

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

Health Care Provider Contact Information

Aetna (Medicare Open Plan)

1-866-282-0631

Aetna

1-800-645-5677

Medical Mutual

1-800-854-8139

Medco (prior to 3/31/08)

1-800-716-2686

Express Scripts

1-866-727-5873

Kaiser

1-800-686-7100

AultCare

1-800-344-8858

For your benefit

Help us to serve you better

The volume of phone calls received by OPERS has been higher than normal in the last few months. If you have called us recently, you may have experienced a longer than average wait time before being able to speak to a member services representative.

In order to provide the best possible service while managing an increasing call volume, we have maximized the number of representatives available during peak call times. We also continue to provide our representatives with extensive training to help them assist callers efficiently and, in many cases, resolve issues in just one phone call.

Contact health care plan providers directly:

Many calls concerning your health care coverage should be directed to the health care plan providers. OPERS has contracted with these vendors to provide customer service for our retirees. If you have a question regarding your coverage or a claim, please contact the provider directly at the number listed at left.

Refer to past newsletters:

Our quarterly newsletters provide valuable, timely information and reminders. We recommend you not only keep the most recent issue, but past issues as well. You may find the answer to a question is already at your fingertips.

For your benefit

New members of OPERS Board of Trustees take office

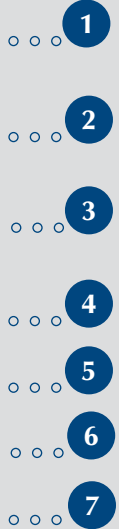
UPDATE - the Aetna Medicare Open Plan

OPERS retirees must sign up for Medicare

Quick reference tax guide

Legislative update

2007-2008 calendar of seminars



Our member service representatives enjoy talking with retirees and answering questions. However, it is a priority for OPERS to answer all calls in a timely manner. The high number of calls has made that difficult in recent weeks. Below are some suggestions that may reduce the time you spend waiting for an answer and decrease the number of calls we receive. Before you pick up the phone, consider one of the following alternatives. There may be a

quicker, easier way to find the information you need.

For example: Many retirees contact OPERS each month to ask what date and time their benefit will be deposited for the following month. We provide an annual list of benefit deposit dates for the entire next year in the fall issue of *Ohio PERS News*. These dates do not change once published. Consider clipping this list out of the newsletter and keeping it for your reference throughout the year. Also, OPERS is unable to answer any questions pertaining to what time your benefit will be posted to your account. Please contact your bank with these inquiries.



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

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.

New members of OPERS Board of Trustees take office

Lennie Wyatt and Eddie Parks were officially sworn in as members of the Ohio PERS Board of Trustees prior to the January meeting. Wyatt, who has served as president of the UFCW Local 1099, is the Governor's appointee. Parks, coordinator-economic development of the Public Utilities Commission of Ohio (PUCO), is the representative of state employees, filling the seat recently vacated by Ron Alexander. Wyatt's term runs through September of this year while Parks' is up Dec. 31, 2010.

Wyatt has a Bachelor of Arts in Labor Studies from Antioch University and a Master of Science, Labor Studies from the University of Massachusetts. Parks has a Bachelor of Science in Education from The Ohio State University and also holds a Master of Arts from The Ohio State University.



Eddie Parks



Lennie Wyatt

For your benefit

(continued from page 1)

Explore the OPERS Web site:

Our Web site, www.opers.org, is a great source of information about your pension benefits and health care coverage. All OPERS publications are archived and available to read and print and many forms can be printed or ordered. Our site also features the Member Benefits System (MBS). MBS offers secure access to your personal account information and the opportunity to update your personal information and ask questions via e-mail in a secure environment. **Also, Form 1099-R statements can be viewed and printed via MBS.**

Call with non-urgent questions on low volume days:

Currently, our phone call volume is the lowest on Wednesdays and Thursdays. If you need to speak with a representative regarding a non-urgent matter, please call on one of these days.

UPDATE – the Aetna Medicare Open Plan

In 2008, OPERS introduced the Aetna Medicare Open Plan as an alternative for our Medicare-eligible retirees. The plan offers retirees attractive features and is designed to help OPERS save health care dollars for the future. However, because the Aetna Medicare Open Plan is a new product and a change to the OPERS health care plan, we would like to take this opportunity to advise our retirees of some recent updates to our enrollment procedures and to the plan.

