathlon Medical Ventures, Cincinnati
- Blue Point Capital Partners II, Cleveland
- Stonehenge Opportunity, Fund II – Columbus
- Reservoir Venture Partners II, Columbus

Legislative update

H.B. 272 Signed into Law

After more than a year and half of discussion and review, the Governor signed Amended Substitute H.B. 272 into law on Jan. 4, 2007. The bill is expected to take effect in early April of this year.

The signing was the culmination of hard work by a number of people, especially the bill's sponsor, Rep. Michelle Schneider (R-Cincinnati) and the Ohio General Assembly. Others instrumental in the bill's evolution and ultimate passage include the Ohio Retirement Study Council, the Ohio PERS Board of Trustees, as well as OPERS staff.

Ron Alexander, immediate past chair of the Ohio PERS Board of Trustees, hailed H.B. 272's passage as a victory for retired public workers and active employees across Ohio. He cited the bill's positive fiduciary impact by allowing the Ohio PERS investment staff to put employer contributions to work faster.

"Over the past few years, the combination of difficult financial markets and rapidly escalating health care costs have placed a tremendous amount of stress on public and private retirement systems across the country," he said. "H.B. 272 will assist Ohio PERS in fulfilling its mission to provide quality pension benefits and affordable health care coverage to retirees and their beneficiaries."

Alexander added that the Ohio PERS actuary determined the bill's employer remittance provisions would add further strength to the trust fund's already strong solvency status.

The bill's key provisions:

- Requires public employers to remit employer contributions to Ohio PERS on a monthly basis rather than quarterly. Modifies the interest and penalties assessed for late employer contributions.
- Authorizes Ohio PERS to establish retiree medical accounts in which voluntary contributions can be deposited via payroll deduction under all three of the Ohio PERS retirement plans. The deposits and the earnings on these deposits may be used for qualified health care expenses after retirement.
- Modifies the Additional Annuity Program in the Traditional Pension Plan so participating members will have the option of depositing money into the program via payroll

deduction. Also, additional annuity funds will be invested in the Ohio PERS Stable Value Fund where they will be subject to gains and losses daily, as opposed to accruing annual interest.

- Provides that the OPERS Board need not hold an election to fill a vacated employee or retiree board member position if less than 90 days remain in the vacated term.
- Requires Ohio PERS, by March 1 of each year, to prepare an annual report on disability benefits provided by the system the previous year. The system has been providing this report since 2000.
- Allows a member to specify the percentage of the lump sum payment of the member's accumulated contributions that go to two or more designated beneficiaries or, if a percentage is not specified, to divide the lump sum equally among beneficiaries.
- Allows the surviving spouse of a deceased OPERS law enforcement officer or public safety officer who is killed in the line of duty to receive a monthly survivor benefit regardless of the member's service credit.
- Allows members who are elected officials and who purchased the 35 percent additional service credit to receive a refund of all (or a portion) of the actual amount paid to purchase the service credit if the credit does not increase the member's age and service retirement benefit.

GPO and WEP legislation introduced

House Resolution 82 (H.R. 82), also known as the Social Security Fairness Act of 2007, was introduced in the U.S. House of Representatives on Jan. 4, 2007. H.R. 82 seeks to repeal the government pension offset provision (GPO) as well as the windfall elimination provision (WEP). An identical companion bill was also introduced in the Senate (S. 206).

As introduced, the resolution received the bipartisan support of 140 cosponsors and has been referred to the House Committee on Ways and Means. H.R. 82 has the potential to positively impact many OPERS members and retirees. We will follow its progress and provide updates on any developments. To show support for H.R. 82 or S.206, please contact your U.S. representative or U.S. Senator.

EXAMINING SOLUTIONS TO SUSTAINING HEALTH CARE



The OPERS Board of Trustees recently met in a special session dedicated to continuing the discussion of how to protect and preserve retiree health care coverage. First and foremost, the board seeks to maintain a level of health care coverage for OPERS retirees that will provide a safety net against catastrophic illness or injury. Speakers from The Ohio State University Medical Center and the consulting firm of Watson Wyatt presented several different issues that affect both the quality and the cost of health care.

