OEA-Retired Council Vacancies

Declaration of Candidacy Forms, with a filing deadline of September 17, 2012, are available for the following three OEA-Retired Advisory Council vacancies:

- Capital (fulfill a term expiring 8/31/2015)
- Central (fulfill a term expiring 8/31/2014)
- At-Large (fulfill a term expiring 8/31/2014)

These positions serve as automatic delegates to the OEA Representative Assemblies by virtue of office. Contact Carol Price at OEA toll-free, 800 282 1500, ext. 3169.

The members of the Capital District Retired presented their annual Joan Donley Scholarship at the May 18th CEA Banquet. The members enjoy getting together for monthly lunches and events. We, again, will have our Annual Teacher Garage Sale in August. This is a great event where retiring teachers can sell their no longer needed items to new teachers. Our chorus, CEA-R Notes, performed at our June Annual Meeting.

Our Mission Statement

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

2011-2012 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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OHIO EDUCATION ASSOCIATION
225 East Broad Street, Box 2550, Columbus, OH 43216



RETIREMENT SYSTEMS UPDATE

Actuarial Report Urges Action on Pension Reform Legislation

On Wednesday, July 11, 2012, the Ohio Retirement Study Council received a report from the actuarial firm it had consulted with to review the pension reform plans of the Ohio retirement systems. The 206-page report by Pension Trustee Advisors and KMS Actuaries, states that passage of the plans contained in legislation (SB 341, 342, 343) would put each of the retirement systems in a much more solid financial position. Further, the report urges legislative action stating, "the changes proposed now are appropriate and significant. We see no valid reason for delay."

The report also noted that recent poor investment returns and potential poor investment returns in the future would likely require additional benefit reductions. To deal with this, the report suggests either giving authority to the retirement boards to make future benefit changes or "providing greater cuts than currently needed to provide a margin for future adverse experience." OEA opposes additional cuts and instead urges adoption of the consensusbased, bipartisan legislation passed by the Ohio Senate. These bills include some measure of Board discretion to make adjustments in the future if due to unforeseen adverse experience.

SUMMARY OF PENSION REFORM BILLS

Below is a brief synopsis of the major provisions of the legislation passed by the Senate.

STRS (Senate Bill 342)

Retirement Eligibility: Retirement with full benefits at age 65 with at least five years of service is maintained. Otherwise, beginning in 2015, the years of service needed to retire with full benefits gradually increases from 30 years to 35 years. After 2026, a member would need to have 35 years of service and be at least 60 years old for full benefits. For early retirements, members could retire at age 60 with five years of service or with 30 years of service at any age. However, members who choose to retire early would have their benefits actuarially reduced.

Contributions

Increase in member contributions by 4% of pay phased in one percent a year beginning July 1, 2013 through July 1, 2016.

Cost of Living Allowance (COLA)

The bill would lower the COLA rate for current retirees from 3% to 2% and have a freeze on increases for FY 2014. For future retirees (beginning August 2013), the COLA rate would also be two percent, but the first increase would come after 60 months of retirement.

Benefit Formula and Final Average Salary

Beginning in 2015, the formula would be 2.2% for each year of service and final average salary would be calculated on five years of salary rather than three. Those who are eligible to retire by July 1, 2015 but elect to continue working could receive no less of a base benefit than current law allows.

SERS (Senate Bill 341)

The SERS plan does not call for changes in contribution rates, COLA, formula or final average salary. The current fiscal condition of SERS does not warrant such changes. This is important due to the low wages of many educational support personnel and the low monthly pensions of the average SERS retiree.

Retirement Eligibility

Beginning August 1, 2017, retirement eligibility with full benefits would be 10 years of service at age 67 or 30 years of service at age 57. A member could retire early with 10 years of service at age 62 or 25 years of service at age 60. Early retirements would be subject to an actuarial reduction of benefits. Members who would have at least 25 years of service by 2017 are grandfathered from these changes.

COLA would be the increase in the Consumer Price Index (CPI) capped at 3%.



Pictured are OEA-R members who attended the NEA Annual Meeting in Washington DC.

First Row: Center Row: Back Row:

Don Traxler, David Bowen, Marti Huss, Bob Dengler Carol Kinsey, Marilyn Allen, Jane Rahn, Nancy Wonson Peg Ham, Bill Sears, Chris Swank, Bill Dorsey

t Pictured: Deloris Rome Hudso

OPERS (Senate Bill 343)

The changes proposed are designed in order to continue contributions toward a meaningful health care benefit for current and future OPES retirees. The OPERS plan divides employees into three groups. Those who are within five years of retirement (Group A) or between five and 10 years from retirement (Group B) are grandfathered from some of the proposed changes.

Retirement Eligibility

For Group B, eligibility for full benefits increases to 31 years of service and age 52; 32 years of service at any age, or five years of service at age 66. For Group C, eligibility for full benefits increases to 32 years of service at age 55 or five years of service at age 67. For both groups, early retirements result in actuarially reduced benefits. Group A is grandfathered into current eligibility requirements.

