ORTA
NEWS BULLETIN
KEEPING MEMBERS APPRISED OF ORTA HAPPENINGS AND UPCOMING EVENTS

November 2016

President's Message

Dear ORTA Teammates,

November greetings! I hope you are enjoying the beautiful Ohio colors this fall. As I travel throughout the state visiting retired teachers' chapters this time of the year, the trip is made more interesting with the contrast of colors from the deciduous and evergreen trees. I love meeting with the chapters and learning of all the ways in which each chapter is contributing to the local community and the quality of life of their retired teachers. You are doing a great job!

The ORTA Board met for its fall meeting on October 20 in Columbus. Randy Overbeck of Warren County was installed as 2017 ORTA President, Bee Lehner of Coshocton County as President-Elect, Ron Bond of Tuscarawas County as Eastern Area Vice-President and Gale Adkins of Greene County as Western Area Vice-President. Thank you for serving and best wishes for 2017!

New District Directors installed for 2017-2019:

- District II - Bruce Hodges
- District IV – Ralph Moon
- District VI - Kara Mendenhall and Ken Moody (co-directors)
- District VIII - Jo Ann Ingram
- District X - Kendra Burger
- Hamilton County Trustee – Michael Ward

ORTA is still in need of a co-director for District IV and a director for District IX. If you, or someone you know, is interested in volunteering with ORTA by serving in a leadership role, please contact the ORTA office. Serving is both rewarding and interesting as you engage with retired teachers throughout Ohio to make a difference. It is truly a joy!

I want to personally thank the following district directors and trustees for their past years of service. We greatly appreciate you working with the chapters in your districts concerning issues affecting retired teachers and your local chapter organization. Your efforts are greatly appreciated.

- District IV - Mary Kay Fischer, Martha Henry
- District VI - Karen Butt, Sandra Holcomb
- District VIII - Jo Ann Ingram
- District X - Dr. Rebecca Zurava
- District XI - Bee Lehner
- Hamilton County Trustee - Kent Rawlings
- Montgomery County Trustee - Maxine Rutledge

During the meeting, the Board also passed a motion to streamline membership dues for new members and those renewing their membership. An ORTA membership, costing $40 annually, will now automatically include local membership, with $10 of that amount going to the local chapter. This applies to membership applications through the

ORTA state office and assures that those members also join at the local level. This change also helps our organization gradually move to unified membership where every ORTA member belongs both locally and statewide. With 120,000 potential members and ORTA claiming 20,000, it's imperative that we work to increase membership. You will hear more about this as the process develops.

Also at the Board meeting, we heard reports from our investment firm UBS, our communication firm Inspire PR Group, and Jeanie Coffey of AMBA.

Just a reminder that you should have recently received health care open enrollment materials from STRS. Be sure to review these materials to make your decisions for 2017.

As we prepare for Thanksgiving, I would just like to take a moment to thank the many chapters who participated in the ORTA statewide collaborative effort with Habitat for Humanity Ohio. A project summary will be provided in the December Bulletin – a wonderful reminder of the significant impact we have made to this organization through our combined efforts. ORTA member Paul White of Scioto County and I will be reporting to Habitat at their state conference on November 11.

At this time, let us all be thankful for all the blessings of the year. I am thankful for you!

Best wishes,

Carol Remington

Legislative News

Ohio Retirement Study Council Approves Recommendations for Pension Bill

At the October 13 meeting of the Ohio Retirement Study Council (ORSC), the group discussed and approved a recommendation to the Ohio House of Representative to vote yes on House Bill 520 which includes clarifying amendments to the five State public retirement systems. To learn more about House Bill 520 and read ORSC's recommendation, see the enclosed attachment at the end of the bulletin.

ORSC also welcomed a new council member, Dr. Thomas Pascarella from the Kent State University Center for Public Health and Public Policy.

For more legislative news, see the October legislative update from STRS enclosed.