Enrollment Exceptions

OPERS retirees were automatically enrolled in the Aetna Medicare Open Plan for 2008 if they (and their covered spouse if applicable) were eligible for Medicare and covered under the Aetna Enhanced Plan in 2007. However, over the course of the enrollment period, OPERS has identified some unique situations that may make the Aetna or Medical Mutual Enhanced Plan a better coverage choice for a Medicare-eligible retiree.

To accommodate these situations, OPERS will allow retirees in certain circumstances to opt-out of the Aetna Medicare Open Plan outside of open enrollment. These circumstances include:

- The retiree is already enrolled in another Medicare Advantage Plan or has multiple (3+) insurance carriers. In this case, the retiree can only go back to the OPERS health care plan choice that he/she was covered under in 2007.

Note: *In order to be covered under the Aetna Enhanced Plan, OPERS requires the retiree to furnish proof of other coverage. Proof of other coverage is not required should the retiree wish to enroll in the Medical Mutual Enhanced Plan.*

- The retiree has discovered, and Aetna has confirmed, that one or more of their chosen medical providers will not accept the Aetna Medicare Open Plan. In this case, the retiree can return to the plan level that he or she was covered under in 2007 and can choose either Aetna or Medical Mutual as their plan administrator.

If neither of the above situations applies, but a retiree does not wish to be covered under the Aetna Medicare Open

Plan, he or she can choose coverage under the Medical Mutual Enhanced Plan at any time. It will take OPERS approximately 30 days to process this change. See note below.

Similar rules apply to those retirees (or their covered spouses) who will be turning 65 and becoming Medicare-eligible during 2008. Those becoming Medicare-eligible and already enrolled in the Aetna Enhanced Plan will be automatically enrolled in the Aetna Medicare Open Plan. If either of the above situations applies and the retiree wants to change to another plan, they should contact OPERS to arrange an exemption from automatic enrollment in the Aetna Medicare Open Plan.

Note: *OPERS requires 30 days notice to make any health plan changes. Center for Medicare and Medicaid Services (CMS) rules state that retirees can only opt out of a Medicare Open Plan going forward. Therefore, OPERS is not able to make any changes retroactively.*

Retirees who will become Medicare-eligible in 2008 and are currently participating in an OPERS health care plan other than the Aetna Enhanced Plan are invited to consider enrolling in the Aetna Medicare Open Plan. In order to participate the retiree and their covered spouse must both be eligible for Medicare and be enrolled in Medicare Part B. Retirees covering children are not eligible for the Aetna Medicare Open Plan. OPERS suggests retirees confirm acceptance of the plan with their medical providers and facilities prior to enrolling. Also, proof of Medicare coverage (such as a copy of the Medicare card) is required to enroll.

Skilled Nursing Facility Benefits

The 2008 OPERS health care open enrollment guide listed a 100-day limit for skilled nursing facilities under the Aetna Medicare Open Plan. After negotiations with Aetna, we are pleased to announce that skilled nursing facility coverage, as well as coverage for home infusion therapy, will now be the same for retirees under the Aetna Medicare Open Plan as it is for those covered under the Aetna and Medical Mutual Enhanced Plans. The 100-day limit will no longer apply. Charges for skilled nursing facilities will be subject to medical necessity using the same criteria as the the Aetna and Medical Mutual Enhanced Plans. This change will be applied retroactively to Jan. 1, 2008 and will continue throughout this year.

(Continued on page 6)

OPERS retirees must sign up for Medicare Parts A and B coverage upon eligibility

Retirees (and their spouses, if applicable) covered under the OPERS health care plan must sign up for Medicare Parts A and B as soon as they become eligible. If you are under the age of 65 and covered under the OPERS health care plan, we will contact you prior to your 65th birthday and request proof of your Medicare coverage.