OPERS staff members and a panel of consultants and experts in the field of health care provided the board with the following list of recommendations for the coming years.

Retiree and member health and wellness:

- Encourage a culture of wellness from employment through retirement.
- Reduce preventable health risks by increasing the accountability of individuals to manage their health.

Advocacy and health care policy efforts:

- Continue to advocate for health care policy changes at national, state and local levels for our membership.

OPERS health care responsibilities:

- Leverage OPERS' buying power and insist on transparency of cost and increased quality from providers.
- Hold business partners accountable for performing at high levels in delivering their programs and services.
- Provide effective and timely communications to our membership.

Funding:

- Monitor and access adequate funding and investment returns.

See **SOLUTIONS** continued on next page.



THE COST OF OPERS HEALTH CARE

Listed here are facts regarding OPERS health care costs that were discussed at the board's special session on health care. This information allows OPERS to customize our health and wellness programs in order to receive the maximum health care coverage and cost-savings benefits. These facts also allow our members and retirees to understand exactly how expensive health care has become and how modifying certain behaviors can have a significant impact on their health and the strength of our health care coverage program.

Nine diseases make up 75 percent of OPERS' health care costs. Five of these nine are linked to modifiable risk factors. The top five diseases and their approximate costs were:

Circulatory (heart and vessels)

OPERS cost per day	\$500,000
Total cost in 2005	\$180,000,000

Musculoskeletal (arthritis / bones / joints)

OPERS cost per day	\$350,000
Total cost in 2005	\$125,000,000

Endocrine (includes diabetes)

OPERS cost per day	\$312,000
Total cost in 2005	\$115,000,000

Digestive (includes ulcers)

OPERS cost per day	\$250,000
Total cost in 2005	\$100,000,000

Respiratory (includes asthma)

OPERS cost per day	\$205,000
Total cost in 2005	\$75,000,000

Other drivers of OPERS costs included health care inflation, membership growth, disability costs and a 19 percent increase in Medicare B premiums.

SOLUTIONS from previous page

OPERS was encouraged to further study its plan design. Watson Wyatt stated that it had studied several organizations to use as comparisons with OPERS, and there were marked differences between the OPERS plan and those of other organizations. Watson Wyatt submitted the following findings:

Medical - OPERS' medical plan is more generous than other benchmarked medical plans.

- The annual retiree out-of-pocket maximum – the total amount that a retiree pays in plan expenses – is significantly lower under the OPERS plan.
- Most out-of-pocket maximums are nearly twice the out-of-pocket maximum under the OPERS plan.
- Our \$15 office visit copay is generally lower than the benchmarked plans.

Pharmacy - OPERS has lower pharmacy copays.

- Our \$5 generic and \$10 brand retail copays are half of most benchmarked plans.
- Mail order copays are more rich than all but one other benchmarked plan.

Contributions – The majority of **current** OPERS retirees pay nothing toward the cost of their health care coverage.

- No other benchmarked organization offers a plan at no cost.
- Most public plans require members to pay Part B premiums or cap reimbursements to members.
- All other plan sponsors require at least 15 percent member contribution sharing.

The board plans to use the information gained through this special session to further develop its strategy for long-term preservation of OPERS' retiree health care coverage program.

THE NEW OPERS HEALTH CARE PLAN

Since the new OPERS health care plan has been implemented, we want to address a question we have received regarding the monthly health care allowance.

Question: Is my monthly health care allowance the total amount OPERS will pay toward my medical bills/expenses each month?

Answer: No. This is not how your monthly health care allowance works. Your monthly health care allowance is the amount that OPERS will pay toward your choice of medical/pharmacy coverage plan per month. In other words, as the health plan administrator, OPERS calculates the average monthly cost for health care coverage by Aetna or Medical Mutual. Your monthly health care allowance, and the “premium” you pay to OPERS from that allowance to participate in the health care plan, are based on this average cost. If the premium that we are charged for your medical/pharmacy coverage exceeds your monthly health care allowance, the difference will be deducted from your monthly benefit check.

