

## STRS INFORMATION

### STRS Ohio Responds to Newspaper Articles About Reemployed Retirees

On June 20, Ohio's major daily newspapers ran a series of stories about reemployed retirees — educators who continue teaching after retirement. STRS Ohio provided much of the data used in these articles and had many conversations with reporters to try to put this information into context. Following publication of these articles, STRS Ohio responded with a letter to the editor of each newspaper. A copy of this letter appears below.

To the Editor:

In response to your articles about reemployed retirees, we at STRS Ohio agree that pension reform is needed and educators must work longer. In the past, as the Ohio Legislature has made changes to the rules governing reemployed retirees, STRS Ohio has made adjustments to help ensure that reemployed retirees do not negatively impact the pension fund or the separate health care fund. These past reforms include no longer providing primary health care coverage to rehired retirees, and also making the payout after a second retirement cost neutral to the system. Reemployed retirees and their employers also pay the same amount in contributions as do non-retirees. More recently, our Retirement Board took the responsible step as system fiduciaries and adopted a plan in September 2009 that proposes a number of changes to pension plan design for Ohio's public educators. One of the plan's major components increases the service required for retirement to 35 years. We look forward to our proposed pension plan changes being included in future legislation and will continue to work with the Ohio Retirement Study Council, other legislators and all stakeholder groups to bring about changes that will help ensure the sustainability of STRS Ohio for Ohio taxpayers who have chosen public education as their career.

Michael J. Nehf, Executive Director  
State Teachers Retirement System of Ohio

### Staff Reports 13.54% Investment Return for Fiscal Year 2010

The STRS Ohio total investment fund returned 13.54% for the 12 months ending June 30, 2010, outperforming the composite benchmark return of 13.28% by 0.26%. After all direct internal investment costs and external manager costs are subtracted from this gross active management return, the net value added was 0.15%, or about \$50 million. This represents the additional value brought to the STRS Ohio investment fund through active management by STRS Ohio associates and external managers, above and beyond the passive benchmark. At the end of the fiscal year, the market value of investment assets totaled \$56.9 billion.

During the August Retirement Board meeting, Callan Associates, the board's investment consultant, noted that all STRS Ohio investment fund asset classes posted a positive return for fiscal year 2010 except for real estate. However, despite falling below its benchmark return, the STRS Ohio real estate portfolio ranked in the 12th percentile versus its peers for one-year returns. (Note: 1st percentile = best; 100th percentile = worst.)

### Operating Expenditures Come in Below Budget

Final figures for fiscal year 2010 (July 1, 2009–June 30, 2010) show that total operating expenditures for STRS Ohio were \$8.5 million less than budgeted and \$9.4 million less than fiscal year 2009 expenditures. Less-than-expected expenditures for associate salaries and related fringe benefits, custodial banking fees and outside services contributed to the majority of the savings. Operating expenditures for fiscal year 2010 totaled about \$79.4 million.

### STRS Ohio Web Site Now Features Pension Plan Reform Information

The home page of the STRS Ohio Web site (<https://www.strsoh.org>) now features a section titled "Special Pension Plan Reform Coverage." In addition to sharing the details of the proposed plan approved by the Retirement Board in September 2009, it includes information about the value of defined benefit plans, an ongoing recap of the board's long-term planning work, a link to the National Institute on Retirement Security and other pertinent information.

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## OEA-R NEWSLINE

### SERS NEWS

On July 4, 2010, *SERS and the other four Ohio retirement systems* received a *public records request from the Ohio News Organization*, a coalition of Ohio's eight largest newspapers, asking for access to the following information about all 65,757 SERS retirees, minus their names and addresses:

1. Name of county where last employed for each such member.
2. Age of each such member and retiree at the time of retirement.
3. Years of service of each member and retiree.
4. Total taxed and tax-deferred contributions by each such member.
5. Annual compensation paid to each such member for each of the five years immediately preceding retirement.
6. Total amount of the monthly benefit paid to each such member and retiree during 2009.

The Ohio Revised Code prohibits SERS from releasing information in a member's personal history record without the member's written consent; contributions, service credit, and benefit amount are identified as information included in a member's personal history record pursuant to Ohio Revised Code Section 3309.22(A) and Ohio Administrative Code Section 3309-1-45. SERS determined that the prohibition against releasing information in a member's personal history record applies even though the request does not ask for the names of individual members. However, just to make certain that interpretation was correct, SERS consulted with the Ohio Attorney General's Office. The Attorney General's Office agreed with SERS' interpretation. On July 14, *SERS sent a letter* to the Ohio News Network explaining why the information it requested was not provided.

Being "unwilling" to provide information and being "prohibited by law" from providing information are two very different things. We find it disingenuous that Ohio's newspapers made it look like SERS voluntarily withheld public records information, when in fact, we were following state law.

Over the last year, SERS has responded to more than 30 public records requests and general reporter questions on various topics from the state's eight largest newspapers. However, not one request addressed existing external and internal operational oversight and controls SERS already has in place.

