

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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



For your benefit: OPERS new media: Everywhere. Now.

New Media at OPERS means employing cutting edge technology to make sure you always have instant online access to a wealth of OPERS information, your own personal account and the latest OPERS news. Visit the New Media page at www.opers.org to learn all the ways you can use your personal computer to learn about OPERS and stay informed on-the-go.

registered users of MBS to request an e-newsletter.

Podcasts: It's OPERS on the go. To hear the latest headlines for members or retirees, simply download the latest, fully narrated Podcast.

Web Seminars: Now, you can attend select OPERS seminars from an Internet enabled computer during a scheduled time period.

Video Seminars: Throughout the year, OPERS will be offering various streaming video seminars that you can watch at your convenience. Currently, a *Welcome to Express Scripts* video seminar is available for retirees.

RSS Feeds: What's new at OPERS? Find out by adding OPERS RSS Feeds -- covering forms, publications and more -- to your Intranet or RSS reader.

For your benefit

Disability benefit recipients must complete Employment & Earnings Statements

Be certain OPERS is aware of changes to your personal information

Express Scripts Update

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Online: Together, www.opers.org and the Member Benefits System (MBS) enable members and retirees to have instant access to account information and online resources.

e-Newsletters: Tired of paper? OPERS' quarterly newsletters are now offered via e-mail. Retirees need to be

Member Benefits System (MBS) offers secure access to account information

The OPERS Web site, www.opers.org, is a great source of information about your pension benefits and health care coverage. The site also features the Member Benefits System (MBS). MBS offers secure access to your personal account information.

MBS allows you to securely and conveniently:

- View your current gross pension amount
- Request your benefit payment history
- Check your eligibility date for your next COLA increase
- View and print income verification letters
- View and print Form 1099-R statements
- Change your address



Disability benefit recipients must complete *Employment & Earnings Statements*

On Feb. 11, 2008, OPERS mailed *Employment & Earnings Statements for the year 2007* to OPERS disability benefit recipients, who are required to complete these statements each year per Ohio law. Disability recipients with an effective date on or before Dec. 1, 2006 are required to complete the earnings statement for 2007. Disability recipients with an effective date of Jan. 1, 2007 or later will not receive an earnings statement until the year 2009 to verify 2008 earnings.

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
newsfeedback@opers.org

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.

These forms should have been completed and returned to OPERS by April 15, 2008. A reminder to those who had not yet completed and returned the form was sent on April 17. **If the completed form is not received by OPERS before May 20, the disability benefit recipient's benefit will be held, beginning with their June payment, until the form is received.** If you have questions or need a duplicate *Employment & Earnings Statement*, please call us at 1-800-222-7377.

Be certain OPERS is aware of changes to your personal information

In order to prevent any delay of your benefit and be sure that you receive important mailings in a timely manner, OPERS needs to be informed of changes to your personal and banking information. Here we have compiled instructions for making the most common types of personal information changes after retirement.

Address changes

Though you are using direct deposit, you will receive newsletters, tax information, board election ballots and other publications from us at your mailing address. It is very important to notify us when your home and/or mailing address changes.

The quickest and most convenient way to update your address is by accessing your personal account through our Member Benefits System (MBS). In order to use MBS, you will need to register at www.opers.org. After registering, you will receive a personal identification code in the mail. You can also change your address by obtaining an *Address/Bank/Name Change Request* from our Web site (listed under the heading of "Miscellaneous Forms") or by calling us at 1-800-222-7377.

(continued on page 3)

Changes to your personal information (continued from page 2)

Once you have completed the form and returned it to us, please allow 30 days for this change to take effect.

Changes required in writing

Banking information - Considering switching banks? Because OPERS requires our benefit recipients to use direct deposit, it is very important to keep us informed of any changes in your bank account information. This will prevent any delay in receiving your monthly benefit. Official notification of a change in your banking information needs to be made by completing an *Address/Bank/Name Change Request* which can be found on our Web site at www.opers.org. Or, you can contact OPERS at 1-800-222-7377 and request to have this form mailed to you. Please allow 30 days for this change to take effect.

Name change - The *Address/Bank/Name Change Request* needs to be completed in order for OPERS to process a change in the name we have on record for you. Additional documentation (i.e., copy of a marriage certificate, a divorce or dissolution decree, an entry of change of name issued by a probate court in Ohio or another state or a copy of a Social Security card) is required for a name change.

Miscellaneous - Other changes to your account that OPERS requires in writing include changing your death benefit beneficiary, adding a guardianship to your account, adding an attorney in fact under a power of attorney, changing tax withholding and changing your plan of payment and/or your plan of payment beneficiary as permitted by Ohio retirement law. Additional information can also be found in your *Benefit Recipient Handbook* and online at www.opers.org.

