

Ohio PERS NEWS

Your Benefit Connection

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

Senate passes OPERS pension bill *Your support is still needed*

After months of educating and lobbying legislators, and with the support from our members, pension legislation has unanimously passed through the Ohio Senate. The Senate voted 33-0 to pass Senate Bill 343 on Wednesday, May 16. This is one important step in the bill's progress.

The Senate introduced separate bills for each pension system. S.B. 343 will make changes to the laws governing only OPERS whereas, S.B. 3 and H.B. 69, introduced in February 2011, would have made changes to the laws governing all five Ohio pension systems.

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In November 2009, the OPERS Board of Trustees approved pension plan design changes that will help OPERS maintain the fund's financial strength and its ability to provide pensions with no increase in taxpayer contributions. S.B. 343 includes the original recommendations proposed by the OPERS Board of Trustees and also a newly-created concept for addressing "spiking."

In a show of bipartisan support, Senate President Tom Niehaus (R- New Richmond) and Senate Minority Leader Eric H. Kearney (D-Cincinnati), co-sponsored the bill declaring now is the time for action. As a result, the bill moved swiftly through the Senate. The introduction of S.B. 343 was announced during a May 8 press conference at the Ohio Statehouse. Hearings began immediately in the Senate Insurance, Commerce and Labor Committee and a week later, Tuesday, May 15, the committee unanimously approved the bill.

(continued on page 2)

Thank You!

Thank you for the outpouring of support we received and for urging the General Assembly to take action on meaningful pension legislation. The tremendous response from our members and retirees was instrumental in encouraging the Senate to move the legislation forward.

Senate passes pension bill

(continued)

OPERS NEWS – Your Benefit Connection

is a quarterly newsletter providing news and information to more than 160,000 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:

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Monday - Friday

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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.

Next Steps

Now that S.B. 343 has been approved by the full Senate, the bill has been sent to the Ohio House of Representatives and is assigned to the Health and Aging Committee. House leadership has indicated it will consider pension legislation after an actuarial study by the Ohio Retirement Study Council is concluded later this summer.

It is important to keep our momentum moving forward throughout the summer and early fall, as we continue to work diligently with members of the House and the Governor's office to ensure passage of S.B. 343.

We cannot stop now. It is important for our voice to remain strong as S.B. 343 moves to the House, so please take action and let your elected officials hear from you. Visit www.opers.org and show your support by clicking on the *Take Action Now* window.

We will continue to offer our members and retirees several ways to follow the progress of this pension legislation:

- Frequent updates are posted in the *Special Coverage* section of www.opers.org
- Semi-weekly posts to our *PERSpective* blog, which you can read at <http://perspective.opers.org>
- Information posted on our Facebook page: www.facebook.com/ohiopers
- Messages via Twitter: <http://twitter.com/ohiopers>
- Updates via e-mail for members who have provided us with their current e-mail address

Telephone Town Hall script available

The information presented during the telephone Town Hall meeting for members of Public Employee Retirees, Inc. (PERI) on May 30 is available within the *Special Coverage* section on www.opers.org. The meeting was held by phone for PERI members and addressed proposed health care plan changes and pending pension legislation.

How a bill becomes a law

Step 1: Senate Introduction

Senate Bill 343 was introduced May 8 and assigned to Senate Insurance, Commerce and Labor Committee.



Step 2: Senate Committee

Committee hearings on S.B. 343 were held May 8, 9 and the bill was favorably voted out of committee May 15 and sent to the Senate floor for consideration.



Step 3: The Senate Floor

S.B. 343 voted off the Senate floor, May 16 and sent to the House for consideration.



Step 4: House Committee

S.B. 343 has been referred to the House Health and Aging Committee where hearings will be held on pension legislation.



Step 5: The House Floor

If S.B. 343 is voted favorably out of the House Committee it will be debated on the House floor and voted on. If the bill receives a majority of the votes, it will be sent to the Governor for signature. If the bill is amended, it will be sent back to the Senate for concurrence.



Step 6: Concurrence

The full Senate may vote to accept any changes the House made to S.B. 343. If the Senate does not agree, a conference committee of both Senate and House members will convene to discuss the differences and come to an agreement. The final approved bill will then be sent to Governor Kasich for his signature.