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Recent Headlines

10tv - Ohio's New High School Graduation Requirements Under Fire
http://www.10tv.com/article/ohios-new-high-school-graduation-requirements-under-fire

Toledo Blade - Ohio Pension Funds Lost Out on 1.6B Extra
http://www.toledoblade.com/State/2016/10/25/Ohio-pension-funds-lost-out-on-1-6B-extra.html

Bucyrus Telegraph - Study Sees Potential Disaster for Ohio Pensions
http://www.bucyrustelegraphforum.com/story/news/2016/10/28/study-sees-potential-disaster-ohio-pensions/92832090/

New York Times - Think Your Retirement Plan Is Bad? Talk to a Teacher
http://www.nytimes.com/2016/10/23/your-money/403-b-retirement-plans-fees-teachers.html?_r=0

Scioto County Retired Teachers Support Local Habitat Family

The Scioto County Retired Teachers Association recently presented a welcome gift to the Oliver family during the dedication ceremony of the latest Habitat for Humanity home in New Boston, Ohio.

(From the left) Oliver family, SCRTA president Bill Brown, SCRTA publicity chair Carol Mascari

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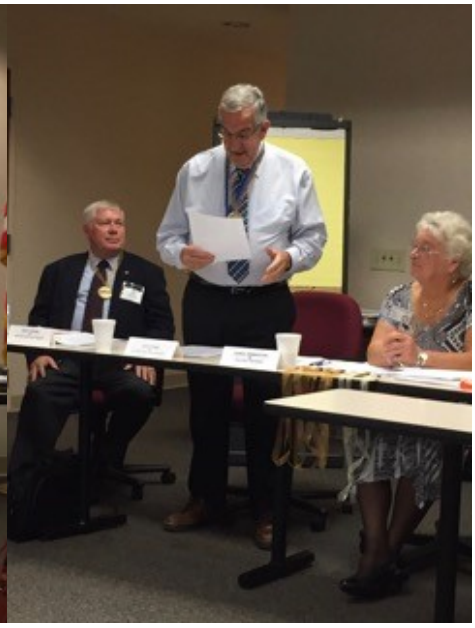
ORTA Fall Board Meeting

The ORTA staff and the board convened on October 20 at the ORTA offices for its fall meeting. Randy Overbeck led the installation of new officers and district directors, Dr. John Cavanaugh provided an update, and Lindsay Sestile from Perez & Morris discussed the code of ethics. The meeting also included a financial report from UBS Financial, a communications update from Inspire PR Group, a membership report from AMBA, and a Strategic Plan Committee Report from Dave Gynn. Thank you to all who attended and participated in the robust discussion.

Dr. John Cavanaugh

Diane Hurd, Katie Sabatino



Dave Gynn

Dinner at Marcella's Polaris with ORTA leaders

Union County Retired Teachers Show their Buckeye Pride

Recently, the Union County Retired Teachers had the opportunity to meet Buckeyeman and couldn't pass up the opportunity to snap a quick photo to show their love for The Ohio State Buckeyes.

(From the left) Nevin Taylor, Larry "Buckeyeman" Lokai and Tom Edgar

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Healthcare & Pension Advocates Takes Position Against Pathway D

Healthcare & Pension Advocates for STRS recently drafted a letter expressing their opposition to Healthcare Pathway D. To read the letter, see below:

October 20, 2016

Dear Chairperson Stein and Distinguished Board Members:

With this letter we inform you that HPA has reached a consensus position regarding the Healthcare Pathways under consideration.

HPA remains committed to its long time mission of advocating to preserve both pension and healthcare benefits for retired educators. Our Coalition continues to fully support a healthcare program that offers a pre-Medicare benefit and for this reason we are opposed to Pathway D. We respectfully request that it be eliminated from further consideration. We understand that both economic and actuarial projections suggest that future adjustments may be needed in order to continue paying down the Defined Benefit Program's unfunded liability. This being the case, contributions to fund healthcare from the Pension Trust Fund are not likely in the foreseeable future. Regardless, we cannot support elimination of a pre-65 healthcare benefit. We believe there is value in offering some form of healthcare benefit for all Defined Benefit members.

In brief, our concerns are based on the following. First, active teachers nearing retirement who would be most impacted by the elimination of this benefit are the same members who experienced the greatest reduction of benefits as a result of the 2012 pension reform package. Second, even with elimination of the pre-Medicare healthcare benefit, Pathway D only has a 50-50 chance of achieving its objective of perpetual solvency for the Medicare eligible members. This is a significant benefit to sacrifice for a very uncertain outcome. We appreciate the importance of taking a long term view in managing the pension system; however, there are so many uncertainties in the healthcare landscape that we doubt the wisdom of pursuing a pathway that purports to be perpetual. Better, in our opinion, to manage changes designed to extend the healthcare benefit for a reasonable, foreseeable future, recognizing that such a pathway will come with its own uncertainties for members.

