

Ohio PERS NEWS

Your Benefit Connection

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

Legislative Update: Cadillac tax delayed until 2020

OPERS advocated in Washington for a repeal or an exemption from the excise tax, or “Cadillac tax,” that was included as part of the Affordable Care Act (ACA). The Cadillac tax would be assessed to health care plan providers when their coverage value exceeds certain thresholds. It would cost OPERS tens of millions of dollars if we kept our health care plan for retirees under 65 the same as it is today.

The excise tax was scheduled to take effect in 2018. The enactment of the tax is delayed until

2020 as part of an omnibus budget bill (Consolidated Appropriations Act, 2016) introduced by Congress and signed into law by President Obama on December 18, 2015. While a delay is good news, OPERS staff will continue their advocacy efforts for a full repeal of the excise tax or, alternatively, an exemption for public retirement systems from the tax.

This tax is a 40 percent excise tax that would be imposed on OPERS and other plan sponsors when the total premium cost of a health care plan exceeds \$10,200 for re-employed retirees and retirees under 55. The threshold is \$11,850 for retirees 55 and older who are not re-employed.

OPERS’ plan costs are currently close to the imposed thresholds. Without the changes enacted in the Omnibus bill and because of the rising cost of health care, we would have been subject to \$25 million in taxes the first year if we retained the same level of coverage we have now. Even with the two-year delay and increases to the Cadillac tax thresholds, OPERS retiree health care plans may still exceed the 2020 thresholds.

Health care plans such as ours could not afford to pay this tax and thus would shift more costs to retirees. OPERS has moderately increased out-of-pocket expenses, including deductibles and copays, for 2016 in anticipation of the excise tax.

In addition, we are concerned about the timing of the excise tax and the changes that we may have to make to our plan as a result. And, as you know, the tax comes at a time when our system has already made significant changes to our health care plan design to bolster health care fund solvency.

OPERS staff has met with congressional staff to urge our Ohio delegation to support repeal or exemption from the excise tax. We have developed informational materials outlining our position and detailing options for Congress to consider.

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OPERS to mail IRS Forms 1099-R and 1095-B



Legislative Update

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 addition, OPERS has submitted comment letters to the IRS in response to their notices seeking guidance on excise tax implementation. Members of Congress, including Ohio Senator Sherrod Brown, have introduced multiple ACA excise tax repeal bills.

In recent months, we asked you to show support for the repeal of this tax by contacting federal legislators and the White House to encourage them to repeal the Cadillac tax. Thank you for acting on this request. Your actions show that OPERS retirees are serious about removing this excise tax from the Affordable Care Act. Your support helped us to get the two year delay in the implementation of the tax. Any updates on the progress of our efforts to have the Cadillac tax repealed and any further requests for support will be posted to our website, www.opers.org.

Medicare Part B Premiums

OPERS lobbied hard for Congress to address a potential Medicare Part B premium increase that could have had a significant impact on our retirees. A fix included in the recent budget deal approved by Congress and signed into law included language to mitigate an expected 52 percent rise in premiums starting next year.

Currently the monthly Part B premium rate for 2015 is \$104.90. The Social Security Administration recently announced that, as a result of low inflation, Social Security recipients will not receive an annual cost-of-living-adjustment (COLA) next year. For approximately 70 percent of Medicare recipients, the fact that they will not receive a COLA adjustment in 2016 also means that their Medicare Part B premiums will not increase.

The remaining 30 percent of Medicare recipients, including OPERS retirees who do not receive Social Security benefits, were on track to pay the full cost of the 2016 premium increase. As projected by Medicare, these individuals would have seen their premiums increase from \$104.90 to \$159.30 per month.

Legislative Update *(continued)*

Since this problem came to light, OPERS staff advocated against the planned premium increase. At the end of October Congress reached a budget agreement that includes language to avoid the 52 percent increase for our members. Per the budget agreement, Social Security recipients will be “held harmless” at \$104.90 in 2016. For most beneficiaries who are not held harmless, premiums will rise to \$121.80, which includes a \$3 surcharge to make up for the lost revenue to the Medicare Trust Fund as a result of lower premiums. This surcharge is expected to last five years.

OPERS believes this agreement is a step in the right direction. The Part B premium has not increased for several years. While the \$121.80 monthly amount is an increase over current Medicare Part B rates, it is far better than the expected 52 percent increase our Medicare eligible retirees would experience if no congressional action were taken.

State Legislative Update

The Ohio General Assembly wrapped up their work for the year with a flurry of activity on the final days of session; however, nothing of impact to OPERS. OPERS Government Relations staff continues to meet with legislators and staff to discuss bills that could impact OPERS and our members, as well as any pending legislative issues in the first half of 2016. OPERS Government Relations also provides legislators with updates on the implementation of the OPERS Medicare Connector. State legislation we continue to monitor includes topics such as: health care reforms and mandates, public expenditure transparency, privatization, forfeiture of public pensions and mitigating rate reform.

