

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

OPERS Announces One-Year Delay for New Retiree Health Care Plan

In March the OPERS Board of Trustees approved a one-year delay in the implementation of a new retiree health care plan adopted last year. This one-year delay applies to all the components of the new plan with a few exceptions.

The following components of the new health care program will NOT be delayed for one year:

Qualifying service credit:

OPERS will apply the new rules for which types of service credit will qualify in 2014. (Does not apply to current retirees.)

Medicare Part B premium reimbursement:

OPERS will retain our scheduled reduction of the Medicare Part B reimbursement in 2014.

Disability five-year rule:

Members who begin receiving a disability benefit effective Jan. 1, 2014, or later will be subject to the five-year limit on access to health care. (Does not apply to current disability benefit recipients.)

Voluntary withdrawal: Retirees who voluntarily elect to withdraw from the OPERS health care plan on or after Jan. 1, 2014 cannot re-enroll.

Minimum earnings: Beginning Jan. 1, 2014, contributing service credit for health care will be accumulated only if the member earns at least \$1,000 per month. (Does not apply to current retirees.)

Key component being delayed one year from Jan. 1, 2015 to Jan. 1, 2016:

Medicare Connector: The new health care plan includes a Medicare connector for Medicare-eligible retirees and dependents. A licensed advisor will help participants choose a plan from the individual Medicare market that can be paid for with the allowance received from OPERS.

Key components being delayed by one year to Jan. 1, 2015:

Allowance transition: The new health care plan will base the allowance given to participants for their monthly premiums on age and service. There will be a three-year transition for participants to the new allowance tables.

The delay means that the transition will run from 2015 to 2017. Plan participants and their spouses will retain their current allowance through 2015.

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OPERS Announces One-Year Delay *(continued from page 1)*

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:

www.opers.org

1-800-222-7377

Monday - Friday

8 a.m. to 4:30 p.m.

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.

OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.

In 2016, the difference between the current allowance and the new allowance will be reduced by one third. In 2017, the difference will be reduced by two-thirds. The new allowance will go into effect in 2018.

New eligibility rules: The new program will require members to have at least 20 years of service and be at least 60 years old to qualify for health care or have 30 years of service at any age. (Does not apply to current retirees.)

OPERS is making these timing changes so that current members and retirees can have more time to prepare. The delay also will allow us more time to provide education and communicate the details of the new retiree health care plan. Visit the OPERS website, www.opers.org, to view a video featuring OPERS Health Care Director Marianne Steger sharing more about the reasons behind these changes.

Condensed Plans of Payment *Plans to take effect September 2013*

An additional provision included in Sub. S.B. 343 was the implementation of condensed plans of payment. What this means is, the current plans of payment (A, B, C, D, E, F) are being consolidated to three plans (Single Life Plan, Joint Life Plan, Multiple Life Plan).

All current plans (A, B, C, D, E, F) will be honored for retirees who choose a plan before the implementation date of Sept. 1, 2013. As a retiree, you have already chosen a plan of payment. However, we want you to be aware of the change in case a life event requires you to change your plan of payment during retirement.

New plans effective Sept. 1, 2013:

Single Life Plan (replaces Plan B): This is a monthly annuity option paid solely to the member, for life, and is based on his or her projected life expectancy and the accumulated contributions for the period of service.

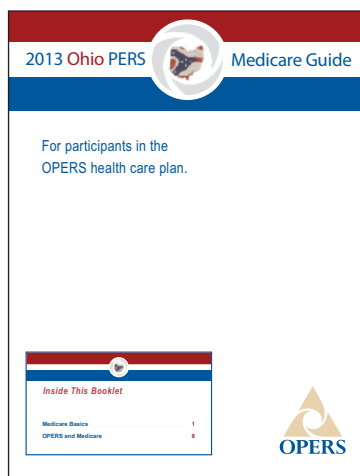
Joint Life Plan (replaces Plans A, C, D): This option allows the member to choose one beneficiary and designate an amount from 10 to 100 percent to go to that beneficiary.

Multiple Life Plan (replaces Plan F): This option allows the member to cover two to four surviving beneficiaries.

Medicare 101

Preparing for the Medicare Connector in 2016

As OPERS plans to introduce a Medicare Connector in 2016, we feel it is important to educate our current Medicare-eligible population on the basics of the Medicare program and the types of plans available on the individual market. Our goal in providing this information is to help retirees make an informed plan choice via the Medicare Connector when the time comes. As part of this initiative,



we have recently published the 2013 OPERS Medicare Guide. It can be found on our website, www.opers.org.

