

## OEA FCPE NEWS

The OEA-FCPE State Council, chaired by Patricia Frost-Brooks, met by conference call on September 26, 2012 at 5:30 pm. Ron Rapp, OEA Director of Governmental Relations, reviewed the OEA-FCPE contributions to date to OEA Recommended candidates for the Ohio House, the Ohio Senate, the Ohio Supreme Court, the Ohio State Board of Education, and to the House Democratic Caucus and the Senate Democratic Caucus. Mr. Rapp explained the recommendations for additional contributions and answered questions.

The State Council approved the additional contribution recommendations as presented.

The State Council approved the appointment of Jill Wagner, Independence, as NEOEA Proportional #1 Alternate and Rhonda Gilpin, Westerville, as Central Proportional Alternate. The NWOEA Alternate position remained unfilled due to lack of response from qualified individuals.

- Submitted by Hank Haynes

## Our Mission Statement

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

### 2012-2013 Officers

**John Hoyes**  
President

**Carol Kinsey**  
Vice-President

**Marti Huss**  
Secretary

**David Bowen**  
Past President

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

Bill Sears, Editor

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## STRS

The market value of assets as of September 30 is \$65,476,639,635. For the first quarter of 2012-2013 assets are up 4.3%. The Top Ten Domestic Equity Holdings are Apple, Inc.; Exxon Mobil Corporation; Microsoft Corporation; General Electric Company; Philip Morris International; IBM Corporation; Chevron Corporation; AT&T Inc.; Wells Fargo Company; and Johnson & Johnson.

There was a review of equity structure presented by Callan. Equity structure is a planning framework for risk allocation. It is a blueprint for investment strategy, expression of investment beliefs, and articulates mandates within the structure. It imposes discipline and removes emotion from decision making. Active and passive management were discussed. The STRS structure will continue to evolve with the market.

### Annual Actuarial valuation Shows Decrease in Member Payroll Causes Slight Decline in STRS Ohio Funding

At its October meeting, the State Teachers Retirement Board received a report of the annual pension valuation results from its actuarial consultant, PricewaterhouseCoopers (PwC). The report provides a "snapshot" of the actuarial position of the retirement funds as of July 1, 2012. This year's report shows the funding period for the pension fund increased slightly to 36.4 years, when calculated using the benefit changes resulting from the passage of Sub. S.B. 342. The funded ratio now stands at 64%.

A decrease in contributing payroll, caused primarily by the fact that there were nearly 5,000 fewer active members paying into STRS Ohio, led to the slight decline in overall funding progress. While fiscal year 2012 had a negative impact on STRS Ohio's funding, PwC's report noted that with the new benefit plan design in place, STRS Ohio should meet its 30-year amortization schedule within two years if actuarial assumptions-including a 7.75% investment return rate-are achieved. Other notable items from this year's report include:

- ▶ the system experienced a net gain in individual salary increases, since increases were smaller than expected.
- ▶ the last phase of steep market losses from fiscal year 2009 was factored into this year's valuation. STRS Ohio uses a common accounting and actuarial technique called "smoothing" to spread investment market volatility over four-year periods. This method helps pension funds recognize investment returns for a given year over a four-year window rather than a one-year "spike." The pension

fund has a net \$1.7 billion in unrecognized gains being deferred to future years.

**Retirements Approved:** The Retirement Board approved 706 active members and 118 inactive members for service retirement.

- Submitted by Bill Sears, OEA-R STRS Observer

## SERS BOARD MEETING OCTOBER 18, 2012

**INVESTMENT REPORT:** The Board continues the investment education program. This month UBS presented on real estate investing with a report "U.S. Commercial Real Estate Update and Outlook". The report indicated that SERS has some very good investments in this area.

Under the direction of Chief Investment Officer Farouki Majeed the staff presented a review of the hedge fund portfolio and proposed changes in strategy. The goal over the next two years is to move the fund to the next level by reducing cost and lowering risk. TOTAL Fund value, August 2012, \$10.51 billion.

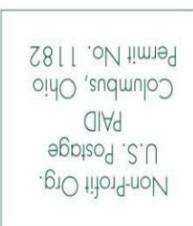
**AUDIT COMMITTEE:** The Institute of Internal Auditors conducted an external quality assessment of SERS internal audit operations. A lengthy report was presented. SERS received good ratings with notes to improve communications between the executives and the Board with the auditor as well as establish an audit follow-up system.

**HEALTH CARE:** SERS hired Buck Consultants to perform an audit of Express Scripts. It was a two part audit; Claims and Operational. Buck concluded the claims error rate is 0.01% and the operational procedures were consistently met with minor exceptions.

**EXECUTIVE DIRECTOR'S REPORT:** The Governor officially signed the pension reform bills on September 26, 2012. The Governor said Ohio is a model for other states in pension reform. Lisa Morris, SERS Executive Director said she and the staff will continue outreach efforts after the first of the year. SERS will hold another Webinar on pension reform October 25, 2012.

