



Organized April 1948
Benefiting over 20,000 Retirees

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Police & Fire Retirees of Ohio, Inc.

President's Message

Volume 24, Issue 1 November 2009

Dear Members,

President

Gary L. Monto
Toledo

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Zanesville

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Akron

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Legislative Agent

Richard Oxender

Past President

Larry Miller

OP&F Trustees

Bill Deighton

Bill Gallagher

As President, I have traveled to numerous chapters across the state. At the meetings, questions were raised in regards to quote **"What have you done for us lately."**

In response to that, I can only answer that if we had not been present at these OP&F monthly meetings, we would not have been aware that the board of directors were considering actions that would have been harmful to the retirees. At each OP&F Board monthly meeting Gary Siniff, Paul Hillenbrand and myself are representing PFRO.

Just a few of the actions considered included, stopping the COLA for everyone, eliminating the spousal health care subsidy. **Working with our elected retired trustees on the board, we were able to stop these issues from being placed in the legislators hands in the 30 year funding plan.** After contacting our elected retiree board members, the issues have been taken off the table.

Ric Oxender, Legislative Agent reports:

Last month, the Ohio Police & Fire Pension Fund submitted its plan to attain the 30 year funding requirement to the Ohio Retirement Study Council. The Council required each of the five state pension systems to submit these proposals.

OP&FPF submitted nine proposals to the Council. Included is a proposed increase in both employer and employee contribution rates, raising the normal service retirement age to 52 for new hires effective Jan. 1, 2011, and tying the health care premium subsidy to years of service for new retirees.

Current retirees would be affected in the following way: The commencement of the COLA would be delayed until age 55 for all members except beneficiaries beginning Jan. 1, 2010. If you are age 55 or over and currently retired, you would not be affected.

The Executive Director made it clear to the ORSC that ALL of the proposals must be adopted in order to reduce the funding period. Simply picking a few of them to implement would not be acceptable, nor would they have an effect. Several of these proposals require legislative action, including raising the retirement age and increasing employer and employee contribution rates.

It is expected that legislation will be introduced to incorporate all of the changes submitted by the five systems. The ORSC would then review the plan and make recommendations to the General Assembly as to which proposals they are endorsing. Increasing employer contribution rates will be a very difficult issue. Many view it as a tax increase on city residents due to the faltering economy.

Your Police and Fire Retirees of Ohio organization is meeting with members of ORSC to discuss our views on these proposals. We will be very vigilant in protecting the benefits of our current retirees, while balancing the future needs of the fund to secure benefits for all of us in the future.

President's Message continued.....

In conclusion, when it comes time to submit legislation we will have our work cut out for us if we hope to improve our future. Remember when working with the legislature, numbers do count.

In order to ensure our continued progress for your organization, we need your help. Collectively we create a voice that can and will be heard. **We invite you to take a minute and send in your 2010 membership dues.** If your spouse does not belong, we invite them as well to become a member. As a paid member, you will receive a membership card, representation at the OP&F Board meetings, a Legislative presence and our newsletters to keep you informed. If you know of any Police Officer or Firefighters that have recently retired, please inform them about our organization. In fact, if you know of anyone that has signed up into the "DROP" program, they do qualify to belong to the retiree's organization.

I would like to THANK Gary Siniff, our Pension Fund Liaison and Paul Hillenbrand PFRO Trustee for their time and dedication to our organization. Gary and Paul attend the monthly OP&F meetings enabling us to have another voice there. Without these gentlemen, we would be unaware of essential information that concerns our retirees.

Finally, at our October 11, 2009 Annual Membership Meeting, John Trippe and Paul Hillenbrand were re-elected as Trustees to the PFRO Executive. Congratulations to both on your re-election.

On behalf of those we serve, please accept my heartfelt thanks for your continued support for our cause. Let us know how you think we are doing or what we can do for you.

Gary L. Monto, President

OP&F Liaison Committee**Gary Siniff, Chairman Paul Hillenbrand, Trustee**

The Fund continued to recover from its recent economic losses. As of September 29th, the Fund's total assets stood at \$10.05 Billion. The health care stabilization fund second quarter report also showed similar gains. The year-to-date actual balance was just over \$471 Million and very close to the 2009 year-to-date budget of \$474 Million. Hopefully, both will continue to accumulate gains in their investment activity.