In this issue, we're kicking off a multi-part Medicare education series with a discussion of the parts of Medicare. Each newsletter between now and 2016 will feature a Medicare article beginning with the basics

and working toward specific information that will aid retirees in choosing the ideal plan for their needs from the individual Medicare market via the OPERS Medicare Connector.

Medicare 101 – Medicare is federal health insurance for people age 65 and older, under age 65 with certain disabilities, and any age with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

Medicare costs vary depending on your plan, coverage and the services you use. For many years, Medicare had two major parts: Part A for hospital insurance and Part B for medical insurance. These parts are known as the Original Medicare Plan. In recent years, two additional parts (Parts C and D) were added.

Part A (Hospital Insurance) – covers inpatient care in hospitals, skilled nursing facilities (under certain conditions), some home health and hospice care. Part A does not cover long-term nursing home or non-medical in-home care.

You need at least 40 quarters of Medicare Social Security credit to be eligible for Medicare Part A coverage at no cost. This means you and your employer paid for Medicare Part A through payroll deductions or you worked in a job covered by Social Security. Most public employees pay into Medicare even though they don't pay into Social Security. To find your Social Security credits, contact Social Security or view this information in your annual Social Security statement. You may also qualify for Medicare Part A coverage through a spouse's work record if you do not have enough quarters to receive Medicare Part A at no cost.

Part B (Medical Insurance) – covers doctors' services and outpatient care, other medical services that Part A doesn't cover (like physical and occupational therapists), and some home health (generally outpatient services).

Everyone is eligible to enroll in Medicare Part B once they reach age 65 (or have a qualifying illness or disability).

Part C (Medicare Advantage Plans) – Private companies such as Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO) and Private Fee-for-Service Plans provide both Part A and Part B benefits to eligible people who enroll. Many plans have additional coverage as well, including dental and vision.

Part D (Medicare Prescription Drug Coverage) – Private companies contract with Medicare to provide coverage for generic and brand name prescription drugs at participating retail pharmacies and home delivery.

Your Voice, Your Choice

2013 OPERS Board of Trustees Election

As a retired member of OPERS, you have a voice in decisions and policies affecting your retirement benefits. OPERS retirees have two representatives on the Board of Trustees. The Board is ultimately responsible for all administration and management of OPERS including setting retirement system policies, approving the overall investment plan and asset allocation strategy, reviewing and approving budgets and acting as fiduciaries of the System. Individuals elected to the OPERS Board of Trustees also automatically serve on the Ohio Public Employees Deferred Compensation Program Board.

Your Voice — Elected Representatives

The OPERS Board of Trustees is comprised of 11 trustees—seven individuals are elected by the specific group each represents. Two individuals represent retirees and the other five each represent an employee group. The seven elected positions are designated for election on a staggered basis, ensuring experience and organizational knowledge is stable from year to year. Three individuals with investment expertise are appointed by Ohio's Governor, Treasurer and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate. The Director of the Ohio Department of Administrative Services also serves on the Board of Trustees by virtue of office.

2013 OPERS Board of Trustees election schedule

Nominating petitions available	June 14
Completed petitions due	August 5
Voting materials mailed	August 21
All votes must be received by	October 4
Election count	October 7

Election 2013

Elections for three seats on the OPERS and Ohio Deferred Compensation Boards of Trustees will be held in September. Those elected will serve four-year terms beginning January 2014.



The three seats up for election in 2013 include one representative for each of the following groups:

Retirees—One of two seats representing approximately 157,600 age and service retirees and disability benefit recipients.

Miscellaneous employees—Representing those employed by a park district, conservancy district, sanitary district, health district, township, metropolitan housing authority, state retirement board, public library, county law library, union cemetery, joint hospital or institutional commissary with the state of Ohio (approximately 48,825 employees)

County employees—Representing those employed in a job by a county in Ohio (approximately 89,859 employees)

Your Choice – Every vote counts

It's important to realize every single OPERS retiree and member is represented by a Board member. Just as in national and local elections for public office, your vote—your voice—is vital. Members of the Board of Trustees serve four-year terms. That means that every four years you have the opportunity, and the responsibility, to select your Board representative.

Voter participation in the 2010 Board election averaged less than 30 percent for retirees. Please plan to cast your vote this year! Your retirement is too important not to participate in the election process.