Formula and FAS

For Group C only, the formula would be 2.2% for the first 35 years and 2.5% for each year thereafter with FAS calculated on the five highest years of salary (up from three).

COLA

The COLA would remain at 3% for current retirees. For those retiring after the bill's effective date (Groups A, B and C) the COLA would be the increase in the CPI capped at 3%.

CONTACT YOUR RETIREMENT SYSTEM

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



NEA Retired Delegates

Front Row: Nancy Wonson, Marti Huss, David Bowen, Bob Dengler, Chris Swank Back Row: Carol Kinsey, Bill Dorsey, Bill Sears, Don

Traxler

NEA IDENTIFY THEFT PROTECTION

NEA Member Benefits has joined forces with Identify Fraud, Inc. to provide valuable and affordable identity protection to you and your family! Today, identity protection is increasingly important as identity theft continues to soar and identity thieves become more sophisticated. Identify Fraud, Inc. provides comprehensive protection with plans starting at only \$19.95 per year.

Program benefits and options include:

- Protection for you and family members
- Unlimited VRS Elite™ Fraud Resolution Services for simple or complex cases
- \$25,000 Identity Insurance* Limit for each person (\$0 deductible)
 Single or Triple Burgau Credit Monitoring/Alert
- Single or Triple Bureau Credit Monitoring/Alert Options
- Fraud Alert, Credit Freeze Options
- Discounts on prevention tools, credit reports, FICO scores
- A library of free information on the subject, including the Loss Prevention Guide, education, newsletters and more ...

There are over 25 different types of identity theft that can impact your ability to conduct normal daily affairs. Because your identity is an asset that deserves special protection, enroll now and obtain individual or family protection for just pennies a day.

Protect your entire family for \$39.95/year. For more information or to sign up, go to www.nea.org and click on Member Benefits.



POLITICAL INSIGHT

By Carol Kinsey, OEA-R Legislative Chairperson

PENSION BILLS MAYBE FOR SURE THIS TIME

The Ohio Senate passed STRS Ohio's long-awaited pension reform bill (Sub. Senate Bill 342) on May 16 by a 31–2 vote, paving the way for the House to hopefully take similar action yet this year. The NO votes were cast by Senators Keith Faber (R-Celina) and Tom Patton (R-Strongsville). The bill retains the defined benefit and includes provisions that the Retirement Board approved at a special meeting on May 15. These provisions would give the Retirement Board authority in the future to adjust member contribution rates, the COLA, and age and service requirements without legislative approval — on the condition that these adjustments would not materially

impair the fiscal integrity of the retirement system or are necessary to preserve the fiscal integrity of the retirement system. The Ohio House insisted on waiting until the results of the PTA (Pension Trust Authority) study mandated by the ORSC (Ohio Retirement Study Council) were released before moving forward. That did happen on July 11 with the results showing the systems are sound and the defined benefit needs to be retained. Representative Kirk Schuring (R-Canton) is the chair of the House Health and Aging Subcommittee on Retirement and Pensions. He met with Speaker Batchelder on July 18 and then held the first hearing that day on the bill as passed by the Senate. He has said hearings will continue to be held weekly both during the day and in the evenings to give more people the opportunity to participate. Those will be held during the remainder of July, during August, and into early September. It is then hoped and anticipated the House will hold a floor vote on the bill in September PRIOR to the November election. At this time no changes are anticipated. However, there was a request that ALL the pension systems fund themselves to the 30 year level---the bill as passed in the Senate only achieves a 32.8 year level. Now, STRS has notified the Legislature that due to the unanticipated large number of retirements occurring this year, they are back up to 37+ years which MAY require some additional changes. That remains to be seen and those changes. IF they are needed, should be agreed upon by both STRS and the

OEA-R STATEWIDE FALL CONFERENCE

Wednesday, September 12, 2012

SAVE THE DATE!

This drive-in conference will be held from 10:00 am to 3:00 pm at the STRS Building, 275 East Broad Street,

Free parking is provided at the STRS building.
Registration begins at 9:30 am.
Your \$15.00 registration fee covers the cost of lunch and materials for the sessions.

Information sessions on Campaign 2012, Current legislation, and STRS/SERS healthcare will be presented. Also included are hobbies and entertainment by OEA retirees. Speakers include OEA Officers, OEA and STRS Executive Directors and our OEA-R Staff Liaison.

Join us for an informative and interesting day.

Pre-registration is due no later than September 5, 2012. Pre-registration is necessary to be eligible for a door prize. Make your \$15.00 check payable to OEA and send it along with the pre-registration form below to:

OHIO EDUCATION
ASSOCIATION
ATTN: BILL OTTEN
5026 PINE CREEK DRIVE
WESTERVILLE OH 43081

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Name:			
Address:			
Email:			
Phone: (_)		
OEA District (circle one)			
Capital	Central	Eastern	
East Central	North Central	Northeast	
Northwest	Southeast	Southwest	
Western			