

## **OP&F Pension Fund Report, May 2015**

**The Fund closed at \$14.94Billion on May 19, 2015.**

### **DISABILITY COMMITTEE**

- There were 10 Initial Determination Hearings (IDH) this month. The recommendations were 9 for approval and 1 disapproved.
- There was 1 reconsideration hearing. The committee recommended that it remain the same.
- There were 2 Death Benefit Fund consideration hearings this month. The recommendation was 1 for approval and 1 for disapproval.
- 6 appeals were approved.

### **BENEFITS COMMITTEE**

- The Benefits Committee did not meet this month.

### **HEALTH CARE COMMITTEE**

- Buck Consultant's presented the Development of 2016 Health Care Cost and Contributions. The board tabled any action after lengthy discussion and will receive more information from Buck at the June meeting.
- The committee approved the 2016 discount program for health care premiums.
- The 1<sup>st</sup> Quarter 2015 Health Care Stabilization Fund report was reviewed by the board members. Some highlights are :
  - Actual retiree health care cost for the quarter was \$50,105,331 and this was \$3,731,196 below budget.
  - After income and expenditures for the quarter the fund was \$13,940,274 below the budgeted amount.
  - The Health Care Stabilization Fund is down \$21.5 Million from a year ago.
- A five year net cost report showed net health care cost of \$84 Million in 2010 and an increase to a net cost of \$111.6 Million in 2014.

## COMMENTS

The Health Care Stabilization Fund report showed some positive numbers for the quarter. The fund is decreasing due the funding reduction enacted to meet the 30 Year Funding mandate for pensions. Based on current predictions it is funded for 9 years and the board is discussing all options to keep health care available for current and future retirees. Some may find this information different each month and sometimes repetitive. We want to keep our members informed about the number one issue our pension fund is dealing with. Numbers change based on usage and members enrolled in health care.

The 30% health care premium discount level and eligibility is based on 225% of the Federal Poverty Level guidelines and members must apply during Open Enrollment. We must continue to keep our members informed on this benefit; current numbers reflect that all eligible members are not signing up for the program.

The next board meeting will be held June 23-24.

*Report compiled by:*

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