Serve as the voice for your fellow retirees

Any OPERS retiree receiving an age and service retirement benefit or a disability benefit is eligible for election as a retiree representative. Any active OPERS member, with the exception of one receiving a disability benefit, is eligible for election to represent the members of their employee group on the OPERS Board of Trustees.

Members of the Board are not paid for their work, but are reimbursed for expenses. They live all across Ohio and travel to Columbus a minimum of 40 days per year for meetings, education, planning and other Board business. Some members need to arrange time off from their jobs to handle their Board responsibilities.

The nomination process

Under Ohio law, a candidate seeking election to a retiree representative Board seat is required to obtain a minimum of 250 signatures from OPERS retirees. At least five different Ohio counties must be represented by a minimum of 10 signatures each. A candidate seeking election to an employee member Board seat is required to obtain a minimum of 500 signatures from active members within their employee group. At least 10 different counties must be represented by a minimum of 20 signatures each.

Nominating petition packets will be available on Friday, June 14 for distribution to interested candidates. Packets will be available at the OPERS office, 277 East Town Street, Columbus, Ohio and also on the OPERS website, www.opers.org. These packets contain official nominating petitions and all other necessary forms to be completed by the candidate.

Completed nominating petitions and forms are due at the OPERS office no later than 4:30 p.m., Monday, Aug. 5; petitions postmarked on this date, but received later, are invalid. Any candidate successfully meeting the above nomination criteria will be placed on an official ballot. Every effort is made to ensure that each candidate is given equal space and placement on the ballot. Voting materials will be mailed to qualified voters on Aug. 21. Eligible members and retirees will be able to vote until Oct. 4. The election count is scheduled for Monday, Oct. 7. The final results will be certified by the Secretary of State's office.

Did you know?

As an OPERS retiree you may not realize all the OPERS Board of Trustees does to support security in retirement for all members.

Recently, the OPERS Board has:

- Worked diligently with legislators and the OPERS members and retirees they represent in support of pension reform legislation. The legislation passed in September 2012 and enhances retirement security for Ohio's public employees.
- Worked for more than two years to create and implement a retiree health care program designed to sustain the health care fund and provide coverage for as long as possible
- Adopted policies reforming the OPERS disability benefit program aimed at creating a valuable benefit that is fair and equitable
- Adjusted Investment policies to take advantage of current market trends
- Agreed to a number of "unification concept rules" concerning how service time in more than one OPERS retirement plan can be combined and counted when determining retirement eligibility

2013 Calendar of Education Seminars

OPERS offers in-person education seminars and webinars tailored to your specific needs as a retiree.

2013 in-person seminars are listed here. Interactive webinars for retirees are held on Tuesdays from 10 a.m. to 11 a.m. To register for a seminar, log into your online account or call 1-800-222-7377. Visit www.opers.org and click on Seminar Options for the latest information.

Glouster July 17	Boardman Sept. 25	Cleveland Nov. 6
Granville July 31	Mansfield Oct. 9	Zanesville Nov. 14
Dayton Aug. 28	Rootstown Oct. 23	Fremont Nov. 20
Cambridge Sept. 11	Chillicothe Oct. 30	

Generic versions of these brand drugs available in 2013

A number of commonly-prescribed, brand-name medications will lose their patent protection in 2013. This will allow drug manufacturers to offer lower-cost, generic versions of these medications. The use of generics saves health care dollars for both OPERS and health care plan participants.

Common medications scheduled for generic release in 2013 include:

- Aciphex, acid-reflux and heartburn, Nov.
- Azopt, glaucoma, April
- Cymbalta, symptoms of depression, fibromyalgia, Dec.
- Lidoderm, pain, Sept.
- Niaspan, high cholesterol, Sept.
- Tricor, high triglycerides, 2013
- Travatan Z, glaucoma, 2013
- Zomig, migraines, May

- Data subject to change

Prudential to Discontinue Long-Term Care Enrollments

Prudential, who currently provides optional long-term care (LTC) insurance under the OPERS health care plan, is discontinuing new enrollments in group long-term care insurance products effective July 1, 2013. Prudential will continue to honor new enrollments that are complete by June 30, 2013. Current LTC participants are not impacted by this change and can remain covered as long as LTC premiums are paid on time and benefits are not exhausted. Premiums may change in the future, subject to regulatory review.

You can contact Prudential at 1-877-893-3367 with questions about LTC enrollment and this change.

General information about long-term care insurance is readily available through the Ohio Department of Insurance website at www.insurance.ohio.gov. Information about long-term care insurance as part of the OPERS health care plan will be made available in future communications.

