

OP&F Pension Fund Report, December 2015

The Fund closed at \$13.57 Billion on December 15, 2015.

OP&F Fund Director John Gallagher stated the fund has weathered some tough times recently and he hopes for a better 2016. He announced that the election materials for the Retired Police and one Active Police trustee positions on the pension board are being prepared and will be distributed for the election to those two board seats.

DISABILITY COMMITTEE

- There were 17 Initial Determination Hearings (IDH) this month. The recommendations were 11 for approval. One postponed and 5 recommended for denial.
- There were no reconsideration hearings.
- There were 3 Death Benefit Fund consideration hearings this month. The recommendation was 2 for approval and 1 for disapproval.
- There were 3 appeal hearings.
- Staff updated the committee concerning the 2 disability benefit recipients who have as yet failed to submit their 2014 Annual Earnings Statements. Their benefits will be suspended effective January 1, 2016.
- Heather Jordan, Senior Disability Case Manager, presented an excellent program on the process involved when an active member has a terminal illness or is incapacitated with no chance of recovery. This information will be made available to all active members via the OP&F web site and printed materials.
- Staff presented information about the 31 disability terminations from 1995 to 2014. 18 members were re-hired into jobs as police officers or firefighters and 12 were deemed to be recovered from their disability. They also gave the annual Disability Fraud Activity Report and there were no reports of potential fraud for 2015.

BENEFITS COMMITTEE

- The Benefits Committee did not meet this month.

HEALTH CARE COMMITTEE

- Staff presented the final report from the Centers for Medicare and Medicaid Services regarding the Medicare B Premiums for 2016.

New beneficiaries and those not receiving Social Security Benefits will pay a Medicare part B premium of \$121.80. Anyone already receiving a Social Security Benefit will be held harmless and will pay \$104.90 except those who pay an additional income-based premium. The committee/full board voted to continue the Medicare B reimbursement of \$104.90 for Ohio Police & Fire members on Medicare B. The estimated cost to the fund is \$18.7 Million.

- The committee discussed the case of a member denied spousal health care because of missing the timeline for enrollment and those others who do not receive a subsidy or OP&F health care for various reasons. A one-time open enrollment was discussed briefly. Staff is compiling more information for the committee.
- The time line for the Health Care Strategy project is on track. The decision on a Health Care Consultant is expected in January 2016. Various means to provide affordable health care for OP&F members and the Pension Fund is the goal. Presentations will be made at the board Retreat in March 2016.
- Members will receive new United Health Care Prescription cards in the near future and their Health Care confirmation letter for 2016.

COMMENTARY

- An FYI: remember when figuring your 2015 Federal Tax you can exclude from income the smaller of the amount of the premiums or \$3,000 off your gross for health care and long term care premiums. Premiums must be paid through your pension fund. The “how to” is in the IRS filing instructions.
- We made a recommendation for a one-time health care enrollment for those who have been excluded since the board is not in favor of an appeals process. With the current procedures in place no one should miss the time lines to enroll in health care.

The next board meeting is scheduled for January 19 and 20, 2016

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OP&F/PFRO Liaisons