

**OEA Retirement Systems Update**  
**Report to the OEA Board of Directors: March 2022**

**Please distribute to other OEA members**

**VICTORY: STRS Board Votes to Pay a 3% COLA, Improves Retirement Eligibility**

On Thursday, March 17, 2022, the STRS Board voted to approve a 3% cost-of-living adjustment (COLA) to eligible retirees for the 2022-2023 fiscal year and remove the age 60 requirement for retirement eligibility with full benefits that was scheduled to take effect in 2026. OEA members on the STRS Board championed these changes and OEA and its members have advocated for them. OEA welcomes this action that benefit both active and retired teachers in the system.

After the Great Recession, the STRS fund was projected to run out of money. This required changes for both active and retired members to improve the funding status of the plan so that reliable benefits would continue to be available for all current and future retirees. Because of the stewardship of OEA members on the STRS Board, the fund is in a healthier financial position, enabling the restoration of some benefits now.

The cost-of-living adjustment of 3% will be calculated on a retiree's base benefit and will be added to each monthly payment beginning on their anniversary date during the next fiscal year (July 1, 2022 - June 30, 2023). Under Ohio law, STRS members who have been retired for 60 months are eligible for the COLA. STRS Board member Rita Walters proposed costing out a COLA amount of 3% rather than 2%. The STRS actuary stated that this change coupled with the change in retirement eligibility would not materially impair the fiscal integrity of pension leading to its approval by the Board.

The change in retirement eligibility will provide some needed relief to teachers who saw their possible retirement date pushed out by seven or eight years by pension reform legislation. Under current law, in addition to being eligible to retire at age 65 with at least five years of service, STRS members are eligible to retire with 34 years of service at any age. On August 1, 2023 through July 1, 2026 eligibility will be 35 years of service at any age. Prior to this change by the Board, a requirement of having 35 years of service and being at least age 60 was set to go into effect August 1, 2026 and thereafter. The Board removing the age 60 requirement means that the eligibility for full benefits with 35 years of service and beyond will be in effect from August 1, 2023 and thereafter.

**STRS Board Election is Approaching: OEA Recommends McFee, Rhodes and Walters**

There is an important election for the STRS Board coming up. OEA's recommended candidates are **Robert McFee and Jeffrey Rhodes** for two seats on the Board representing active members and **Rita Walters** for a seat representing STRS retirees. Each of them currently serve on the STRS Board and are seeking re-election. As demonstrated by their time on the Board and by their recent vote on benefits, they are committed to ensuring the long-term stability of our pension plan as well as restoring benefits for active and retired teachers when finances of the fund allow.

Rita Walters, Robert McFee, and Jeffrey Rhodes were selected as OEA's member-recommended candidates for the STRS Board seats based on a screening interview by OEA active and retired members and a vote of the OEA Board of Directors. They are proven leaders who are looking out for the best interests of their fellow educators. Ballots will be mailed out in early April, with all active employees – those currently paying into STRS – eligible to vote for the active seats; retired OEA members are eligible to vote for the retired seat.

- To voice your support for OEA's recommended active member candidates Robert McFee and Jeffrey Rhodes, and to learn how you can help with the campaign click here: <https://www.mobilize.us/ohea/event/440992/>
- To voice support for OEA's recommended retiree member candidate Rita Walters, and to learn how you can help with the campaign click here <https://www.mobilize.us/ohea/event/444241/>

### **OPERS Reports 15.3% Investment Return in 2021**

The Ohio Public Employees Retirement System (OPERS) received an investment return of 15.3% for the pension fund during the 2021 calendar year. The pension fund ended the year with \$109.3 billion in assets.

OPERS has an annualized investment return of 14.9% for the past three years, 11.4% for the past five years, and 10.1% for the past ten years.

The investment return for the OPERS health care fund was 14.3% for calendar year 2021. The health care fund has a different asset allocation than the pension fund based on taking on less risk due to the expected solvency of the fund. The health care fund ended 2021 with \$14.5 billion in assets.