

STRS BOARD REPORT

January 2010

New Member

At the beginning of the Thursday session, Dr. Daniel Martin took his seat on the Board. He was appointed by Ohio Treasurer Kevin Boyle.

Actuarial Audit of STRS

Each year the Ohio Retirement Study Council (ORSC) conducts an independent audit of one of the five pension systems. This year STRS was chosen for this year. A report was presented by Milliman, Inc. summarizing the findings and recommendations resulting from the independent review of the actuarial methods, procedures, and actuarial assumptions and the resulting actuarial computed contributions and liabilities as shown in the July 1, 2008 Actuarial Pension Valuation report for STRS and the January 1, 2009 OPEB Valuation Report for STRS. In effect, this is an actuarial review of the actuarial. The report found the actuarial procedures and practices of PricewaterhouseCoopers to be of high quality and in compliance with all major aspects of the applicable actuarial standards.

Recommendations for possible changes include the post-retirement mortality assumption, the investment return assumption, the reflection of contribution timing, service in multiple systems, and the presentation of proposed actuarial assumptions.

Long Term Care Insurance Review

There are currently 11,944 members enrolled in long term care currently insured by the Aetna Life Insurance Company. Aetna is disengaging from the long term care insurance market. They will continue to support the STRS plan until the end of 2010 and then transfer the plan in 2011 to a trust with ongoing coverage for enrollees who continue to pay premiums; enrollees would pay their premiums directly to Aetna. Aetna is also working with STRS to secure replacement coverage with a different carrier. Right now the system is studying a replacement vendor for a like policy. A recommendation will be made in the coming months.

Long-Term Fiduciary and Financial Contingency Planning

All five pension systems have completed or nearly completed their review of the feedback given from the ORSC. There will be one pension correction bill presented to the legislature. Representative Book has indicated that during February and March there will be a review of all language and then submission of the bill. The recommendation will be what was developed by all five plans. This being an election year and politics being what they are, there is no exact prediction when the bill would be passed. The Health and Pension Advocates (HPA) will present a plan at the February Board meeting addressing the COLA, timing of the changes, and giving the Board more authority to make changes. STRS, the HPA, and the legislature will be working together.

In December, the Board approved motions to seek changes to the plan design in the areas of purchase service credit, disability benefits, survivor benefits, and service retirement calculations. The staff presented information at this meeting on a transition plan for implementing these changes. The Board also received information on service credit for partial years of teaching and changing the 120 day rule to a 180 day rule.

Investments

Overall Asset Mix as of December 31, 2009 (Preliminary)

Liquidity Reserves	5.1%
Fixed Income	18.3%
Equities	62.5%
Domestic	38.5%
International	24.0%
Real Estate	9.4%
Alternative Investments	5.9%

Total Value of Investments: **\$59,819,731,338**

Top Five Domestic Equity Holdings This Month

[Exxon Mobil Corporation](#)
[Microsoft Corporation](#)
[Apple, Inc.](#)
[IBM Corporation](#)
[Johnson & Johnson](#)

CONTACT YOUR RETIREMENT SYSTEM

STRS 1-888-227-7877 or www.strsoh.org
SERS 1-800-878-5853 or www.ohsers.org
OPERS 1-800-222-7377 or www.opers.org

OEA-R NEWSLINE

District Update

CAPITAL: A regular part of each of our events is the 50-50 Drawing (chances are 1/\$1, 3 /\$2). Half of the collection goes to a lucky member. The other half of the collection goes to a designated project. The projects are selected to help students who attend the Columbus City Schools. The current proceeds will go to the David and Joanne Katonak Enrichment Fund. Money from this fund will be used to purchase equipment and supplies for the Columbus City Schools art, music, and drama teachers. Projects change yearly. Members also contribute personal items to be given to the homeless who attend a breakfast at a local church. We also contribute books to the local Reach Out and Read Project.

ECOEA: ECOEA retirees will celebrate St. Patrick's Day with an "O'Lunch" get together on Wednesday, March 17 at Newt's Restaurant in Navarre. Lunch will be in a private room at 11:30 with everyone ordering their choice from the menu. Bring a deck of cards or a favorite board game and plan to spend the afternoon socializing. Contact Carol Kinsey via email at Cskinsey@aol.com or by phone---330-879-2417 or 330-495-2318 no later than March 12 with your reservation. Fun and door prizes await.

SEOEA: Christine McVicar has been busy entering e-mail addresses into her computer. She is also in the process of mailing surveys to the 24 new members that OEA has added to the SEOEA list. If you have not received a survey and wish to share your opinion, contact Christine McVicar at vicarmac@yahoo.com . She plans to travel to a variety of towns across the SEOEA region to meet with members close to their homes.

SWOEA: Many great activities are planned for this spring! March 16 we are going on a guided tour of the Cincinnati Art Museum. On April 28, we are headed to the Butler County Historical Society. May 12 is the SWOEA-R Annual Meeting which includes the election of officers. Details are in the current SWOEA-R Newsletter.

AT-LARGE: Kathy Turning represents OEA-R at on the Local Development and Training Core Function Committee. All committees are focusing on how to fold our work around HB1. The Local Development and Training Committee recommended strengthening the LPDC, more effective communications modes, and stronger links toward developing effective locals. The committee will meet again April 30-May 1.

