

OEA Retirement Systems Update
Report to the OEA Board of Directors: February 2018

Please distribute to other OEA members

OEA Endorses McFee and Rhodes for STRS Board

In 2018 there are two seats on the State Teachers Retirement System (STRS) Board representing active teachers that are up for election. The OEA Board of Directors has endorsed **Robert McFee and Jeffrey Rhodes** for election to the STRS Board.

Robert McFee is a math teacher in the Willoughby Eastlake City Schools. Jeffrey Rhodes is an Industrial Education teacher in North Royalton City Schools. Both endorsed candidates are active OEA members who are exceptionally knowledgeable on pension issues. They have invested their time and energy to receive training to prepare for this important role. Most importantly, they are dedicated advocates for their fellow teachers around the state of Ohio.

For Ohio's teachers, the benefits provided by STRS are crucial to our economic security in retirement. The fundamental mission of the STRS Board is to act in the interest of members and to make sure pension benefits are stable and reliable. It is important that we see to it that the members elected to the STRS Board are prepared, dedicated and will protect our interests.

At this time, it is unclear how many candidates will qualify for the ballot as the filing deadline is on February 23, 2018. However, this will be a contested election. Ballots will be mailed to eligible voters in early April. For our endorsed candidates to be successful, it is important that local leaders inform members about the election and urge support for McFee and Rhodes. In the coming weeks, OEA will provide further information about how local leaders can assist in our campaign efforts.

House Bill 413 Receives Hearing

On Tuesday, February 6, 2018, House Bill 413 received a hearing before the House Aging and Long Term Care Committee. The bill, sponsored by Representative Gary Scherer (R-Circleville), would make changes to the cost-of-living allowance (COLA) for current and future retirees in the Ohio Public Employees Retirement System (OPERS). Notably, the bill also addresses the issue of service credit for non-teaching employees of County Boards of Developmental Disabilities who work on a school calendar rather than year-round. Recent OPERS action had reduced service credit for these employees and the bill would restore a full-year service credit. OEA is an interested party on the legislation as a whole but is very supportive of the provision in the bill to address the service credit issue.

The hearing on the bill was the first opportunity for opponents to testify. Two organizations, Public Employee Retirees Inc. and the Fraternal Order of Police, as well as a number of OPERS retirees testified against the bill. Their opposition was based on the COLA changes proposed in HB 413 and did not address the service credit issue. The COLA provisions in HB 413 are as follows:

- Beginning January 1, 2019, base future COLAs on the Consumer Price Index (CPI) capped at 2.5%.
- Delay the new COLA formula two years for members who retired from 2010 through 2012.
- A one-year delay in the first COLA for future retirees (until the second anniversary of their retirement date).
- Providing a one-time pension adjustment to restore 85% purchasing power to those retirees whose purchasing power is less than 85%.
- Include funding triggers that if the system's required time to pay off unfunded liabilities exceeds 30 years; the COLA would be frozen for the next calendar year. In the event inflation exceeds 3% for an extended period, the Board could increase the COLA to 3% if OPERS is fully funded.

OEA intends to testify as an interested party at the first available opportunity. In addition, several OEA members employed by County Boards of DD will provide written testimony in support of the provision in the bill dealing with the OPERS service credit issue.

SERS Issues Security Alert for Online Accounts

On January 23, 2018, the School Employees Retirement System (SERS) became aware of fraudulent activity on its online system. Through an investigation of the incidents, SERS determined that there was not a breach of member information held by the system. Rather, intruders had established new online accounts for 21 retirees using personal information that was stolen from data breaches of other companies. The intent of the perpetrators was to redirect pension payments to an online bank account that only they could access. SERS has contacted everyone affected by this incident.

If you established your own online account, it is **highly unlikely** you are affected. However, you should check your account just to be sure. As a precaution, SERS locked down numerous accounts that had recent activity or similarities to other accounts that were fraudulently accessed. If you have questions about your account or notice anything that is cause for concern, contact SERS at 1-800-878-5853.