

OP&F Pension Fund Report, August 2015

The Fund closed at \$13.6 Billion on August 25, 2015.

The full board was unanimous in choosing Trustee Ed Montgomery for the chair-elect position. He will serve as chairperson effective June 2016. The board was also unanimous in choosing Trustee John Wainscott as vice-chair effective June 2016.

The governance policy was also clarified to stipulate that, should the chairperson position become vacant during the one year term, the vice-chair will become the chairperson for the remainder of the term.

Pension Fund lobbyist Darrell Dever addressed the board and related that the ORSC will meet in September and that there is nothing currently on the agenda of import to OP&F. There was also some open discussion about the current employer contribution rates.

DISABILITY COMMITTEE

- Staff presented the Disability Experience Report for the 2nd quarter 2015.
- There were 26 Initial Determination Hearings (IDH) this month. The recommendations were 22 for approval, 2 were denied and 2 were recommended for re-exam..
- There were 2 reconsideration hearings. The committee recommended that both be increased.
- There were 5 Death Benefit Fund consideration hearings this month. The recommendation was 3 for approval and 2 for disapproval.
- There were 5 appeal hearings.

BENEFITS COMMITTEE

- Staff presented the committee the 2nd quarter 2015 DROP Experience Report. Some of the figures reported show that there are currently 4,201 active members eligible to participate in DROP. The participation rate at the end of the second quarter was 91% or 3,807 members. The average number of years in DROP for all participating

members was 3.23 years. The average time in DROP for those terminating the program was 5.44 years.

HEALTH CARE COMMITTEE

- Member Services Director, Jennifer Harville, presented the Medicare Part D Attestation Report for 2016. The report is prepared by Buck Consultants and is a necessary part of the application process to qualify OP&F to apply for a 28% reimbursement of Medicare eligible prescription drug claims.
- There was some open discussion by the committee and fellow board members about allowing certain members to regain healthcare coverage with the fund. These members had previously opted to participate with their eligible spouses in PERS. Staff will work with PERS and report further at the September board meeting concerning the eligibility of these members.

COMMENTARY

While the topic of the chairmanship was discussed at this month's meeting as indicated above, there was still no discussion about the ability for one of the retiree trustees to be chosen for the chair-elect position. This could possibly be a legislative issue in the future.

The recent downturn in the financial markets noticeably affected the Fund's total value; however, recent changes in the Fund's investment strategies minimized greatly what could have been a far bigger hit to the Fund.

Members should receive a mailing during September relating to the Annual Change Period for health care coverage. Read through your packet thoroughly to make certain that your choices for medical, prescription, dental and vision coverage are accurate. Applications for dependent coverage and the discount program must be submitted each year.

The two bills in the US House of Representatives to repeal the Windfall Elimination Provision (**WEP**) are in the Ways and Means Committee. These are the bills to repeal the law reducing the Social Security Benefit for Public Employee Retirees in Ohio and seven other states.

Last Saturday, Congressman Steve Stivers, 15th District of Ohio, said he thought the repeal could happen. He was very positive during his phone call in a meeting when asked directly about passage. Please contact your member of congress about supporting this legislation; HR711 and HR973. Call their Washington office and ask for them or their Chief of Staff. If you are in favor of repeal this is the best chance in years for change.

The next board meeting is scheduled for September 29 and 30.

Report compiled by:

Gary Siniff, PFRO 2nd Vice President

Paul Hillenbrand, PFRO Trustee

OP&F/PFRO Liaisons