For your protection - phone calls from OPERS

Because the majority of OPERS communications are sent by mail or e-mail (at the retiree's request), OPERS staff members rarely make outbound phone calls to retirees. We do conduct a bi-annual, telephone survey asking basic questions about OPERS services to a sample of our retiree population. Aside from this survey, retirees are only contacted by phone if they have specifically requested a response via telephone or if a pending issue is urgent.

If you do receive a phone call from an OPERS representative, it's important for you to understand that it's

not our policy to ask for personal information (such as your Social Security number) when making a call to a retiree. If you receive an unsolicited phone call about your OPERS account and are asked to furnish personal information, we recommend you terminate the call and contact OPERS to verify our need for the information. We ask this in order to help you safeguard your identity and personal information from fraud. For this same reason, we will ask you to confirm your identity by supplying personal information when you contact the OPERS member services center.

Legislative update

The OPERS Board and staff continue to implement the Iran and Sudan Divestment Policy adopted by the board in September 2007. The policy establishes the goal of reducing investment exposure to the unique risks associated with investments in companies with certain ties to Iran and Sudan without violating the system's fiduciary responsibility to act solely in the best interests of our 900,000 members and retirees.

Pursuant to the new policy OPERS has screened the affected investment portfolios to identify companies that may be doing business in Iran and Sudan and contacted each company requesting a written explanation of their activities in those countries. The policy further requires each affected portfolio manager to make the divestment decision based on its own investment research as to whether a replacement company can be

identified that offers similar quality, return, and safety. This will ensure that the System continues to meet its fiduciary responsibility to our members when making investment decisions.

The OPERS Investment Committee will receive an update on the impact of the new policy at the May 2008 meeting. We will provide further updates on our website and newsletters when the information is available.

Express Scripts *UPDATE*

OPERS changed the pharmacy benefit manager for the OPERS health care plan from Medco to Express Scripts effective April 1, 2008. Below are answers to the questions we have received most often during the first month of coverage under Express Scripts. Also, please see Express Scripts article on page 6.

Why did OPERS choose Express Scripts?

OPERS regularly reviews its carriers to ensure that they're providing quality customer service and cost-effective benefits. OPERS utilizes a competitive bid process to select top quality, cost effective services. Express Scripts was selected as the result of a thorough evaluation of several pharmacy administrators. Express Scripts was the best choice for OPERS based on their ratings in the areas of operations/customer service, strategy and financial performance.

Why did my copayment change under Express Scripts?

Copayments changed in January in accordance with OPERS' annual changes. The plan copayment structure did not change in April as the result of the switch to Express Scripts. However, there may be some medications that have a different formulary status with Express Scripts. If a drug's formulary status changes, this may impact what you are charged for the drug.

Why is my medication more expensive with Express Scripts?

There are a few reasons that a particular medication may be more or less expensive with Express Scripts. The most common is a change in the medication's formulary status. Many drugs also changed from non-formulary to formulary, resulting in a lower copayment.

To determine if a medication is on the Express Scripts formulary and what it will cost, consult the OPERS formulary guide that was mailed with your Express Scripts welcome packet, visit www.express-scripts.com or contact an

Express Scripts customer service representative by phone at the number listed below.

What is NationsHealth and what happened to Liberty Medical Supply?

Please see the article on page 6 for a detailed explanation of the change from Liberty Medical Supply to NationsHealth.

If I didn't receive my Express Scripts ID cards, how do I get one?

Please contact Express Scripts at the phone number listed below.

How do I contact Express Scripts?

1-866-727-5873

(24 hours a day, 7 days a week)

www.express-scripts.com

Where do I send my prescriptions and forms for mail delivery?

Express Scripts, PO Box 1661;
Bensalem, PA 19020-9805

Express Scripts offers online prescription management

Express Scripts offers you the opportunity to create a secure, online account to manage your prescriptions. To establish an account, visit www.express-scripts.com, have your Express Scripts member ID number available, click on 'Activate your account' and follow the on-screen prompts to complete your registration.

By creating an online account, you can:

- Find the price for a medication
- Order refills and track the status of your order
- Locate participating retail pharmacies
- Verify coverage for eligible dependents

If you have questions regarding your online account, please contact Express Scripts at 1-866-727-5873.

The Ohio Tobacco QUIT LINE is now OhioQuits

The Ohio Tobacco QUIT LINE is now OhioQuits and with the change in name comes some exciting, expanded offerings. All Ohioans who call 1-800-QUIT-NOW are able to receive the tobacco cessation help they need by telephone, online or face-to-face coaching at one of five Ohio Tobacco Treatment Centers.