**SERS BOARD:** James Rossler was reappointed to the Board by State Senator Tom Niehaus. Mark Anderson announced his retirement. A replacement for his Board seat (expires 6/30/16) will be appointed by the Board from qualified applicants. Beverly Woolridge, Barbra Phillips and retired Board member MaryAnn Howell are all up for re-election in April, 2013. Director of SERO, George Phillips, announced his retirement.

The Pension and Health Care Committee will have a round table on October 24, 2012 at 10 am in the SERS building. Long Term Care insurance through Prudential Insurance will no longer be available after



225 East Broad Street, Box 2550, Columbus, OH 43216

OEA-R NEWSLINE

OHIO EDUCATION ASSOCIATION

June 2013. Four Ohio leaders of AARP met with the Ohio pension systems to discuss retirement issues. The concern for mandatory Social Security coverage for new hires is an ongoing issue (Simpson-Bowles).

**LEGISLATIVE:** Notes from Jim Miller's Federal Update-Congress met for a short session September 10-21. They did enact a continuing resolution to keep the government running for six months. Congress has much unfinished business. In Health Care, a long running battle over whether manufactures of brand-name drugs should be able to pay generic drug companies to keep lower priced generics off the market may be headed to the U.S. Supreme Court. Next SERS Board meeting is Monday, November 26, 2012

- Submitted by Adele Matias

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#### CONTACT YOUR RETIREMENT SYSTEM

**STRS** 1-888-227-7877 or [www.strsoh.org](http://www.strsoh.org)  
**SERS** 1-800-878-5853 or [www.ohsers.org](http://www.ohsers.org)  
**OPERS** 1-800-222-7377 or [www.opers.org](http://www.opers.org)

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## DISTRICT NEWS

**SEOEA** Stay connected with the issues and candidates at [www.ohea.org](http://www.ohea.org) plus monitor the SEOEA-R website for local issues and events. It can be reached through [www.ohea.org](http://www.ohea.org) or directly with <http://seoea-r.ohea.us/>. Also, note SEOEA-R has changed its email provider. Our new address is [retired.seoea@gmail.com](mailto:retired.seoea@gmail.com). Thanks to the many retired members who have volunteered in the election.

- Submitted by Christine McVicar

**CENTRAL OEA/NEA** Central OEA/NEA Retired members conducted numerous phone banks. We believed we clarified, for many undecided retirees, the critical points regarding Issue 2. Meetings with local leaders have been conducted to disseminate STRS updates including insurance changes and benefits. Central's Political Chair, Tom Beck, has kept most of us apprised by sending weekly updates. Additionally, Central retirees are actively involved in mentoring OSEA students at Ohio State University. Those mentors have been invited to be involved in a panel discussion in November.

- Submitted by Sue Christian

**WEOA** The meeting in Brookville, Ohio was a tour of the Spittler House and lunch at Rob's. Elections for delegates to the WEOA Representative Assembly for 2012-13 were held. Delegates are Jane Rahn and Wanda Adams. Alternates are Phil Long, Elvira Montgomery, Joan Klein, Nancy Brown, and Sandy Coe. Planning for the February 9, 2013 meeting put on by MRP Committee and WEOA-R is underway. It will take place at the Ramada at Wagner Ford Circle from 8:30 a.m.-12 p.m. and is entitled 'What's Up With My Retirement?' There will be three components: STRS/SERS, OEA lobbyist Robert Davis, and NEA

Member Benefits, Guy Kendall-Freas. A \$10 refundable deposit is required for members (it will be returned at the event). A \$10 non-refundable deposit is required for any member spouses/guest who wishes to attend. This is aimed toward members planning to retire within the next 1-5 years. A buffet breakfast will be available from 8:30- 9:15. Registration deadline will be about five days prior. WEOA-R newsletter and minutes can be found on the WEOA website: [www.woea.org](http://www.woea.org).

- Submitted by Jane Rahn

**EAST CENTRAL** Many retired members have been involved in Campaign 2012 in East Central, some for the very first time. I continue to speak to active members and post-retirees about the importance of being a lifetime member and the benefits the membership status will offer. Our next social will be the Holiday Happenin' inside the Pine Tree Barn, 4374 Shreve Road in Wooster on Tuesday, December 4th. Everyone is welcome; RSVP me before November 27th at [ecoearetired@yahoo.com](mailto:ecoearetired@yahoo.com) so you may be added to the lunch count. Menu lunch is self-pay, beginning at 11:30 a.m.

- Submitted by Kathleen Purdy

**SWOEA** The SWOEA Officers for the next two years are Bill Sears, Chair; Deloris Rome Hudson, Vice-Chair; Claudia Miller, Secretary-Treasurer; and Bob Beers, OEA Advisory Council Member. A "Not Back to School Brunch" was held in September with great attendance. Plans are being developed for two "field trips" the year and a meeting focused on STRS issues.

- Submitted by Bob Beers

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### What Every NEA Member Should Know About Planning for Long-Term Care

NEA Member Benefits offers the NEA Long-Term Care Insurance Program exclusively for NEA members and their families. Long-term care insurance helps protect families from the financial and physical burdens of caring for a loved one who needs help in carrying out daily activities. Below are answers to questions about long-term care insurance asked most frequently by NEA members:

**Who Buys Long-Term Care Insurance?** Generally speaking, long-term care insurance is often purchased by people who have current or past experience providing care for a loved one. They quickly find out that disability, Medicare and health insurance do not cover long-term care expenses. Those who need long-term care typically don't want their spouses or children to put their lives on hold to become their caregivers. In addition, many people planning for retirement consider long-term care insurance an important part of their financial plan and as a way to protect their retirement savings from the high cost of care.