Your monthly health care allowance amount has no bearing on the amount of claims/medical bills you are permitted to submit during any given month. It might help to compare your health insurance to the way you pay car insurance. You pay a set amount each month. If you have an accident and need to make expensive repairs, those repairs are paid for according to your insurance plan even though the cost is more than your monthly premium. The same goes for health insurance. If you have a surgery or need to pay for an expensive medication in a given month, you will still be charged a set premium for your coverage but the plan will pay more than just that premium in claims.

If you have questions pertaining to your monthly health care allowance, please visit www.opers.org or contact us at 1-800-222-7377.

MAXIMIZING HEALTH CARE DOLLARS



As we search for ways to preserve and prolong our health care fund, OPERS is focusing more and more on preventable health risks. If you have ever shopped for individual insurance, you know the importance insurance companies place on your habits – Do you smoke? Are you physically fit? Do you wear your seat belt? We are currently exploring ways to recognize and reward positive health habits such as not smoking. We are also encouraging our retirees and members to pursue more healthy lifestyles and habits.

It's a fact: Smokers have higher medical expenses than non-smokers. For this and other reasons, OPERS is pleased to continue its partnership with the Ohio Tobacco Quit Line for 2007. This program, funded in part by the Ohio Tobacco Prevention Foundation, Medical Mutual and OPERS, is available to all Ohio residents. The Quit Line program provides free counseling and, with participating health plans, nicotine replacement therapy. Both Aetna and Medical Mutual members can take advantage of this support.

It has been proven that combining counseling with nicotine replacement therapy is one of the most effective ways to quit tobacco. The Ohio Tobacco Quit Line's program has shown a 42 percent quit rate when both of these methods are used together. Nearly as impressive, even callers who used the Quit Line without the nicotine patches have shown a successful quit rate of 26 percent. This is five times more successful than quitting tobacco cold turkey.

If you are a smoker, OPERS encourages you to quit. If you live in Ohio, please call the Ohio Tobacco Quit Line at 1-800-QUIT-NOW.

The benefits of quitting

Time since quitting	Beneficial health changes that take place
20 minutes	Blood pressure and pulse rate return to normal
8 hours	Nicotine and carbon monoxide levels in the blood reduce by half, oxygen levels return to normal
24 hours	Carbon monoxide will be eliminated from the body, lungs start to clear out mucus and other smoking debris
48 hours	There is no nicotine left in the body, ability to taste and smell is greatly improved
72 hours	Breathing becomes easier, bronchial tubes begin to relax and energy levels increase
3 to 9 months	Coughs, wheezing and breathing problems improve as lung function is increased by up to 10 percent
1 year	Risk of heart attack falls to about half that of a smoker
10 years	Risk of lung cancer falls to half that of a smoker
15 years	Risk of heart attack falls to the same as someone who has never smoked



IMPORTANT THINGS TO CONSIDER WHEN CHOOSING A HOSPITAL

OPERS wants you to be an informed consumer of health care. At some time in their lives, most people will be faced with the important decision of choosing a hospital. When you find yourself in this situation, here are some suggestions that might help you to make this decision.

Remember that all hospitals are not created equal. Research shows hospitals that do a greater number of the same surgeries have better health outcomes for their patients. Here are some questions to ask of a hospital you are considering:

Is it accredited by the Joint Commission of Accreditation of Healthcare Organizations (JCAHO)?

This organization makes sure hospitals meet certain quality standards, including the hospital's staff and equipment, and their success rate in treating and curing patients. If a hospital receives an accreditation from JCAHO, it has received a seal of approval. Most hospitals participate in this program.

You can find JCAHO's performance reports on each hospital at <http://www.jcaho.org> or you can call 630-792-5800 to order a report free of charge.

Are there report cards for the hospital?