OPERS has partnered with OhioQuits and, as a result, retirees and their dependents covered under the OPERS health care plan are currently eligible for eight weeks of **FREE** nicotine patches. With this additional help, we are providing our retirees with a better opportunity to be successful in their quit attempt. Also, OhioQuits now offers any Ohioan a starter kit with two weeks of free nicotine patches for enrolling in the program. This will benefit those without insurance or those whose insurance plan or employer has not arranged a partnership with OhioQuits.

Once a call is placed to 1-800-QUIT-NOW, an OhioQuits representative will recommend the program that is best suited to the caller's lifestyle. Telephone or online coaching can be utilized by those with a busy lifestyle who prefer the convenience of appointments to fit their schedule. However, if the caller prefers face-to-face coaching, he or she can visit one of five treatment centers for in-person meetings. These tailored offerings satisfy personal preferences to ensure an increased rate of successful quitters. Commit to a healthier you and let OhioQuits help. Call **1-800-QUIT-NOW** today.

OPERS health care seminars

OPERS offers health care plan seminars for both active and retired members. The seminar details the OPERS health care plan and your prescription coverage. Also covered is how to make changes to your coverage and enroll qualified dependents.

All seminars begin at 11 a.m., last approximately two hours and are free of charge. Registration is available for the seminars listed below. Please watch future newsletters and the Web site, www.opers.org, for future dates and locations. **Contact OPERS at 1-800-222-7377 to register.**

2008 OPERS HEALTH CARE PLAN SEMINARS

| | | | |
|-----------------------------------|---|-----------------------------|--------------------------------|
| Akron August 22 | Cleveland September 12 November 21 | Huron June 20 | Mentor December 5 |
| Chillicothe December 12 | Columbus May 16 August 8 November 7 | Lima September 26 | Steubenville July 11 |
| Cincinnati September 19 | | Mansfield July 25 | Toledo November 12 |
| | | Marietta June 13 | |

The big three benefits of quitting

Greatly reduced risk of premature death:

Quitting the use of tobacco products lowers your risk of dying early by 50 percent within five years of quitting. After 15 years the risk is the same as if you had never smoked.

Reduced risk of lung cancer, emphysema and bronchitis:

Your risk of lung cancer drops by 30-50 percent after 10 years of being smoke-free. The longer you stay a non-smoker, the lower the risk. If you've begun to develop emphysema and/or chronic bronchitis, quitting could essentially stop the progression of the disease and allow your respiratory system to compensate for damaged tissue.

Reduced risk of coronary heart disease:

The potential for smoking-related heart disease is cut in half one year after quitting. Within 15 years the risk of smoking related heart disease is the same as that of someone who has never smoked.

Resource: OhioQuits



OPERS reports preliminary investment results for 2007

Preliminary, unaudited results show that the trust funds providing both pension benefits and health care coverage to retirees grew by \$5.2 billion in 2007. For the fiscal year ending Dec. 31, 2007, the OPERS pension fund increased to \$69.8 billion, and the fund that provides health care coverage reached \$13.2 billion.

Unofficially, the OPERS pension fund earned an 8.5 percent return on

investments during 2007 and the health care fund earned a 6.9 percent return. These earnings both outpaced the targeted actuarial return rate for the funds.

Based on the latest actuarial valuation, the funded status of the OPERS pension fund is at 93 percent, meaning that for every \$1 of pension obligation, 93 cents is set aside to meet those obligations. That's an increase of almost four cents over the prior year.

"Despite overall market volatility resulting from the subprime mortgage situation, lack of liquidity and rising energy prices, the OPERS pension and health care funds showed positive returns for the fifth straight year in 2007," said Jennifer C. Hom, director of investments. "Based on market performance thus far, investment professionals suggest that 2008 will be an even more challenging year."

Express Scripts offers home delivery of Medicare B eligible products through NationsHealth

Express Scripts has arranged for NationsHealth to provide convenient mail-order home delivery of Medicare B eligible medications and supplies such as diabetic testing supplies, insulin pump supplies and oral anti-cancer and immunosuppressive medications. Below are answers to a few commonly asked questions regarding Medicare B eligible products and NationsHealth.

What is NationsHealth?

NationsHealth is a company Express Scripts has partnered with in order to offer retirees the option to receive their Medicare B approved supplies and medications by mail. NationsHealth will replace Liberty Medical Supply, the company Medco partnered with to provide this service.

If I use NationsHealth for my Medicare B eligible medications and supplies, what will be my out-of-pocket cost?

If you decide to use NationsHealth to receive your Medicare eligible drugs and supplies by mail and are covered by the OPERS Enhanced Plan (which includes Kaiser or Aultcare) or the Aetna Medicare Open Plan, you likely will not have an out-of-pocket cost for these items.

Can I use NationsHealth if I have the Aetna Medicare Open Plan?

Yes, if you are participating in the Aetna Medicare Open

Plan, you can use NationsHealth and you will likely not have a copayment for your Medicare B medications and supplies.