SERS Survey of Active and Retired Members

This past summer, Saperstein Associates surveyed both active and retired members on a variety of topics to measure our members' overall impressions of SERS and their service preferences and expectations. Saperstein Associates administered the staff-approved survey by phone to the active members and retired members. Here are some of the most significant findings:

- For the survey, the average age of retired member respondents was 70, while the average age of active member respondents was 50.
- SERS provides, on average, 39% of a retired member's annual household income.
- 9 out of 10 active members have positive impressions of SERS. Retired members, more than active members, have very positive impressions.
- 3 out of 4 retired members consider their pension benefits an excellent or good value. When active members anticipate their pension benefits, fewer are as positive.
- 8 out of 10 active members and retired members believe that SERS is financially sound.
- 96% of retired members and 83% of active members agree that SERS keeps them well-informed about pension related issues.
- 3 out of 5 retired members currently participate in a SERS-sponsored health plan. The same number—3 out of 5 active members—expect to participate in a SERS-sponsored health plan when they retire.
- However, fewer than 2 out of 10 active members are very confident that SERS will offer health insurance when they retire.
- 96% of retired members and 93% of active members found SERS' representatives to be very helpful.

Election Results

The following individuals have been elected by acclamation for three year terms:

Bill Sears, OEA Board of Directors
Bob Beers, SWOEA, OEA-R Advisory Council
Jane Rahn, WOE, OEA-R Advisory Council
Richard Burden, Higher Ed., OEA-R Advisory Council
Elaine Spondike, ESP, OEA-R Advisory Council

An election will be held between **Beryl Burkle** and **Gary Hollow** for the NEOEA Representative to the OEA-R Advisory Council.

Ballots will be sent the first week of March for election of retired delegates to the NEA-R Annual Meeting and the NEA Convention. The Elections Committee requests that you follow the voting directions and that you return your ballot by the specified date.

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Intergenerational Mentoring

The Intergenerational Mentoring Program has entered its second year at Kent State University with the addition of nine junior and senior Kent State Education Association members. This gives Kent now a total of 12 mentors and 14 mentees. On November 2, we had our Meet and Greet meeting where the OEA-R mentors met face-to-face with their assigned student mentee. The mentors meet for an hour to review the mentoring process and then as the students arrived, they were welcomed by the mentors. As you can imagine, the room became very noisy as they all got to know each other. The pairs (or in two cases three-some) will continue to communicate through email or phone through the first semester and then we will have another face-to-face meeting in February. An end of the year celebration will be scheduled near the end of May.

The Miami University chapter is in its first year, We have 16 mentors and 18 mentees involved. On November 17, we had our first "Meet and Greet." The participants exchanged contact information and made plans for their future get togethers. On February 2, the mentors will meet to share ideas that promote successful experiences as well as try to resolve any problems/issues that have come up. The mentees will join us for some additional face to face time. Our "Celebration of Success" meeting will be on April 14.

Every participant has been given a journal that will be used for assessment and evaluation at the end of this school year

Working with the graphics art department of OEA, we were able to create and produce a colorful "recruiting" brochure for both mentors and mentees. Each one included the project goals, mission statement, and addresses the need to be involved. One section of the tri-fold included an application. Most of the photographs are of our Ohio participants.

With the success of the programs at both Kent and Miami, the program is looking forward to expanding to other campuses soon. The funding for the Intergeneration Mentoring Program is through a grant from NEA-R.

Social Security Offsets (GPO/WEP) Urge Congress: Repeal Unfair Social Security Offsets

NEA supports repeal of the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP), which penalize some public employees by cutting or taking away completely Social Security benefits they or their spouse earned.

Legislation (H.R. 235/S. 484) to completely repeal the GPO/WEP has been reintroduced in the House and the Senate. **NEA Supports this proposal. Your help is needed!** Tell your Representatives in Congress: Stop penalizing public service! Repeal the Government Pension Offset and Windfall Elimination Provision.

NEA's other legislative priorities for Social Security:

NEA opposes any efforts to privatize Social Security. NEA works to ensure that public employees who are enrolled in and have paid into other retirement security plans are not mandated to participate in Social Security. *You can make a difference.*

Join the nationwide call to action and use these resources to advocate for the repeal of the GPO/WEP.

Complete information, an electronic petition, and a list of Senators and Representatives who support repeal is available at www.nea.org.

OEA-R Members Recognized at OEA Fall RA

Congratulations to these individuals honored at the OEA Fall RA for their FCPE Donations:

Laura Herroon - Executive Club
John Hoyes - Executive Club
Elaine Spondike – President's Club
Elaine Spondike – Lifetime Achievement
Dorothy Wilson – Hall of Fame
Sue Day - Legacy Award
Chris Swank – Legacy Award

Do you still have May 19 marked on your calendar? Enclosed in this edition of the OEA-R Newsline is a program and registration form for the OEA Spring Regional Conference presented by NEOEA. If you want to be part of this personal and professional event, please complete the form with your check as soon as possible. See you in Cleveland on the 19th!

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NEA MB Web Site Sweepstakes

March 1, 2010 – March 15, 2010: Five \$500 Whirlpool VIPLink Program Credits

NEA members can register between 12:00 a.m. ET on March 1, 2010 and 11:59:59 p.m. ET on March 15, 2010 in the "ENTER TO WIN" area of the NEA Member Benefits Web Site for a chance to win one of five \$500 Whirlpool VIPLink Program credits which can be used towards the purchase of hundreds of popular consumer products for your home from recognized brands such as KitchenAid®, Maytag®, Amana®, Whirlpool®, Gladiator® GarageWorks and more.

March 16, 2010 – March 31, 2010: Three Barnes and Noble "Nook" eReaders

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Our Mission Statement

OEA-Retired is dedicated to meeting the needs of its members, providing member involvement within OEA, and supporting public education.

2009-2010 Officers

David Bowen
President

John Hoyes
Vice-President

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Bill Sears, Editor

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