Whether you search for yourself or enlist the help of a friend or family member, the Internet has several

information resources, including Medicare's website www.medicare.gov, www.hospitalselect.com and www.leapfroggroup.org.

Some states, such as Ohio, Pennsylvania and California have laws that require hospitals to report data on the quality of their care. This information is given to the public so consumers can compare hospitals. Call your state department of health, health care council or hospital association. Also ask your doctor what he or she thinks about the hospital.

How does your health plan cover care at the hospital?

OPERS retirees and covered family members not yet eligible for Medicare and living in the United States should make certain that their hospital of choice is part of their health plan's network (this does not apply in an emergency) to ensure full benefits will be available.

Does the hospital have experience with your condition?

Most "general" hospitals handle a wide range of conditions, such as hernias and pneumonia. "Specialty" hospitals have a lot of experience with certain conditions (such as cancer or heart disease) or groups (such as children). Find out if the hospital has a special team of health professionals serving people with your condition or treatment.

Has the hospital had success with your condition?

Research shows hospitals that do many of the same types of procedures tend to have better success with them. If you are planning a procedure, ask your doctor or the hospital if there is information on:

- How often the procedure is done
- How often the doctor does the procedure
- How well the patients do after the procedure

Keep in mind that practice makes perfect, even for hospitals.

Ask how well the hospital checks and improves on its own quality of care. Do they track:

- Patient outcomes for certain procedures
- Patient injuries and infections that occur in the hospital
- Quality of care

Also ask for any patient satisfaction surveys that the hospital has done. These will tell you how other patients rated the quality of their care.

GASB 43 — Just one way to measure funding

OPERS is working hard to continue our long history of offering quality health care coverage during retirement. Our commitment to preserving this coverage has allowed us to sustain a \$13 billion health care trust fund and increase the solvency period from 17 to 18 years. This is an important accomplishment with the announcement of disclosure requirements adopted by the Governmental Accounting Standards Board (GASB).

GASB 43 is an accounting rule that details specific financial reporting guidelines for OPERS as a public pension system. In particular, GASB 43 requires OPERS to start reporting the estimated liability associated with providing retiree health care coverage beginning with the year-end 2006.

In light of GASB 43, it's important to also consider the many other methods to report the funding of benefits. GASB is simply one tool to measure the longevity of health care coverage and other post-employment benefits. Predicting future health care costs when considering factors such as health care inflation, technology and new procedures is an extremely difficult and, quite possibly, unrealistic task. OPERS believes approaching the measurement of health care in terms of solvency is the most accurate and effective means to evaluate health care funding status.

Scott Streater, OPERS director of health care, cautioned that GASB 43 focuses on future liabilities and could portray an incomplete picture of the funding status and overall strength of many public health care funds. Streater added, "While OPERS will comply with the new reporting requirements, we want to emphasize that solvency is a more complete measurement of a fund's strength."



2007 health care seminars

Ohio PERS offers a seminar for active and retired Traditional Pension Plan and Combined Plan members that explains changes to the OPERS Health Care Plan beginning in 2007. Each session starts at 10 a.m. and will last two hours. Space is limited. Please call 1-800-222-7377 to make your reservation.

Athens

June 11

Cuyahoga Falls

July 30

Boardman

November 5

Dayton

October 29

Cincinnati East

August 20

December 10

Perrysburg

April 16

October 15

Columbus (OPERS)

May 14

July 16

September 17

Strongsville

August 13

30-Minute Rule

Are you busy sitting all day? Some days there's no way around it. Stuff you need to do -- drive, plan a get-together, read e-mail, pay bills -- is stuff you do sitting down. But yet another study has shown that getting as little as 30 minutes of activity a day is all it takes to reduce mortality risk by 14 percent. So sweep the patio, walk while you talk on the phone. It all adds up.

Published Oct. 26, 2006 by RealAge.com

Quick reference TAX GUIDE

As a retired OPERS member, the beneficiary of a deceased OPERS retired member or a member receiving a disability benefit, your retirement benefit must be reported on your federal income tax return. OPERS is required by the Internal Revenue Service (IRS) to calculate

the taxable amount of your benefit. The taxable amount is then reported to the IRS and is used as the basis for withholding calculations.