Can I use my retail pharmacy for my Medicare B medications and supplies?

Yes, you can continue to use your retail pharmacy. And if you are enrolled in the OPERS Enhanced Plan (including Kaiser or Aultcare) or the Aetna Medicare Open Plan, you may not have a copayment for these medications and supplies.

Can I continue to use Liberty Medical Supply for my Medicare B medications and supplies?

You can continue to use Liberty Medical Supply for your Medicare B supplies. However, if you continue to use Liberty Medical, you will be responsible for a coinsurance (usually 20 percent after Medicare has paid). If you use NationsHealth you will likely not be responsible for any out-of-pocket costs.

How can I contact NationsHealth?

The toll free number for those enrolled in the Aetna Medicare Open Plan is 1-800-949-5309. The toll free number for those enrolled in any other OPERS health care plan is 1-800-586-1588.

2008 calendar of educational seminars

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

RETIREE SEMINAR – This four-hour seminar is designed exclusively for OPERS retirees. Topics range from taxation of your pension benefits and re-employment to health care coverage, financial/estate planning and Social Security. There is no cost to attend and you may bring a guest. Just be sure to register your guest's name when you enroll yourself.

You can also register for this seminar using the Member Benefits System (MBS) at www.opers.org.

2008 RETIREE SEMINARS

| | | |
|---|-----------------------------------|----------------------------------|
| Cincinnati (East) June 3 | Independence October 21 | Sharonville December 2 |
| Columbus (OPERS) September 4 November 25 | Mansfield August 27 | Youngstown July 16 |
| Eastlake August 12 | Perrysburg July 29 | |

REMOTE COUNSELING SESSIONS – If you live outside the Columbus area and wish to discuss your pension benefits 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.

2008 REMOTE COUNSELING SESSIONS

| | | |
|--|-------------------------------------|-----------------------------------|
| Cincinnati Eastgate Nov. 17 - 20 | Elyria/ Lorain Aug. 4 - 7 | Wickliffe July 21 -24 |
| Cuyahoga Falls Oct. 6 - 9 | Perrysburg Oct. 27 - 30 | Wooster July 7 - 10 |
| Dover/New Philadelphia Sept. 29 - Oct. 2 | Strongsville Nov. 3 - 6 | Youngstown Sept. 8 - 11 |

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 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

Eddie Parks
State Employees

Sharon M. Downs
Retired members

John W. Maurer
Retired members

Kimberly Russell
State College and
University Employees

Cynthia Sledz
Vice Chair
Miscellaneous
Employees

Ken Thomas
Chair
Municipal Employees

Helen Youngblood
County Employees

Statutory Board Member

Hugh Quill
Director, Department
of Administrative
Services

Appointed Board Members

Lennie Wyatt
Investment Expert
Governor Appointee

Vacant
Investment Expert
Treasurer of State
Appointee

James R. Tilling
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General Assembly
Appointee

Chris DeRose
Chief Executive Officer



Ohio Public Employees
Retirement System

277 East Town Street Columbus, OH 43215-4642

Ohio PERS NEWS
YOUR BENEFIT CONNECTION

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

OPERS offers wellness incentive programs

It's never too late to get started!

Healthy Living Healthy Retirement

All retirees who are participating in the OPERS health care plan and are not yet eligible for Medicare can choose to participate in our wellness incentive program, *Healthy Living Healthy Retirement*. Covered spouses are also eligible to participate as long as they are not yet eligible for Medicare.

We have partnered with Gordian Health Solutions, Inc. to administer Healthy Living Healthy Retirement. Retirees and covered spouses eligible to participate can contact Gordian at any time and begin the enrollment process. Health coaches will provide direction and support to participants, helping them to set attainable goals. At the successful completion of a year-long program, participating retirees (and their spouses if applicable) will each receive \$100 in the form of a Retiree Medical Account (RMA) deposit. **For questions about Healthy Living Healthy Retirement, please call Gordian Health Solutions at 1-866-560-9355.**

The Aetna Medicare Open Plan Wellness Program

For those retirees who participate in the Aetna Medicare Open Plan, OPERS offers a wellness program tailored specifically for our Medicare population. This program also offers an opportunity for eligible retirees and covered spouses to each earn a \$100 incentive for the successful completion of a year-long, goal-oriented coaching program. **For questions about the Medicare Open Plan wellness program, please call Aetna at 1-866-282-0631.**

The goal of our wellness incentive programs is to reward retirees and their spouses covered by our health care plan for making a positive lifestyle change or maintaining a healthy habit. Healthy lifestyle choices have been proven to help hold down health care costs. Everyone is a winner with this program – retirees will enjoy a better quality of life during retirement, and OPERS should see a positive impact on our health care fund over time.