However, if you become eligible for Medicare before age 65, it is your responsibility to notify OPERS immediately. If you refuse or fail to enroll in Medicare when you are first eligible, the OPERS health care plan will not make up the difference of what Medicare would have paid had you enrolled. In other words, you will be uninsured for a large

portion of your medical expenses if you fail to enroll in Medicare Parts A and B. Also, if you are eligible for Medicare B and do not enroll or fail to pay your Medicare B premiums to the Center for Medicare and Medicaid Services (CMS), you will be responsible for the amount OPERS has reimbursed you for your Medicare B premiums.

Open Enrollment for Medicare is from Jan. 1 through March 31 annually. Please call Social Security at 1-800-772-1213 to enroll or visit www.medicare.gov for enrollment instructions.

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	Huron June 20	Portsmouth May 8
Chillicothe December 12	Lima September 26	Steubenville July 11
Cincinnati September 19	Mansfield July 25	Toledo November 12
Cleveland September 12 November 21	Marietta June 13	
Columbus May 16 August 18 November 7	Mentor December 5	
	New Philadelphia March 14	

OPERS offers *Introduction to Express Scripts* seminars

Learn about the transition to Express Scripts on location or online

OPERS will change the pharmacy benefit manager for the OPERS health care plan from Medco to Express Scripts effective April 1, 2008. OPERS chose Express Scripts after conducting 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.

Beginning in January and through the month of March, OPERS is holding educational seminars to help retirees make the transition from Medco to Express Scripts. Select seminars still have seats available. Dates, locations and times can be found at www.opers.org. Please contact OPERS at 1-800-222-7377 to register.

If you are unable to attend a seminar but would like to learn more about the transition to Express Scripts, you can watch a video of the *Introduction to Express Scripts* seminar on our Web site, www.opers.org. We have also recently added a new Express Scripts question and answer page and an OPERS-specific *Formulary Guide* for your prescription drug coverage under Express Scripts beginning April 1, 2008.

Quick reference TAX GUIDE

As an OPERS retiree, the beneficiary of a deceased OPERS retiree, a member receiving a disability benefit or the beneficiary of a deceased OPERS member, your 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 supplies you with the taxable amount of your benefit by sending you a Form 1099-R. We sent

1099-R statements to our benefit recipients during the last week of January. With this statement you received a *Benefit Recipients' Income Tax Guide for the Tax Year 2007*. This guide provides 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 type="checkbox"/> CORRECTED	OMB No. 1545-0119 2007	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	Place the reported pension earnings in Box 1 (Form 1099-R) on Line 16a (IRS Form 1040).
1 Gross distribution \$ 21,824.94		2a Taxable amount \$ 21,824.94		Form 1099-R	
PAYEE'S Federal identification number 31-0797516 G	RECIPIENT'S identification number 987-65-4321	2b Taxable amount not determined <input type="checkbox"/> Total distribution		3 Capital gain (included in box 2a)	Place taxable amount in Box 2a (Form 1099-R) on Line 16b (IRS Form 1040).
4 Federal income tax withheld \$ 364.60	5 Employee/Designated Roth contribution or insurance premiums \$ 0.00	6 Not unrealized appreciation in employer's securities \$		7 Distribution Code(s) 7	
JANE E DOE 123 DEAN AVE CONNEAUT OH 44030		8 Other		9a Your percentage of total distribution %	Copy 2 File this copy with your state, city, or local income tax return, when required.
Account number SR 987654321R		9b Total employee contributions \$		10 State tax withheld 743.13	
Health Care Deduction 960.00		11 State/Payer's state number 51-8539176		Effective Date of Retirement 10/93	
		1st year of design. Roth contrib.			

Frequently Asked Questions

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

OPERS mailed 1099-R statements in late January. If you have not received your Form 1099-R, 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).

Why does my Form 1099-R display a box titled "1st year of design. 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 2007.

See **Quick reference TAX GUIDE** on page 8

Legislative update

Iran and Sudan Divestment Policy Update

The OPERS Board and staff have expended considerable time and effort over the past six months developing a divestiture policy and process that achieves the goals of HB 151 without violating the system's fiduciary responsibility to act solely in the best interests of our 900,000 members and retirees. The new policy 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 OPERS continues to meet its fiduciary responsibility to our members and retirees when making investment decisions. While it is too early to see the results of the new policy, we will provide further updates on our Web site, www.opers.org, and newsletters when new information is available.