For more information and to view a complete list of the bills OPERS is actively monitoring, visit opers.org.

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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University Employees

Sean Loftus
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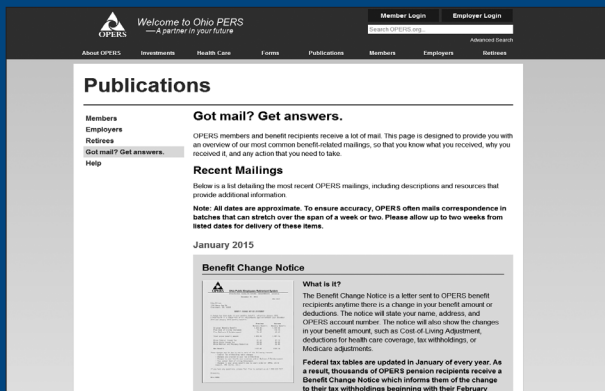
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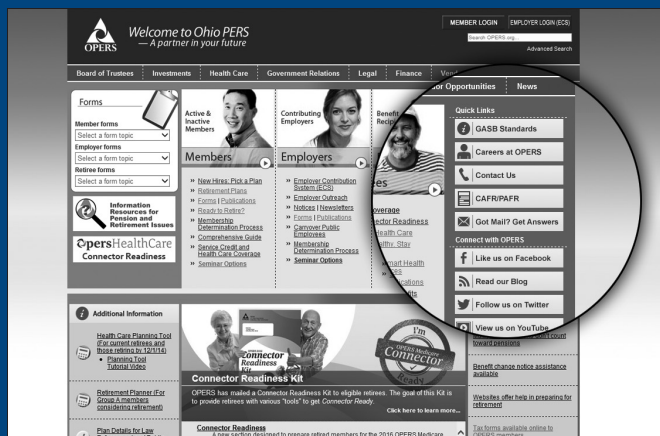
Got Mail? Get Answers.

As an OPERS retiree, we know you receive a lot of mail. That's why we offer a section of www.opers.org called "Got Mail? Get Answers." This page is designed to provide you with an overview of our most common account-related mailings, so you know what you received, why you received it, and any action that you need to take.



You can view a detailed list of the most recent OPERS mailings, including descriptions and resources that provide additional information.

To access this page, simply click on the "Got Mail? Get Answers" quick link located on right side of the opers.org home page.



2016 benefit payment schedule

Pension benefit payments will be issued on the first business day of the month. If that day falls on a weekend or holiday, payments will be issued on the last business day of the previous month (except January when, for tax purposes, the payment must be issued on the first business day of the month). 2016 payment dates are listed at right.

2016
January 4, 2016
February 1
March 1
April 1
April 29
June 1
July 1
August 1
September 1
September 30
November 1
December 1

2016 Benefit Change Notices

Each time your pension amount changes, OPERS issues a Benefit Change Notice. Most retirees will see a difference in their pension amount due to health care premium changes in 2016. You will receive a Benefit Change Notice reflecting the new amount in January. If there are tax changes resulting in a change in your pension amount, you will receive a Benefit Change Notice reflecting these changes in February. You will also receive a Benefit Change Notice when you receive any cost of living adjustment. Remember, you can log into your online account at any time to see your current benefit amount as well as any deductions.

OPERS Education in 2016

2016 Retiree Health Care

Seminars - These seminars will provide non-Medicare retirees with information about the OPERS Retiree Health Plan. To register for a seminar, log into your online account or call 1-800-222-7377.