Step 7: Governor's Signature

Once Gov. Kasich signs the bill into law, the bill will go into effect after 90 days.

Note: Some items could be implemented later. Visit www.opers.org for updates.



Educational opportunities

This summer OPERS will hold dozens of meetings around the state to gather feedback on proposed changes to our health care coverage plan and to review pending pension legislation.

Members and retirees are encouraged to attend. The meetings will come in two forms:

Town Hall meetings – Open to all members and retirees, two-hour meetings will be held at various locations across the state to review proposed health care coverage changes and pension legislation updates.

Retirement Educations Seminars – As part of wider-ranging seminars on retirement topics, presentations on legislation and health care coverage will be given by OPERS staff at the Ready to Retire, Planning to Retire/Active and Retiree Seminars.

Registration is required. A list of available dates and locations can be found on our website, www.opers.org. Links are located within the *Special Coverage* section on the home page. You need to register by signing into your account or by calling 1-800-222-7377.

In case sessions are filled or not currently scheduled in your area, the presentation delivered at the sessions is available for download from the OPERS website.

OPERS holds *Retiree Education Seminars* all year long in various cities around the state. Please visit www.opers.org for the most current list of available dates and locations.

Preserving OPERS retiree health care coverage

Funding challenges and proposed plan changes

The Challenges

Currently, OPERS faces many challenges to offering our current level of retiree health care coverage including:

- Pension legislation containing changes proposed by the OPERS Board two and a half years ago has not yet been enacted. Lack of pension legislation creates a challenge for funding health care coverage.
- OPERS is required by law to fund and provide pension benefits, but health care coverage is discretionary. Only after we meet our pension obligations are we permitted to use some of the employer contributions to fund health care coverage. We cannot use the employee contributions to fund health care.
- Baby Boomers retiring - a 40 percent increase in retirees, from 162,000 in 2012 to 225,000 in 2022, is expected.
- Retirees are living longer - the average OPERS member retires at age 57; using a 78.3 year average life expectancy, they would have our health care coverage for more than 21 years. This is far more than anticipated when we began providing health care coverage.
- The current value of the OPERS health care fund is \$11.5 billion. At the current level of health care coverage, the fund will run out of money in 2020. Even if the pension legislation is passed, the fund will still be depleted in 2026 without changes to the health care plan.
- The health care fund is primarily funded by investment returns and employer contributions. Investment returns have been volatile in recent years, including a loss of more than 25 percent in 2008, gains of 13.5 and 24.8 percent in 2009 and 2010 respectively, and flat returns in 2011.

These challenges are too far-reaching to maintain our current coverage level. While changes to the health care plan have not been finalized, the OPERS Board and staff have spent a great deal of time exploring a variety of options and have defined a proposed set of changes to the plan. Final decisions will be made this fall, with implementation in the next couple of years.

Without Pension legislation in 2012

If pension legislation is not passed in 2012, OPERS will be forced to implement far reaching health care changes which will affect both current and future retirees.

Without pension legislation, employer contributions to the health care fund will be reduced to zero percent in 2014. OPERS will only be able to fund minimal health care coverage as required by law. Health care spending will need to be reduced from \$1.6 billion dollars per year to approximately \$500 million - cutting the health care program by nearly 70 percent.

OPERS needs legislative action in 2012, and we would like you to remind your elected officials why this issue is so important to you and your retirement system. Please see page 2 for ways that you can show your support for this critical legislation.

With pension legislation in 2012

Passage of legislation this year will allow OPERS to continue providing retiree health care coverage at some level. However, we still need to make substantial changes to the current plan in order to preserve the health care program for as long as possible.

If pension legislation is passed, we plan to restore health care funding to 4 percent of employer contributions. Unfortunately, this is only about half the amount of funding needed to continue providing the current level of coverage.

Our objective is to develop a health care program that can be funded and sustained with 4 percent of payroll. Our focus is to preserve access to health care coverage for career employees upon retirement.