House and Senate hold hearings on GPO and WEP

For the first time in years both House and Senate committees held hearings on the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). On Nov. 6, 2007, the U. S. Senate Finance Subcommittee on Social Security,

Pensions and Family Policy held a hearing entitled *GPO and WEP: Policies Affecting Pensions from Work Not Covered by Social Security*. A separate hearing was held on Jan. 16, 2008 by the U.S. House of Representatives Ways and Means Subcommittee on Social Security entitled *Hearing on Social Security Benefits for Economically Vulnerable Beneficiaries*. OPERS supports the repeal or modification of the GPO and WEP on the basis that it unfairly penalizes many OPERS retirees.

At the Senate hearing, a retired teacher from Massachusetts and a CalPERS Board member provided witness testimony urging repeal of the GPO and WEP. The General Accounting Office and the Urban Institute also appeared on the panel and presented testimony. Testifying on GPO and WEP at the House hearing was the state president of the Association of Texas Professional Educators, a teacher from Los Angeles representing the NEA, the secretary/treasurer of the Texas American Federation of Teachers, and Joe Rugola who is an International Vice-President of AFSCME and the President of the Ohio AFL-CIO. Witnesses advocating for the repeal of GPO and WEP did an excellent job

presenting many case studies illustrating the harmful impact that GPO and WEP have on government employees. There were a number of questions from committee members directed towards the impact of GPO on lower income workers, especially women. The \$80 billion cost over 10 years of repealing the GPO and WEP was also a subject of considerable discussion.

In the past, mandatory Social Security coverage has been suggested as a way to cover the costs of repealing the GPO and WEP. However, we remain opposed to mandatory Social Security coverage for public sector employees because it would undermine our ability to provide current benefits and impose an additional financial burden on our employers.

Interested parties should contact committee members and urge them to move forward on measures to modify or repeal both the GPO and WEP. Contact the Senate Finance Subcommittee on Social Security, Senator John Kerry, Chairman, at www.kerry.senate.gov. Contact the House Ways and Means Subcommittee on Social Security, Representative Michael McNulty, Chairman, at www.house.gov.mculty.

UPDATE – the Aetna Medicare Open Plan *(continued from page 3)*

Fitness Centers

The Aetna Medicare Open Plan includes a wellness component that allows for a free fitness center membership at participating facilities. New fitness centers are being added to the list on a weekly basis, so please contact Aetna to check the status of fitness centers near you. If you find that a facility is not currently participating, contact

Aetna at 1-866-282-0631 with the name, address and phone number of the fitness center. Aetna representatives will contact the facility and look into enrolling it.

If there are not any participating centers in your area, there are ways to participate in other aspects in the wellness program. Contact Aetna for details.

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

Athens April 30	Columbus (OPERS) June 13 September 4 November 25	Mansfield August 27
Canton May 14	Eastlake August 12	Perrysburg July 29
Cincinnati (East) June 3	Independence October 21	Sharonville December 2
		Youngstown July 16

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 June 16 - 19 Nov. 17 - 20	Elyria/ Lorain Aug. 4 - 7	Wickliffe July 21 -24
Cuyahoga Falls Oct. 6 - 9	Perrysburg June 9-12 Oct. 27 - 30	Wooster July 7 - 10
Dover/New Philadelphia Sept. 29 - Oct. 2	Strongsville Nov. 3 - 6	Youngstown Sept. 8 - 11

Ohio PERS retirement board

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 that 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
Investment Expert
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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Quick reference TAX GUIDE *(continued from page 5)*

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

IRS guidelines provided that the label on Box 5 be changed from previous years. Designated Roth contributions and insurance premiums are not applicable to OPERS distributions. Currently, OPERS 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.

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.

More information

The Ohio Department of Taxation would like to remind you that in most cases, OPERS 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 if you filed this way last year. Visit www.tax.ohio.gov for details.

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

Free Tax Help Available

The Tax Counseling for the Elderly (TCE) program provides free tax help to people age 60 and older. As part of the IRS-sponsored TCE Program, AARP offers the Tax-Aide counseling program at more than 7,000 sites nationwide during the filing season. To find an AARP tax aide site, call 1-888-227-7669 or visit www.aarp.org