About 3000 members were notified earlier this year of their requirement to file annual earnings statements. Certain disability retirees must annually file if they have not been granted a waiver. It was reported at the September board meeting that there were still 46 members who had still not filed. If you are one of these, make a note so that you remember to return it to the Fund to ensure that your disability benefits remain intact.

Health Care News

As I write this article, OP&F members and their dependents are in the midst of the health care "Annual Change Period." Informational meetings and teleconference calls have been scheduled throughout Ohio to assist you in making informed decisions about your health care coverage. These meetings will conclude by late October. The annual change period form does not have to be returned unless you are making changes to your existing coverage or you are applying for the discount. Please make certain that you read through all of the provided material, ensure that it accurately reflects your current coverage choices and follow the instructions. Also included in the packet is the affidavit for the health care and prescription drug discount program. This has to be filed on a yearly basis for continued participation. I don't think that everyone that is eligible is taking advantage of this program. Take a look at the eligibility requirements in the guide to see if you can participate and get a 30% reduction in your premiums.

United Health Care will continue to administer the Fund's health care plan in 2010 and the plan coverage and deductibles will essentially be the same as 2009 with some minor changes. After some discussion in the summer Board meetings, and despite a recommendation by the actuary for a modest increase in premiums, the Board voted to not raise the premiums for UHC medical coverage, prescription coverage, and vision coverage. However, premiums for dental coverage will be increased by 8.5%. Premium rates for medical coverage and prescription coverage are set by OP&F and are based on the rate of member usage and costs of administration. These are looked at on a yearly basis to ensure a longer term solvency of the health care stabilization fund. The Fund has no control over AARP supplemental coverage premium rates or Medicare premium rates. AARP rates were recently established and there may be some increases dependent upon your choice of plans and upon your discount rate. Earlier in the year, UHC did announce a "half tablet program" for certain types of

medications which will provide some additional savings opportunities. Participants should have received some information in the mail during the summer. A pill splitter will be provided to members who opt to participate in the program and only certain medications are eligible.

The current contract with United Healthcare to administer the Fund's health care plan continues through 2010. The Board recently made a motion to begin negotiations with UHC to continue administering the Fund's plan through 2014. Board members recalled the extensive problems that were experienced during the transition from previous administrators to UHC and thought it best that a proactive approach would prevent a reoccurrence. Should negotiations reach an impasse with UHC, the Fund would have ample time to seek bids from other administrators. While the complaint frequency with UHC has fallen dramatically from the first year of the contract, we are still occasionally hearing from members who are dissatisfied with coverage areas or customer service. If you have strong feelings about the current administrator, this is the time to make it known to the Fund that you are unhappy and desire a change.







30-Year Funding Plan

One of the major topics of discussion at the OP&F Board meetings for the last several months dealt with the "30-Year Funding Plan." Each of the State's public pension systems were required to submit plans to the Ohio Retirement Study Council (ORSC) on September 9th that would put them in compliance with the 30-year funding. OP&F's compliance was at "infinity" prior to the recent economic downturn, meaning that the Fund would not have the assets to meet its liabilities 30 years into the future. The recent investment performance experienced by OP&F, as well as the other Ohio funds, exacerbated the 30-year funding outlook. OP&F Executive Director William Estabrook made it clear that the Fund would not be able to achieve the benchmark with investments alone. Historically, the Fund gains an average of 8.5% annually through investments. The Fund would have to realize a 24% gain annually for the next several years to achieve the 30-year funding through investments alone. The last plan was presented in 2006 and the only part of the plan proposal that was adopted was a reduction in the percentage being applied to the health care stabilization fund. The reduction could be made without legislative action. The remaining proposals in the 2006 plan needed legislative action and none was taken. Everything was on the table during each of the Board meetings to try to achieve a 30-year funding plan. The board's actuary computed projections based upon a myriad of changes trying to find a combination that would satisfy the requirement. While this is not an all inclusive list, among the items discussed by board members were changes in the retirement age, COLA, health care stabilization fund, DROP, interest rates, active employee contribution rates, employer contribution rates, and death benefits.





