

## **OP&F Pension Fund Report, February 2017**

### **The Fund closed at \$14.8 Billion on February 21, 2017.**

Director Gallagher commented that information gathered so far shows that the Fund's investment returns for 2016 were 10-11%.

Additionally, he said that the Board's retreat is scheduled for March 2nd and it will be held at the Creekside Conference and Event Center, 101 Mill St., Salon D, Gahanna, from 9am-4:30pm. The agenda will be posted to the Fund's website. A large portion of the day will be spent dealing with the health care plan. This will be an open meeting and members are welcome to attend.

### **DISABILITY COMMITTEE**

- There were 14 Initial Determination Hearings (IDH) this month. The recommendations were (12) for approval, (1) was denied and (1) was postponed for re-examination. There were (2) reconsideration hearings this month. The recommendation was for no change to one and the other postponed for additional information.
- There were (2) Death Benefit Fund consideration hearings this month and both were approved.
- There were (5) appeal hearings this month.
- There was some discussion concerning a memorandum regarding a report of disability fraud for one member.

### **BENEFITS COMMITTEE**

- Committee did not meet.

### **HEALTH CARE COMMITTEE**

- Staff presented the 4<sup>th</sup> Quarter 2016 Health Care Stabilization Fund report. The report shows a decrease from the 3<sup>rd</sup> quarter balance of \$923 million to the year-end balance of \$909 million. The estimated annual return on the investments held in the HCSF for the year was 9.95%. Retiree health care costs for the year stood at \$205 million and \$18.5 million for the Medicare Part B reimbursement. Total health care expenses, \$223 million, increased \$10 million over 2015 total health care expenses.
- Staff presented an update on the 2016 Annual Change Period. Among some of the stats reported were:

- 611 attendees at the 6 ACP meetings held throughout the state and 30 teleconference participants.
  - 27, 427 confirmation letters were mailed out.
  - 503 members were approved for the Health Care and Prescription Drug Discount Program.
- There was much discussion among the board members and staff about all of the phone calls to the Fund concerning the changes to the prescription plan that became effective the first of the year. Quite a few dealt with members not being aware that the new changes were forthcoming.
- The Board voted to pre-approve travel expenses for Trustee Ms. Maloney Stifler to attend the Pension Bridge Annual Conference, April 18-19; Trustee Tim Patton to attend the Annual Wilshire Consulting Client Conference, April 30-May 2; Trustee Jeff Moore to attend IFEBP's CAPP Health Programs 1 and 2, June 13-16; and, Trustee Bill Deighton to attend the Annual NCPERS Conference, May 20-24.

## **COMMENTARY**

An additional informal meeting is tentatively scheduled for February 28 at 10am at OP&F. Among the items possibly being discussed is a legislative approach to the melding of the employers' contribution rate to the Fund. The rate is currently 19.5% for police officers and 24% for firefighters. A melded rate would be at least 21-22%. The PFRO has repeatedly advocated this change and we will be represented among the attendees at the meeting to include the support of our retired members and survivors.

The next board meeting is scheduled for March 28-29.

*Report compiled by:  
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*OP&F/PFRO Liaisons*