OPERS will supply you with the taxable amount of your benefit by sending you a Form 1099-R. We began mailing 1099-R statements

to our benefit recipients during the last week of January. With this statement you will receive a *Benefit Recipients' Income Tax Guide for the Tax Year 2006*. This guide will provide general assistance to you or your tax advisor in the preparation of your

federal and state income tax returns. For your convenience, we have included key points from the tax guide below, including the answers to some frequently asked questions. If you have additional questions, please contact your tax advisor.

OHIO PUBLIC EMP RET SYS 277 EAST TOWN STREET COLUMBUS OHIO 43215		(if checked) <input checked="" type="checkbox"/> CORRECTED	QMS No. 1548-0119 2006	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
1 Gross distribution \$ 26,565.09		2a Taxable amount \$ 25,995.21		Form 1099-R
3a Distribution number 31-0797516 G	3b Recipient's identification number 444-42-2111	4 Federal income tax withheld \$ 1,954.05		5a Employee (Designated Roth contributions) or insurance premiums \$ 569.88
JOHN DOE JR 277 EAST TOWN ST COLUMBUS OH 43215		6 Distribution Code 7		7a Your percentage of total distribution %
8a Total employee contributions 51-8539176		8b Total tax withheld 4,000.32		9 Effective Date of Roll-over 02/02
10 State/Pass's state number 51-8539176		11 Total year of design Roth contributions 0.00		12
13a Account number (optional) SR 111224444R		13b Health Care Deduction 600.00		13c Medicare Deduction 0.00

Place the reported pension earnings in Box 1 (Form 1099-R) on Line 16a (IRS Form 1040).

Place taxable amount in Box 2a (Form 1099-R) on Line 16b (IRS Form 1040).

Frequently Asked Questions

If I still have not received my Form 1099-R, what should I do?

Do not be concerned unless it is past Feb. 6, 2007.

If you have not received your Form 1099-R by then, please contact us.

I am a disability benefit recipient and the distribution code on my 1099-R (Box 7) is a 7. My tax advisor feels it should be a 3. Which one is correct?

A distribution code of 3 indicates a person who is permanently disabled. OPERS does not use a distribution code "3" for disability recipients because our members are only evaluated for disability from their position, not permanently disabled as defined by the IRS. To determine eligibility for IRS purposes, members should refer to IRS Publication 721 or 524 or contact an IRS office. They would need to obtain a qualifying physician's statement.

The IRS defines permanently disabled as being unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment which: 1) has lasted or can be expected to last for a continuous period of 12 months or more; or 2) can be expected to result in death. Our disability benefit recipients are not considered permanently disabled, only disabled from their OPERS covered position. We indicate this by assigning a distribution code of either 2 or 7, depending on your age.

What is the amount in the Employee Contributions/Designated Roth Contributions or insurance premium box (Box 5)?

This box represents the amount of your retirement allowance/monies on which you have already paid taxes or which are excluded from taxes. It is the difference between Box 1 (Gross distribution) and Box 2a (Taxable amount).

See **Quick reference TAX GUIDE** on page 12

2007 calendar of educational seminars

Please call 1-800-222-7377 to register for any seminar.

RETIREE SEMINAR – This four-hour seminar, designed exclusively for OPERS retirees, focuses on reviewing your OPERS pension and health care coverage and preserving your wealth. Topics range from taxation of your pension benefits and re-employment to health care coverage and financial/estate planning.

There is no cost to attend this seminar and you may bring a guest. Just be sure to register your guest's name when you enroll yourself. To register for any of the dates listed below, please call us at 1-800-222-7377.