Gary Monto, Managing Director
Richard Reese, Assistant Director

PFRO Corporation

The PFRO Corp held their third and final drawing for the 2009 scholarship raffle at the October annual meeting. Here is the complete list of monthly winners:

 <i>September winner</i>	Diane Buzille \$1,000.00
 <i>September seller</i>	Charles Buzille \$100.00
 <i>October winner/seller</i>	Maripearl Kitchen \$1,100.00
 <i>November winner</i>	Diane Hanlon \$1,000.00
 <i>November seller</i>	Mary Hanlon \$100.00
 <i>December winner/seller</i>	Tom Schmenk \$1,100.00

At Police & Fire Retirees of Ohio *July 2009* meeting the PFRO Corporation Board awarded four \$500.00 scholarships. These students were chosen from a list of nineteen applicants. The scholarships were awarded to the following students:

-  Angelique Cousino, Toledo, Oh
-  Michael Judy, Grandville, Mi
-  Eric Judy, Grandville, Mi
-  Joshua Pastor, Uniontown, Oh

You should have received fundraising tickets for our 2010 scholarship drive. Please assist us by either buying these tickets or selling them to family or friends. Remember each ticket has the chance to be a multiple month winner as the tickets go back into the basket each month. Our first drawing will begin at our ***April 2010*** at the Police and Fire Retirees Quarterly Meeting.

PFRO Corporation was organized to help raise money for scholarships to help send students to college. If you have children, grandchildren, or children of a friend that maybe interested in applying for these scholarships, visit our web site at ***www.pfrocorp.com***. If you do not have access to a computer, please call the state office at ***1-888-309-7041*** and we will be glad to send you the necessary forms to fill out. The deadline date for this year's scholarship awards is ***April 1st, 2010***. All paperwork must be post marked by this date.

PFRO Corporation – Scholarship News

2009 Scholarship Recipient Joshua Pastor (left) and Gary Monto, Managing Director (right)

On Wednesday August 12th Police and Fire Retirees of Ohio president Gary Monto awarded the organizations first scholarship to one of Ohio's future leaders. The presentation took place at the meeting of the greater Akron Area Police Retirees and Widows at FOP 7's Wolter Park located at 2610 Ley Drive in Akron.

The recipient of the award was Josh Pastor. Josh is an extremely dedicated student, worker, and volunteer. During his final year of high school, Josh was a member of National Honor Society, Key Club, French Club, and Student Council, where he served as an officer for his senior class. Josh is the grandson of Donald Whitesel, an Akron Police Department retiree that passed away in 1998.

Josh is currently attending Youngstown State University and is a member of NEOUCOM's

B.S./M.D. class of 2015. It is an honor to report that he posted a 4.0 grade point average for his first semester of study. Josh is a congenital heart disease patient and has had several open heart surgeries. Josh plans on one day being a physician specializing in pediatric cardiology. Having had the privilege of spending some time with Josh and his mother, there is no doubt that with your help and Gods blessings he will attain his goal of becoming an accomplished cardiologist.

It is because of young people like Josh that I know there is hope for the future of our country. I ask each of you to encourage your friends and associates to make a contribution to the PRFO scholarship fund so that we may continue provide financial support to Ohio's future leaders. Remember the fund is a 501C3 organization and as such contributions may be tax deductible.

Thank you for your continued support and feel free to contact me at anytime for additional information.

Dick Reese
2nd Vice President PFRO
richarddreese@neo.rr.com
330-329-8754

***If you would like additional tickets to sell please remit this slip to:
PFRO Corporation, 7335 E. Livingston Ave., Reynoldsburg, OH 43068***

2010 PFRO Corporation Scholarship

Name: _____

Address: _____ **City:** _____

State: _____ **Zip:** _____ **Phone:** _____

Please send me _____ tickets. Tickets to be sold at \$20.00 each.

OP&F Liaison Committee continued

In order for some of the proposed changes to take effect, they must be acted upon by the Ohio General Assembly. Other changes can be made in-house by the Board. Ultimately, the Board approved a plan that was submitted to the ORSC with the caveat that the Board would “only enact the discretionary elements of the Plan if all the statutory changes contained in the Plan are enacted into law by the Ohio General Assembly.” While not quite reaching the 30-year benchmark, the Plan as proposed would decrease the funding outlook from infinity to 39 years. The final Plan as presented to the ORSC includes the following:

A) Increase Active Member Contribution rate from 10% to 12% (in .5% increments from 2010 to 2013) and Police Employer Contribution rate from 19.5% to 24% (in increments of .5% in 2010 and 2% in years 2011 & 2012)

B) Normal Service Retirement Age of 52 for New Hires effective January 1, 2011.

C) Delay the commencement of Cost of Living Adjustment (COLA) until age 55 for all members except beneficiaries effective January 1, 2010.