March 8

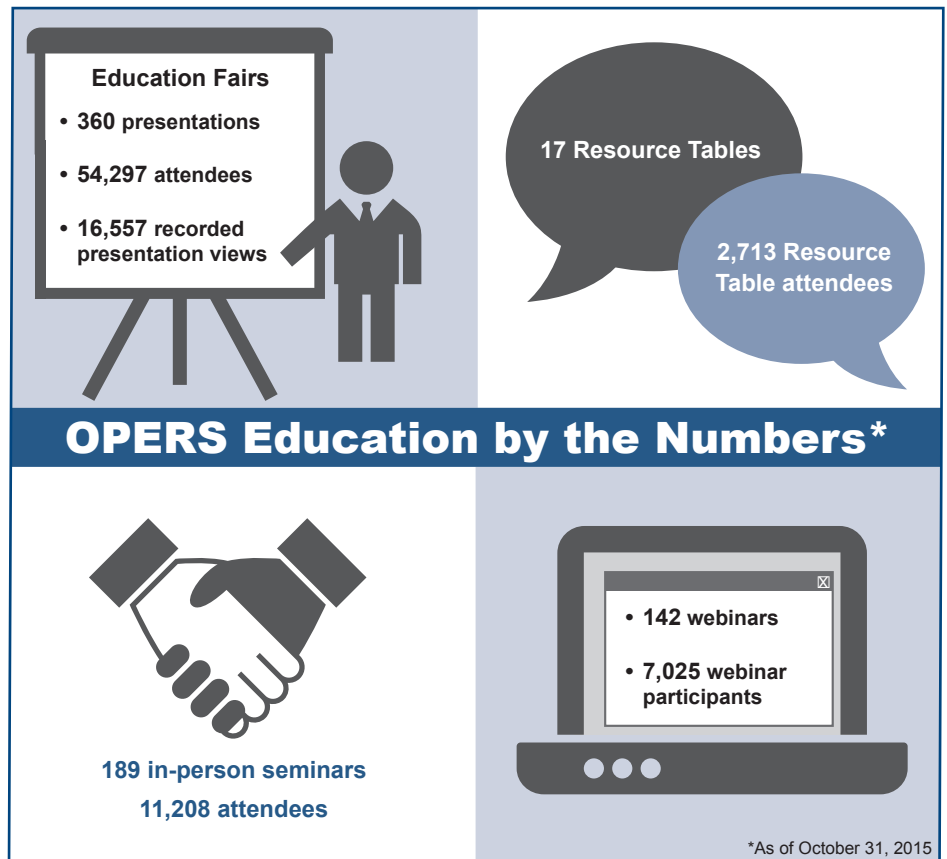
Cleveland South/Strongsville

March 22

Columbus West

Medicare-eligible retirees:

OPERS will present ***Moving Forward with OneExchange*** seminars in January and February. Please see page 3 of the enclosed health care insert for more information.



Webinars and online recorded presentations - Register for a live, interactive webinar or view a recorded presentation. Webinars are tailored to the needs of retirees. Recorded online presentations can be viewed at any time and registration is not required. These presentations cover topics ranging from re-employment and the OPERS Medicare Connector, to benefit change notices and your online OPERS account. Register for a webinar or view a recorded presentation, at www.opers.org, under Educational Opportunities.

Is your contact information up-to-date?

The beginning of a new year is the perfect time to review your personal information and make sure OPERS has your current address, phone number, e-mail address and correspondence preference. If you need an OPERS online account, go to www.opers.org to register today.

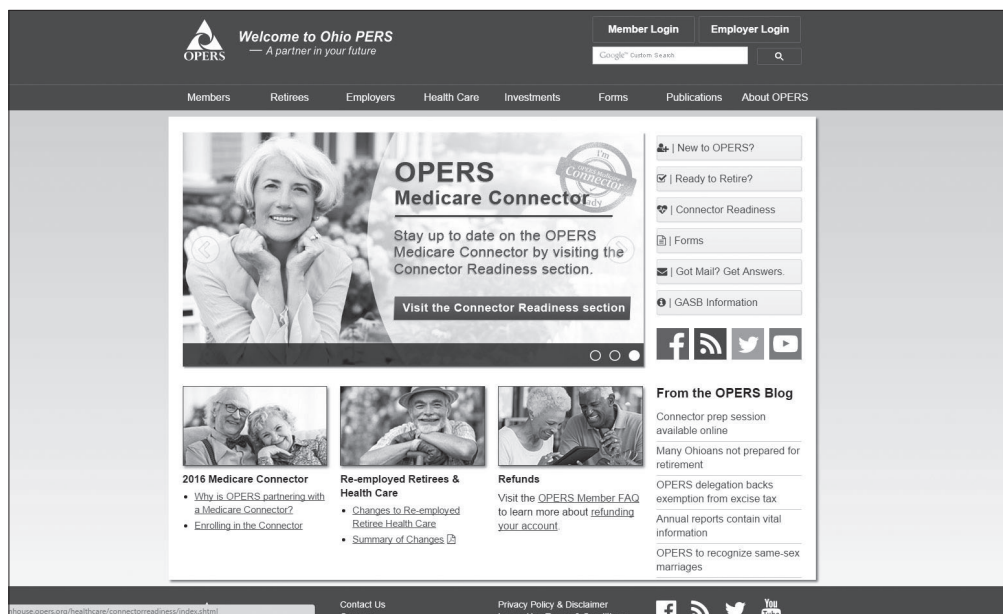
Coming Soon: OPERS Website Redesign

The OPERS website is a wealth of information and resources. To bring you a better user experience, the website will soon have a new, modern design. Redesigning the OPERS website is also an opportunity to organize new and existing content on the home page and give it a cleaner, more appealing appearance. This will make it much easier to find what you're looking for, whether it's news, retiree publications or specific information about your health care plan.

The main focal point will be a large section at the top of the home page with changing images; commonly referred to as an **image slider**. The slider will display current, significant information and direct you to other pages of the website for specific details.