Stay healthy with preventive care

With pension legislation in 2012 *(continued)*

Although nothing has been finalized, the new retiree health care plan may:

- require a minimum age of 60 for members to become eligible for health care coverage (for those retiring after the implementation date).
- increase minimum years of service for health care eligibility to 20 years (for those retiring after the implementation date).
- no longer feature an OPERS-sponsored plan for Medicare-eligible participants but introduce a personalized plan selection model allowing participants more choices and greater affordability.
- eliminate access to coverage and premium allowance for spouses. Spouses eligible for Medicare Parts A and B may participate in the personalized plan selection model.
- limit the types of service credit counting toward health care eligibility to contributing service, service transfers from other Ohio retirement systems and restored service credit only.
- base premiums and allowance on age and years of service.
- reduce or eliminate the Medicare B reimbursement.
- transition some changes over three years.

Your feedback is important. Before the Board takes final action, OPERS staff is presenting the proposed changes at meetings around the state and conducting a survey to gather feedback. We strongly encourage all retirees to attend one of these sessions. See *Educational Opportunities* on page 3 for more information. You can also visit the *Special Coverage* section on our website to view the presentation and take the survey online.

Even though we make annual changes to our health care plan, we recognize that altering the plan to this degree presents challenges to both retirees and active members attempting to make retirement decisions. Members of the OPERS Board are charged with making some extremely difficult decisions in their attempt to preserve a level of health care coverage for the more than 220,000 current plan participants and future retirees.

OPERS will communicate any news regarding these changes as soon as possible. Please visit the *Special Coverage* section at www.opers.org for the latest information. Also, make sure that OPERS has your current e-mail address on file so that you can receive e-mail bulletins. You can do this by accessing your account on our website.

Did you know ...

Your OPERS health care plan covers preventive services such as mammograms, flu shots, colonoscopies and bone density scans at 100%? That means NO COST to you.

Thirty to fifty percent of OPERS retirees and eligible dependents DO NOT take advantage of recommended preventive screenings?

Preventive screenings help you stay healthy. They allow you and your doctor to identify conditions like heart disease and cancer in their early stages, when they are most treatable.

Preventive services covered under your OPERS health care plan follow guidelines set forth by the Affordable Care Act and may include:

- Routine Physical Exam
- Routine PAP, Mammogram
- Colorectal Cancer Screening
- Bone Density Screening
- Electrocardiogram (EKG)
- Prostate Specific Antigen (PSA)
- Cholesterol Screening
- Blood Sugar Testing
- Complete Blood Count (CBC)
- Flu and Pneumonia Vaccine

For more information regarding preventive care guidelines and coverage, call your health care administrator, Humana or Medical Mutual.

Great ways to stay connected

PERSpective - PERSpective

PERSpective is a blog we have created to share our thoughts on important pension-related issues. As we share our perspective with you, we hope you will share your thoughts and feedback with us. Subscribe to PERSpective by clicking on the RSS feed logo on www.opers.org, or read it regularly at <http://perspective.opers.org>.



Facebook and Twitter -

Nearly 4,700 members and retirees “Like” our Facebook page, which uses the name “Ohio PERS.” We also utilize a Twitter account under the name “ohiopers.” Facebook and Twitter messages are used in tandem with PERSpective as a way to keep people informed of news, events and items of interest. We encourage you to follow us on Twitter by searching @ohiopers and to “Like” us on Facebook in order to receive updates from OPERS within your newsfeed.

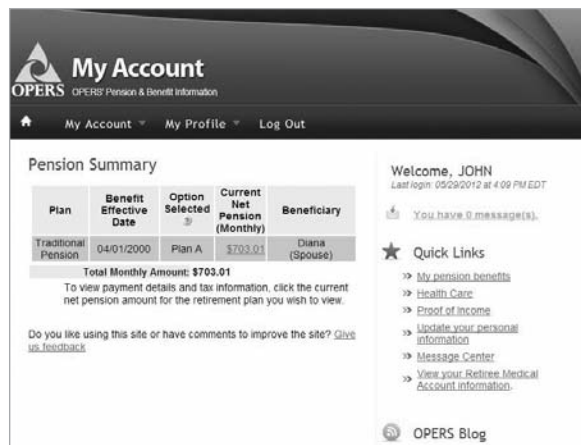


eNewsNow - eNewsNow is our mass e-mail system that allows us to provide members with information more quickly and efficiently than ever before. If you have not received eNewsNow messages yet, you are either not registered for online account access, or your current e-mail address is not on file with OPERS. To begin receiving these important e-mail alerts, register for or log in to your online account and update your contact information. Please also remember to inform us if your e-mail address changes.