Oversight of Ohio's public pension systems is rigorous, and there are numerous external and internal processes designed to ensure operational accuracy.

#### OEA R Advisory Council 2010-2011

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**Don Traxler**, Resolutions Representative\*

\*Non-voting positions

**Don Holub**, Staff Liaison

### 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. See if your [Representative](#) and [Senators](#) are cosponsors by going to [www.nea.org](http://www.nea.org) under the heading "Issues and Action". Information on contacting your legislators is also available at the site.

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## OEA-R NEWSLINE

### IMPORTANT INFORMATION ON MEMBERSHIP INFORMATION REHIRE AFTER RETIRE and SUBSTITUTING

Recently the OEA-Retired Advisory Council requested information from OEA regarding membership eligibility for the retired division of OEA and how retired membership could be affected if a retired member returned to regular employment in education. Given the importance of the topic, a recap of the information provided is below.

**What makes a retiree eligible to become a member of the retired division of OEA? The OEA Policies below define the eligibility of a retired member:**

OEA Bylaw Membership Classes 2-1.f.

Retired membership shall be open to any officially retired person who has held active membership in the Association for at least one (1) year and who has retired through a State Retirement System in Ohio. Retired life memberships shall be available to retired members and shall entitle the member for life to those rights and privileges of a retired member as the latter may, from time to time, be determined by the OEA Constitution and Bylaws. Retired life memberships shall also be available to active members and shall, upon retirement, entitle the member for life to those rights and privileges of a retired member as the latter may, from time to time, be determined by the OEA Constitution and Bylaws. Retired membership provides no entitlement to the rights, privileges, or benefits of active membership class. **Further, a retired member who becomes employed by or in a public school district, public or private college or university, or other public institution devoted primarily to education, if eligible, must seek active membership in the OEA. The member will be placed in the proper membership class as outlined in Bylaw 2-1 with full membership rights and will be assessed the appropriate dues for that membership class regardless of eligibility for retired membership status pursuant to Bylaw 2-1.**

*Questions regarding OEA-Retired membership may be directed to the Membership Department of the Ohio Education Association at 1-800-282-1500 extension 4056 or at [membership@ohea.org](mailto:membership@ohea.org).*

**OEA Executive Board Policy 900.050 - RETIRED MEMBERS - ELIGIBILITY** Bylaw 3-3 does not exclude retirees from other Ohio retirement systems from such membership class. It permits not only educators who have officially retired from a State Retirement System in Ohio to join the OEA as a retired member, but such section also permits other individuals who have retired from active educational service from institutions under another state retirement system in Ohio to join OEA as retired members, as long as such persons meet the requirements in Bylaw 2-1.f. and as long as they are not eligible for another classification of membership.

**What is the cost of a Retired Unified Membership?** Any OEA active member who retired after 1985 shall be a unified member of the OEA-R and NEA-R. Current Unified retired annual dues is \$45.00 and Unified Life dues is \$300.00. In addition, the OEA Executive Board Policy 910.090 speaks to first year OEA-R memberships: "Members, who retire from active service after May 1988 shall upon payment of the appropriate national, district and local dues for retirees, be granted a waiver of the first year's membership dues in OEA-R. The dues waived under this policy may not be applied as a credit against the retired life membership fee provided in Bylaw 2-1.f."

**What kind of employment would require a retired member to seek active membership:** Working in public education under a contract whether in an OEA bargained local association or not. Teaching a class or two in a public or private college or university, or another public institution devoted primarily to education. Employed as a consultant in a public institution primarily devoted to education. Long term substitute teaching under contract or on a regular basis.

**What kind of employment would allow me to maintain my retired membership?** Casual day to day substitution.

**Back to being employed - so what happens to your retired membership:** A retired life membership will be changed to a pre retired membership and you would be enrolled as an active member of the OEA with full membership rights and will be assessed the appropriate dues for that membership class. Once you have returned to full-time retired status, your retired life membership will be reinstated.

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## OEA-R NEWSLINE

### **Declaration of Candidacy Forms Available for OEA-RA Retired Delegates and Advisory Council Positions**

OEA Retired receives an allocation of delegates to the OEA RA. Declaration of Candidacy Forms are available by contacting Carol Price at 1-800-282-1500 or locally at 614-227-3169. The form must be received by the OEA Secretary-Treasurer no later than September 20, 2010.

Declaration of Candidacy Forms are also available for the Central OEA/NEA, ECOEA, SEOEA, and At-Large positions on the OEA Advisory Council with a term beginning September 1, 2011 and ending August 31, 2014. Advisory Council members are automatically delegates to the OEA RA by virtue of office. Contact Carol Price at 1-800-282-1500 or locally at 614-227-3169 for the form. The form must be received by the OEA Secretary-Treasurer no later than February 15, 2011.

### **Our Mission Statement**

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

### **2010-2011 Officers**

**David Bowen**  
President

**John Hoyes**  
Vice-President

**Marti Huss**  
Secretary

**Homer Adams**  
Past President

**OEA-R Newsline is the official  
publication of OEA-Retired.**

**Bill Sears**, Editor

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