To the right of the image slider will be **Quick Links** which will direct you to other pages of the website, such as the Connector Readiness page, and "Got Mail? Get Answers." There will also be links to the OPERS **social media channels** including Facebook, the *PERSpective* blog, Twitter and YouTube. Directly below the slider you will find several **featured articles** covering topics that may have a large impact on OPERS retirees.

The new look will also incorporate a **responsive design**. The responsive design will automatically organize information to fit the screens of multiple electronic devices. This will ensure viewable access to all our content - from your phone, tablet or laptop computer!



Be sure to visit www.opers.org in the coming weeks to check out the redesigned home page, and visit the website often for the most up-to-date news and information from OPERS.



OPERS to mail 2015 IRS Forms 1099-R and 1095-B

OPERS will mail Form 1099-Rs for tax year 2015 by Jan. 31, 2016. Retirees should expect to receive their Form 1099-R by Feb. 15, 2016. **If you wish to access your 1099-R prior to receiving it in the mail, you can do so by logging into your OPERS online account after Jan. 22, 2016. Once in your online account, click on “Documents.”**

Some retirees could receive more than one Form 1099-R. Reasons could include receiving more than one benefit or if you received Partial Lump Sum Option Payment in 2015.

New for tax year 2015: OPERS will provide retirees participating in OPERS Health Care with a Form 1095-B for tax year 2015. Form 1095-B is a health insurance tax form which reports the type of coverage you have, dependents covered by your insurance policy, and the period of coverage for the prior year. This form is used to verify on your tax return that you and your dependents have the minimum essential health insurance coverage. Under the Affordable Care Act, taxpayers who do not have minimum essential coverage must pay a penalty when they file their tax returns. Having a 1095-B in hand is proof that you had the type of coverage required by the Affordable Care Act.

This new form will show who was covered under your health plan in 2015 and when they were covered. The form does not show the amount paid for health care premiums.

OPERS will mail Form 1095-Bs for tax year 2015 by Jan. 31, 2016. Retirees should expect to receive their Form 1095-B by Feb. 15, 2016. **If you wish to access your 1095-B prior to receiving it in the mail or need to print additional copies, you can do so by logging into your OPERS online account after Jan. 22, 2016. Once in your online account, click on “Documents.”**

Form 1095-B Health Coverage VOID CORRECTED **2015**

Department of the Treasury Internal Revenue Service

Part I Responsible Individual

1 Name of responsible individual: SCHMIDT, JOHN JACOB
 2 Social security number (SSN): XXX-XX-1234
 3 Date of birth (if SSN is not available): 12/25/1952
 4 Street address (including apartment no.): 1234 HIGH STREET
 5 City or town: COLUMBUS
 6 State or province: OHIO
 7 Country and ZIP or foreign postal code: USA 43210

Part II Employer Sponsored Coverage (see instructions)

8 Enter letter identifying Origin of the Policy (see instructions for codes):
 9 Small Business Health Options Program (SHOP) Marketplace identifier, if applicable
 10 Employer name
 11 Employer identification number (EIN)
 12 Street address (including room or suite no.):
 13 City or town:
 14 State or province:
 15 Country and ZIP or foreign postal code:

Part III Issuer or Other Coverage Provider (see instructions)

16 Name: OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 17 Employer identification number (EIN): 31-1234567
 18 Contact telephone number: (800) 222-7377
 19 Street address (including room or suite no.): 277 EAST TOWN STREET
 20 City or town: COLUMBUS
 21 State or province: OHIO
 22 Country and ZIP or foreign postal code: USA 43215

Part IV Covered Individuals (Enter information for each covered individual.)

(a) Name of Covered Individual(s)	(b) SSN	(c) DOB (if SSN is not available) all 12 mos.	(d) Months of Coverage													
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
23 SCHMIDT, JOHN JACOB	XXX-XX-1234		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
24 SCHMIDT, JOANNE DEE	XXX-XX-9876		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
25 SCHMIDT, JOSEPH JAMES	XXX-XX-4567		☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
26 SCHMIDT, JENNIFER JANE	XXX-XX-6543		☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
27			☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
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For Penalty Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 80704B Form 1095-B (2015)

Once the Form 1095-Bs have mailed, you can find more information and watch a video about the form by visiting the OPERS website, www.opers.org, and clicking on “Got Mail, Get Answers.”

OPERS will not be sending a paper copy of the Benefit Recipient Tax Guide with your IRS forms for tax year 2015. The publication will be available to view and print on the OPERS website, www.opers.org, or you can contact OPERS to request a paper copy by mail on or after Jan. 31, 2016.



Ohio Public Employees
Retirement System

277 East Town Street Columbus, OH 43215-4642

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

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

Coming Soon!

Your OPERS retiree newsletter will have a new look in 2016.