Medication Therapy Management

More than 3,000 Medicare-eligible OPERS retirees participated in a Medication Therapy Management (MTM) session in 2012. In October 2012, the same MTM program was also made available to non-Medicare participants.

Participants who may be eligible for an MTM session will be identified by Express Scripts and typically include those who take a large number of medications, have multiple conditions and realize significant annual drug costs. 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. The MTM session will take place over the phone with a pharmacist and/or supervised intern.

OPERS plan participants with questions about the program or eligibility can call Express Scripts at 1-800-789-7416.

The Cost of OPERS Health Care Coverage

It's no secret that retiree health care is expensive. In 2011, \$1,600,000,000 (yes, that's billions) was spent on medical care and prescription drugs for OPERS retirees and covered dependents. The top five categories of health conditions that account for the majority of the costs for OPERS retiree health care are listed below. All five condition categories are linked to modifiable risk factors such as eating poorly, physical inactivity, and smoking.

Circulatory (heart disease, high blood pressure, high cholesterol, stroke)

Cost per day \$570,000
Total cost in 2011 \$208,000,000

Musculoskeletal (arthritis, joint replacements)

Cost per day \$380,000
Total cost in 2011 \$138,000,000

Diabetes and associated complications (kidney failure)

Cost per day \$300,000
Total cost in 2011 \$110,000,000

Cancer

Cost per day \$190,000
Total cost in 2011 \$70,000,000

Respiratory (COPD, asthma, pneumonia)

Cost per day \$140,000
Total cost in 2011 \$52,000,000

By addressing unhealthy behaviors, you can prevent the onset and/or worsening of chronic conditions like heart disease and diabetes, improve the quality of your retirement years, and help turn the tide in terms of rising health care costs. The OPERS health care program offers a variety of health and wellness resources to help enrollees reduce their health risks. For more information, please visit www.opers.org.

**A Walk in the Park?
Regular physical activity reduces the risk of cardiovascular disease as well as high blood pressure, diabetes, and breast and colon cancers.**

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.

Elected Board Members

Sharon M. Downs
Vice Chair
Retired Members

John W. Maurer
Retired Members

Heather Link
State College and University Employees

Matthew Schulz
State Employees

Cynthia Sledz
Chair
Miscellaneous Employees

Ken Thomas
Municipal Employees

Helen Youngblood
County Employees

Statutory Board Member

Robert Blair
Director, Department of Administrative Services

Appointed Board Members

Vacant
Investment Expert
Governor Appointee

Robert Smith
Investment Expert
Treasurer of State
Appointee

James R. Tilling
Investment Expert
General Assembly
Appointee

Karen Carraher
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Ohio Public Employees
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Ohio PERS NEWS
YOUR BENEFIT CONNECTION

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Enhancements to Your Online Account

Providing increased security, improved navigation, greater self-service

Beginning this summer, you will see enhancements to your online account designed to provide you with increased security, improved navigation and more self-service options.

Increased security

To continue offering you the highest level of security when accessing your online account, password requirements will be changing. When you log into your online account, you will be prompted to re-register and establish a password that meets these new security requirements. Your password must include a minimum of eight characters and consist of at least three of the following four items:

- uppercase letters (A – Z)
- numbers (0 – 9)
- lowercase letters (a – z)
- characters (!@#\$\$%^*&)

Improved navigation

Once you log in, you may notice some of the enhancements designed to improve navigation. For example, on the Benefit Account page under the My Account tab, you can find your payment summary, banking and tax information, and your benefit calculation. This is your one-stop-shop for all your benefit-related information.

Self-service features

You can also update your federal and state tax withholdings and recalculate an estimate of your benefit from the Benefit

Account page. This eliminates the need for additional paperwork; however, the option to submit a *Federal Tax Withholding Request (W-4P)* or *State of Ohio Tax Withholding Request (IT-4P)* via postal mail is still available. These forms can be downloaded from your online account.

If you have a mailing address, such as a P.O. Box or vacation home, that differs from your permanent address OPERS now offers the option of entering a mailing address as well as a permanent address in your online account. Let's say you plan to spend an extended period of time at a vacation home and want to continue receiving correspondence from OPERS while you're there. You can set your vacation home address as your mailing address, and include an end date for when you want to stop receiving mail at that address.

You will also be asked to set your correspondence preference to electronic mail or postal mail. Please be sure to make a selection so you can continue receiving the latest OPERS news and information.

Next time you log into your online account, take a moment to explore some of the new features and review your account information. To access your online account, visit www.opers.org.