**At What Age Should I Start Planning for Long-Term Care?** Experts recommend that you begin to

think about long-term care between ages 45 and 55. Premiums are based on age, so the younger you are when you obtain coverage, the lower your premium will be.

**How Can I Learn More?** Learn about suitable long-term care insurance options for your particular situation by calling an NEA Long-Term Care Advisor at 1-855-NEA-4LTC. The advisor will also be able to provide a free, no-obligation quote on request!

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### FCPE DONATIONS MADE SIMPLE

Now is the time to make your donation to the Fund for Children and Public Education. It's quick and easy to donate electronically. Go to [www.ohea.org](http://www.ohea.org) and on the left, scroll down to 'Quick Links'; click on 'Donate to FCPE'. VISA and Mastercard are accepted. Let's help raise money to elect pro-union, pro-education candidates!

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### INTERGENERATIONAL MENTORING

Ohio's Intergenerational Mentoring Program was selected to be presented at the NEA-R Spring Conference, held in Las Vegas, Nevada at the end of March. Lee Schreiner and Marti Huss were the co-presenters. They had prepared a DVD with interviews with the mentors, mentees, and some of the officials of the universities involved as well as the president of OEA, the OSEA president and others. They shared their recruitment power point, and had informative handouts. It was very well received by the participants from around the country.

The 2012-13 programs have been launched on all four of the campus involved. **Miami University**, facilitated by Marti Huss, had their first "Meet and Greet" on Thursday, October 18. There are 31 education majors and 23 mentors participating. The next meeting will be Sunday, December 2. The first "Meet and Greet" at **Ohio University** was held on Sunday, October 21. There are 12 mentors and 21 students participating this year. Marilyn Allen, facilitator at OU, reported that the participants are going to collect books to be donated to area schools as their outreach program this year.

**Ohio State University**, facilitated by Vivian Brown, has 13 mentors and 16 mentees this year. On November 27, the mentors have been invited to attend a panel of Education Personnel discussing Social Justice. Their next meeting will be Sunday, January 7, 2013. A Halloween Party was held on October 30 on the campus of **Kent State University**. Kent is beginning its fifth year in the program with the largest group ever. Facilitated by Nancy Wonson, the Kent State program has 18 students and 16 mentors.

- Submitted by Marti Huss

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### MEMBERSHIP RECRUITMENT GRANT

Funded by a grant through NEA-R, the OEA-R launched a "Join in a Flash" recruitment effort in the

fall of 2011. By offering a flash drive as an incentive, OEA-R members successfully signed up 105 individuals to be unified life members in OEA-R/NEA-R. This was a combination of pre-retired members as well as already retired members. Our efforts are continuing this fall as well. We have signed up an additional 22 members at the NEA RA and the OEA Summer Leadership Academy. Beginning with the new school year, our flash drive promotion continues. We are also offering an additional incentive to members who unify their lifetime membership. The cost for both NEA-R and OEA-R is now \$350. Contact your district representative for more information or to become a lifetime member.

- Submitted by Marti Huss

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### OEA RETIRED ADVISORY COUNCIL ELECTIONS

Declaration of Candidacy forms, with a filing deadline of February 15, 2013, are available for the OEA-R Advisory Council members representing NEOEA, SWOEA, WEOA, ESP, Higher Education, and OEA Board of Directors with a term of office beginning September 1, 2013 and ending August 31, 2016. There will also be an election for the Capital Representative with a term ending August 31, 2015. These positions serve as automatic delegates to the OEA Representative Assembly by virtue of office. Contact Carol Price at OEA toll-free at 800-282-1500 ext. 3169.

**NEA DELEGATE FORMS:** If you wish to be a candidate for the 2013 NEA-R Annual Meeting and the 2013 NEA Representative Assembly, you must file a Declaration of Candidacy form with the OEA Secretary Treasurer by February 15, 2013. Contact Carol Price at 800-282-1500 ext. 3169.

**ELECTION RESULTS:** Chris Swank was elected as the At-Large Representative of the OEA-R Advisory Council. The following have been elected as delegates to the Fall and Spring OEA Representative Assemblies:

Homer Adams	Marilyn Allen
Jim Berta	Marsh Buckley
Judy Buschle	Sandra Coe
Bob Dengler	William Dorsey
Marti Franks	Hazel Haffner
Peg Ham	Hank Haynes
Warren Hershberger	Norm Hillstrom
Gary Hollow	Joan Klein
Phil Long	Judi Malinowski
Mary McGriff	Deloris Rome Hudson
Patricia Sharkey	Sally Smith
Marsha Stegmoyer	Pat Wagar
Lillie Wilson	Nancy Wonson

**All candidates appreciate your support.** The officers and voting members of the OEA-R Advisory Council automatically serve as delegates.