D-1) Additional 1% employer contributions for both Police and Fire beginning January 1, 2013, to make fully phased in contribution equal to 25.00%.

D-2) Beginning January 1, 2010, reallocate 1.5% of the 6.75% employer contribution rate allocated to health care back towards the pension unfunded accrued liability rate while maintaining the 15 year solvency of the health care stabilization fund.

D-3) Reduce DROP interest credit from 5% to 3% effective January 1, 2010.

D-4) Redefine Average Annual Salary to mean the highest average annual salary for a member during any 5 years of contributions (currently 3 years) effective January 1, 2010 for members with less than 15 years of service upon effective date.

D-5) Change the minimum no penalty DROP period to 5 years for new DROP participants.

D-6) Tie health care premium subsidy to years of service for new retirees (health care indexing), reducing employer contribution allocation to health care to 4.80%.

All of these proposals were difficult to include in the final proposal. The board is well aware that they affect both active and retired members as well as survivors. It is wise to act upon this now rather than wait until it becomes a crisis situation.


For Sale!




Police and Fire Angel Pins!


The Firefighter Angels are silver with a gold hat and the Police Angels are silver with gold wings. Each pin is an inch in height. They are only \$4.50 a piece with \$1.50 for shipping.

PFRO - t-shirts and hats and Mugs are on sale.



T-shirts are navy blue with the PFRO Logo on the left chest and "Police and Fire Retirees of Ohio, Inc." written on the back. **The Hats** are also navy blue with the PFRO logo.

Hats: \$10.00 T-shirts: \$15.00 (XXL \$19.00) Polo Shirts \$18.00 (XXL \$21.00) Plus \$6.50 shipping/handling

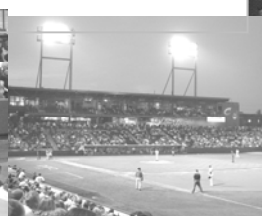


Red or Blue Police & Fire Logo Insulated Mugs (14 oz).

They are for hot or cold drinks. Mugs are **\$5.00** plus **\$6.50** shipping.

PLAYBALL

Thank you to all that attended and/or donated tickets for the children to attend our Annual Play ball evening at the new "The Huntington Park" (Columbus Clippers). As you can tell by the pictures it was beautiful evening watching the Columbus Clippers play against the Gwinnett Braves. Unfortunately, the Clippers did not win. We were pleased to see many retirees attend the game. Everyone enjoyed the ball game, hotdogs, drinks and the social gathering. A few of our charity groups that received donated tickets were very thankful for your generous donations. Once again, THANK YOU. Please join us next year at **PLAYBALL**.



☆ **Dues 2010** ☆

Check # _____

\$ _____ Dues - \$20.00 Retiree/Spouse/Widow/er	\$ _____ T-shirt \$15.00 M L XL / \$19.00 XXL
\$ _____ Building Fund	\$ _____ Polo \$18.00 M L XL / \$21.00 XXL
\$ _____ PAC Fund	\$ _____ Hats \$10.00
\$ _____ Decals \$1.00 (No Shipping fee)	\$ _____ Shipping \$6.50 (for shirts and hats)
\$ _____ Insulated Mugs (14 oz) \$5.00 Red ___ Blue	\$ _____ Credit card fee \$1.00
\$ _____ Angel pins Police ___ or Fire ___ \$4.50	\$ _____ Grand Total

(\$1.50 Shipping for pins)

Card #: _____ Exp. Date: _____ Visa ___ Mastercard ___ Discover ___ American Express

Name: _____ Date of Birth _____ Member # _____

Spouse: _____ Date of Birth _____ Member # _____

Address: _____ City: _____ State: ___ Zip: _____
 (PAC donation requires a street address)

Telephone: _____ Email: _____

Retired From _____ Police ___ Fire

Nov 09

ATTENTION CHAPTER MEMBERS: If you pay your dues through your local chapter, please continue to pay through them.

Important Numbers:

United Health Care	1-888-832-0964
United Health Care Prescription	1-866-873-3903
United Health Care Dental	1-877-816-3596
Spectera Vision	1-800-638-3120
AARP	1-800-392-7537

Please allow 6-8 weeks for your dues card or sticker.

Make checks payable to:

Police & Fire Retirees of Ohio, Inc.
7335 E. Livingston Ave.
Reynoldsburg, Oh 43068



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