

SERS BOARD MEETING
JUNE 21, 2012

SERS BOARD ANNOUNCES HEALTH CARE PREMIUMS FOR 2013

Some members will see a decrease in the cost of their health care premiums.

See attachment

Anne Jewel presented several reasons. More investment income, employer contributions but mainly the Aetna Medicare Advantage plan, which covers approx. 92% of SERS Medicare eligible retirees, had a positive experience in 2011 and received significantly more Medicare funds from CMS than anticipated. An agreement between SERS and Aetna allowed that if Aetna's experience was better than projected, SERS would receive a refund. SERS has received a preliminary reconciliation payment of \$15 million from Aetna.

Two minor changes to plan design; colonoscopy will be covered whether a polyp is found and removed or not and annual Complete Blood Counts (CBC) tests will be covered except for Kaiser Plans.

MANDATORY DIRECT DEPOSIT

The Board approved a new rule (3309-1-10) which states that all payments from SERS will be made by direct deposit beginning January, 2013. In special circumstances an individual may submit a written request for exemption from direct deposit and SERS staff shall approve or deny the request.

SERS fund was reported at \$10.2 billion.

PURCHASES

<u>ASSET CLASS</u>	<u>COST(in millions)</u>
US Equities	\$109.1
Non-US Equities	120.8
Fixed income	425.1
REITS	1.4
Hedge Funds	N/A
Private Equity	11.1
Capital Calls	
Real Estate	24.8
Capital Calls	
Short Term	144.4

SALES

<u>ASSET CLASS</u>	<u>Approx. NET PROCEEDS</u> (in millions)	<u>Approx. GAIN/LOSS</u> (in millions)
US Equities	\$101.6	\$8.0

Non-US Equities	117.0	1.3
Fixed income	401.9	2.7
REITS	25.8	3.7
Hedge Funds	12.7	.8
Private Equity distributions	15.7	N/A
Real Estate distributions	27.3	N/A
Short Term	108.8	N/A

HEALTH CARE SUBSIDY ISSUE

Presented by John Grumney:

Administrative Rule 3309-1-35(F)(@) states a member is eligible for a Health Care premium subsidy if he/she was eligible to participate in the health care plan of his/her employer at the time of separation of service. SERS staff has recently encountered several instances where the rule, as currently written, appears to unintentionally penalize career employees.

At the June Board meeting staff would like to propose a resolution to amend the current rule.

The Board elected Mark Anderson as Chair and Beverly Wooldridge as Vice-Chair for the next term.

AUDIT COMMITTEE

Auditor Dennis Trzeciak presented his monthly internal auditor report and the internal auditor One and Three Year Audit Plans.

Executive Director, Linda Morris, reported that the long awaited actuarial report of the pension systems requested by the Ohio House will be presented at the next ORSC meeting in July.

Also reported, the SERS Board will have a BOARD TO BOARD meeting with SERO on July 25.

COMPENSATION OF PUBLIC EMPLOYEE

The Board voted a retroactive 3% raise for the Executive Director and an 8% raise going forward. The auditor received a 3% raise.

Board approved travel for 5 Board Members to an annual conference in San Diego, Nov., 2012. Due to their travel the date of November's Board meeting was changed to Monday, Nov. 26, 2012.

Next Board meeting will be Tuesday, July 24, 2012

Respectfully submitted,

Adele Matias

NEOEA ESP Organizing Committee