Your OPERS account - On YOUR time! Your online account has a new look

If you have logged into your online account recently you probably noticed the system has a new look. OPERS has recently modernized the online account system to feature navigation that’s easier to use, a more attractive visual appearance and

enhanced functionality allowing compatibility with more computers and Web browsers. Take some time to explore your account information within the new site and discover all the convenience available to you by accessing your account online.



There is no need to wait until our phone lines are open or a representative is available to access your personal account information. You can do so securely from the comfort of your home, any time you like.

After registering for online account access, retirees can:

- view monthly payment information including withholdings, deductions, etc.
- print a statement verifying current monthly benefit
- view and print 1099s
- view beneficiaries
- perform health care coverage cost estimates
- change banking information - **NEW!**

Registration is easy

1. Log on to www.opers.org
2. Click on the “Register for account” link in the Access Your Account section (top, right corner of the home page). You will need your Social Security number and an active e-mail account.

NEW - Update your banking information

OPERS requires retirees to receive their pension benefit payments via direct deposit. If you change banks and need to provide us with your updated banking information, you can now do this by logging in to your online account. Updating this important information is now quick, easy and secure.

Express Scripts introduces new home delivery program

OPERS is implementing a new program in conjunction with the Express Scripts Home Delivery Pharmacy. This program will change when you are able to request a refill of your home delivery prescriptions. The program is being implemented to reduce potential medication waste due to medication discontinuation, drug dosing changes, side effects or drug interactions.

For Medicare and Non-Medicare participants, the home delivery program currently allows a refill request of home delivery medications when 34 days of the medication remains. As of June 15, 2012 participants will be able to request a refill when 30 days of their medication remains. Then, beginning Aug. 15, 2012, participants will be able to request a refill when 27 days of their medication remains.

This change will not negatively impact your ability to receive your refill in time to take your medication as prescribed. Express Scripts will complete your refill order within three to five business days and ship the medication via the US Postal Service which typically takes five days to complete delivery.

Medicare Part D Medication Therapy Management available

Participants in the OPERS Medicare Part D Prescription Drug Plan who have multiple medical conditions, take seven or more medications and spend \$3,000 or more on medications annually qualify for a free, phone-based Medication Therapy Management (MTM) session. A registered pharmacist or a licensed and supervised pharmacy intern will review your medications to look for drug interactions, harmful side effects and cost savings opportunities and share this information with you during the MTM session.

To schedule your free, one-on-one MTM session with a pharmacist or intern, call toll free at 1.866.218.6646, Monday through Friday 10 a.m. to 8 p.m. EST. TTY/TDD users, please call 1.800.367.8939.

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 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.

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Ohio Public Employees
Retirement System

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Plan to attend a Retirement Education Seminar

Beginning this year, OPERS has updated our Retirement Education Seminar format. The new format provides more flexibility and allows for each seminar to be customized by audience demographics. Seminars include:

- Two or three 45-minute presentations on topics relevant to the audience
- Access to vendors to ask questions
- Access to OPERS representatives to ask general questions
- An available PC to register attendees for online account access

For example, at an seminar for retirees, the 45-minute presentations typically include:

- Health care
- Pending legislative changes
- Hot topics

Registration is required. Please visit www.opers.org and click “seminar options” under the *Retirees* heading for the most complete and up-to-date list of upcoming dates and locations.

2012 benefit payment dates

2012
January 3, 2012
February 1
March 1
March 30
May 1
June 1
June 29
August 1
August 31
October 1
November 1
November 30
January 2, 2013



Would you like to access your OPERS account online?

WHY WAIT? REGISTER TODAY! Scanning this code with any smart phone code reader application will take you directly to our account access registration page.