2007 RETIREE SEMINARS

Boardman July 11	Columbus (OPERS) April 25 May 17	Lima September 19
Canton April 25	June 6 October 24 December 12	Mansfield October 24
Cincinnati (East) February 21 August 8	Cuyahoga Falls November 14	Perrysburg April 11 June 13 August 2
Cincinnati (North) April 4 June 20 October 17	Dayton August 22	Portsmouth September 27
Columbus (East) August 15	Eastlake June 27	Richfield May 16
	Independence March 21	

REMOTE COUNSELING SESSIONS – If you live outside the Columbus area and wish to discuss your retirement with a benefits counselor, you can schedule a remote counseling session. Counseling sessions are also available by phone. Call 1-800-222-7377 to make an appointment.

2007 REMOTE COUNSELING SESSIONS

Chillicothe December 10 - 14	Lima March 5 - 9	Strongsville June 11 - 15 November 5 - 9
Cincinnati (East) June 25 - 29 November 26 - 30	Marion March 19 - 23	Wickliffe July 23 - 27
Cuyahoga Falls May 14 - 18 October 1 - 5	Miamisburg April 30 - May 4	Wooster July 9 - 13
Dayton (North) August 20 - 24	Perrysburg February 12 - 16 June 4 - 8 October 22 - 26	Youngstown April 16 - 20 September 10 - 14
New Philadelphia September 24 - 28	Sharonville February 5 - 9	
Elyria/Lorain August 6 - 10	Sidney April 2 - 6	

Ohio PERS retirement board

The 11-member Ohio PERS Retirement Board 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, 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

Ken Thomas
Chair
Municipal Employees

Cynthia Sledz
Vice Chair
Miscellaneous
Employees

Ron C. Alexander
State Employees

Sharon M. Downs
Retirees

John W. Maurer
Retirees

Kimberly Russell
State College and
University Employees

Helen Youngblood
County Employees

Statutory Board Member

Carol Nolan Drake
Director, Department
of Administrative
Services

Appointed Board Members

Robert C. Smith
Investment Expert
Governor Appointee

James R. Tilling
Investment Expert
General Assembly
Appointee

Warren W. Tyler
Investment Expert
Treasurer of State
Appointee

Chris DeRose
Executive Director



Ohio Public Employees
Retirement System

277 East Town Street Columbus, OH 43215-4642

Ohio PERS

NEWS

YOUR BENEFIT CONNECTION

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Quick reference TAX GUIDE from page 10

Why has the title of Box 5 changed from "Employee Contributions" to "Employee Contributions/Designated Roth contributions or insurance premiums"?

IRS guidelines provide that the label on Box 5 be changed this year. Designated Roth contributions and insurance premiums are not applicable to Ohio PERS distributions. Currently, Ohio PERS does not allow contributions from or distributions to a Roth IRA or Roth 401(k). Your health care insurance premiums/deductions will be listed in the Health Care Deduction box.

Why does my Form 1099-R display a new box titled "1st year of desig. Roth contrib."?

Per IRS guidelines, OPERS must provide this line on the Form 1099-R, even though we did not distribute or accept Roth monies in 2006.

How do I change the federal tax withholding on my pension benefit?

OPERS benefit recipients can change their tax withholding for federal income tax at any time during the year by filing a Form W-4P (Federal Withholding Certificate for Pension or Annuity Payments.) This form is available on our Web site (retiree forms and publications page) or by contacting us.

Online filing and information

The Ohio Department of Taxation would like to remind you that in most cases, Ohio PERS benefit recipients can use one of the following paperless filing options:

I-file is a free service that allows you to file your Ohio income tax return using a personal computer. Visit www.tax.ohio.gov and follow the instructions.

e-file allows you to file your federal and state returns using a personal computer. Tax preparation software is required or you can use an authorized e-file provider (your tax preparer).

TeleFile - You may be able to file your Ohio return by phone. Visit www.tax.ohio.gov for details.

Owe tax? Find out how to pay your tax by credit card at www.tax.ohio.gov.

Questions?

The Web sites listed below are excellent resources. They both contain a Frequently Asked Question (FAQ) section that may provide answers to your questions and other useful information.

www.irs.gov

www.aarp.org