OEA Retirement Systems Update

Report to the OEA Board of Directors: March 2023

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Vote Arthur Lard for the STRS Board

OEA believes that all educators deserve the ability to retire with financial security. Strong pensions provide educators with predictable, guaranteed benefits when they retire. That is why OEA continues to advocate for policies and support candidates for the STRS Board. For the active seat on the STRS ballot this year, OEA recommends Arthur Lard for re-election.

Arthur Lard is a business education teacher from Portsmouth City Schools who has served on the STRS Board since 2019. He has a strong background in accounting and board governance. He has served as treasurer of his local association for 23 years.

As a member of the STRS Board, Arthur has fought for policies that would secure the financial security of the system and worked to return benefits to members. Last year, with improved funding of the pension plan, the Board voted to remove the age 60 requirement for retirement eligibility and provide a 3% cost-of-living adjustment (COLA) for retirees. But Arthur's opponent, and his supporters on the STRS Board, keep making empty promises for policies that would put our pension at risk. We must re-elect Arthur Lard to the STRS Board because of his dedication to keeping our pension financially secure long into the future.

Ballots for the STRS Board election will be sent in early April. Active employees contributing to STRS and those with accounts on deposit (including members who are receiving disability benefits) are eligible to vote. Members can vote by mail, phone, or online following the instructions within the election materials. Votes must be received by May 1, 2023.

OPERS Suffers Investment Losses in Down Market

During calendar year 2022, OPERS experienced a negative 12.1% return in the defined benefit pension fund and a negative 15.5% return in the OPERS health care fund. The U.S. and global stock markets were down substantially over this time period.

Despite the single year declines, the actuarial funding level of the pension plan improved. This is because gains and losses are recognized over a four-year period of smoothing. The funding ratio of the pension plan rose to 85% from 84% the previous year. The forecasted time expected to pay off the unfunded liabilities of the plan fell from 16 years to 15 years. The net amount of yet to be recognized losses of the fund is $9.4 billion.

The projected solvency of the health care fund declined from 29 years to 21 years. The health care fund projections are based on the market value of assets as opposed to a smoothed actuarial value.