

OEA Retirement Systems Update
Report to the OEA Board of Directors: June 2020

Please distribute to other OEA members

STRS Board Reviews Proposed Health Care Changes

At the May meeting of the STRS Board, staff presented several proposed changes for the health care program for 2021. Proposed health care plan changes under consideration include:

- Extending the Medicare Part B Partial Reimbursement program.
- Adjusting eligibility for the Health Care Assistance Plan to a percent of the Federal Poverty Limit.
- Providing a level of subsidy inflation protection for pre-Medicare enrollees if Medicare cost increases are less than 6% in a given year.
- Increasing prescription drug maximum out-of-pocket limit to \$6,550 from \$6,350 for the Medicare plans to keep them aligned with the 2021 standard Medicare prescription plan. The proposed \$5,100 out-of-pocket limit for non-Medicare enrollees is unchanged from the current year.
- Increasing the annual deductible for prescription drugs to \$275 from \$250 for Medicare and pre-Medicare plans.

The Board is expected to discuss these proposed changes along with 2021 premiums at its June meeting.

Price Re-elected to STRS Board

The election of an active member to the STRS Board was concluded in early May. Dale Price, a teacher from Toledo Public Schools and current member of the Board was re-elected. Price was elected to a new four-year term that will begin on September 1 of this year.

OEA would like to congratulate Dale Price on his election as well as to recognize Andrew Smith, our endorsed candidate, for his hard work and dedication to his fellow educators.

SERS Approves New Asset Allocation Phasing Out Hedge Funds

On July 1, SERS will begin phasing in a new asset allocation approved by the SERS Board. The new allocation eliminates hedge funds, previously targeted at 10% of assets. The new allocation will be:

Global Equity	45% (split evenly between U.S. and non-U.S.)
Fixed Income	19%
Global Real Assets	17% (+2%)

Distribution: Board of Directors, Local Presidents, District Leaders, Legislative Committee, OEA-R, OEA Staff

Global Private Equity	12% (+2%)
Private Credit	5% (+5%; new asset class)
Cash	2% (+1%)

It is expected to take at least two years to fully implement the new asset allocation. The SERS Board has approved interim targets for the next year as the system rebalances its investment portfolio.