

OEA Retirement Systems Update

Report to the OEA Board of Directors: June 2013

Please distribute to other OEA members

OEA-Endorsed Candidates Re-Elected to STRS Board

James McGreevy and Bob Stein, OEA's endorsed candidates, were re-elected to the STRS Board in an election held by retirees of the system. Carol Correthers, also a current member of the STRS Board and endorsed by OEA, was unopposed for an active member seat on the Board so no election was held in her race.

Election results, announced on Saturday, May 11, 2013 are as follows: **Bob Stein** (23,542), **James McGreevy** (21,311), Dennis Leone (20,533), and Nadine McIlwain (10,199). Stein, McGreevy and Correthers will begin their new four-year terms on September 1, 2013.

STRS Board Delays Reduction in Subsidy Levels, Makes Other Health Care Changes

On Thursday, May 23, 2013, the STRS Board voted to make several changes to the STRS health care program for 2014 and the future. Notably, the Board voted to delay for one year the planned 0.1% reduction in the subsidy multiplier. The multiplier will remain at 2.3% per year of service for 2014 (a retiree with 30 or more years of service will receive a subsidy of 69% of the health care premium cost). The planned reductions of 0.1% to reduce the multiplier to 2.1% will take place in 2015 and 2016. The Board's decision to delay this reduction was based on the greatly improved funding status of the health care plan and a desire to soften the blow of the absence of a cost-of-living adjustment for retirees this year.

Below is a summary of other health care changes approved by the Board:

- Reduce the prescription drug maximum annual expense by \$200 to be consistent with Medicare changes.
- Eliminate the late enrollment with a 90-day waiting period option. Beginning in 2014, members will no longer have the option to enroll in the health care program outside of the annual open-enrollment period (except for certain qualifying events).
- Allow families with both Medicare and non-Medicare enrollees to enroll individually into Medical Mutual and Aetna.
- Increase hospital emergency room co-payments.
- Merge the Medical Mutual Basic and Plus Plans into one plan in 2016.
- Increase years of service for health care eligibility for members who retire in 2023 or later.

Howell Resigns from SERS Board

Mary Ann Howell, a retiree member of the SERS Board, has resigned her seat due to health concerns. With one month left to go in Howell's second term on the Board, no replacement will be named to the current vacancy. However, Howell recently won re-election to another term which is set to begin in July. The SERS Board will begin a selection process for the seat at that time.