We would welcome the opportunity to engage in further discussions with staff and the Board as you continue deliberations on this important and difficult matter.

Respectfully,

Scott DiMarco, Co-Chair
Healthcare & Pension Advocates for STRS

Bruce Johnson, Co-Chair
Healthcare & Pension Advocates for STRS

The letter was also signed by: the Buckeye Association of School Administrators, the Inter-University Council of Ohio, the Ohio Association of Community Colleges, the Ohio Association of Elementary School Administrators, the Ohio Association of Secondary School Administrators, the Ohio Conference of American Association of University Professors, the Ohio Council of Higher Education Retirees, the Ohio Education Association, the Ohio Education Association-Retired, the Ohio Federation of Teachers, the Ohio Retired Teachers Association.

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Social Security Cost-of-Living Adjustment (COLA) Could Increase Medicare Part B Premiums

There is growing concern among health care retirement groups regarding Medicare Part B premiums. Many teachers and other public employees could see their premiums jump in 2017. The Public Sector HealthCare Roundtable and 74 other groups, including STRS, are urging lawmakers to protect nearly a third of Medicare beneficiaries from significant Part B premium increases. To learn more, read the legislative letters and background information provided below. Each ORTA member is encouraged to reach out to their Congressional representatives regarding this important issue.

September 27, 2016

The Honorable Orrin Hatch
Chairman, Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member, Committee on Finance
U.S. Senate
Washington, DC 20510

The Honorable Kevin Brady
Chairman, Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member, Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Fred Upton
Chairman, Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member, Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hatch, Senator Wyden, Chairman Brady, Congressman Levin, Chairman Upton & Congressman Pallone:

The undersigned organizations share a commitment to advancing the health and economic security of older adults, people with disabilities, and their families. We are writing to alert you to our recommendations regarding projected increases in Medicare Part B premiums and the Part B deductible in 2017. We deeply appreciate the bipartisan cooperation that led Congress to mitigate unprecedented Part B premium and deductible increases in 2016 through the *Bipartisan Budget Act of 2015* (2015 BBA), and we urge action to avert this potential spike in out-of-pocket costs for people with Medicare in 2017.

According to the 2016 Medicare Trustees Report, Part B premiums will increase significantly for nearly 30 percent of beneficiaries. It is estimated that 2017 Part B premiums could increase to an estimated $149 per month, which is a significant increase over the standard 2016 Part B premium of $121 per month. The trustees also predict that this increase will be accompanied by a hike in the Part B deductible—up to $204 from $166. A predicted nominal Cost-of-Living Adjustment (COLA) for Social Security recipients in 2017 (as low as 0.2 percent), leading to the application of the hold harmless provision in the Social Security Act, contributes to these projected increases in Part B premiums and the deductible.[1]

Through the hold harmless provision, the dollar increase in the Part B premium is limited to the dollar increase in an individual's Social Security benefit. Should the trustees' assumptions hold, roughly 70 percent of Medicare beneficiaries will be held harmless, while the remaining 30 percent will shoulder the cost of the expected premium increase.[2] The solutions advanced through the 2015 BBA are extended in the absence of a COLA (0.0 percent)—but not in the event that the hold harmless is triggered by a minimal COLA.

Older adults and people with disabilities affected by the projected premium increase include: new Medicare enrollees in 2017; individuals not collecting Social Security benefits; and beneficiaries already paying higher, income-related premiums. More than nine million beneficiaries dually eligible for Medicare and Medicaid are also subject to the higher premiums and state Medicaid programs will bear this cost.[3]

Unlike the Part B premium projections for 2017, the estimated increase in the Part B deductible will affect all Medicare beneficiaries. The beneficiaries who would be most significantly affected by the deductible increase include those enrolled in traditional Medicare with no supplemental coverage (such as a Medigap plan or employer-sponsored retiree coverage) and those whose supplemental coverage does not cover the Part B deductible. In 2013, an estimated 8.5 million beneficiaries had only traditional Medicare or lacked first-dollar supplemental coverage through Medigap or an employer-sponsored plan.[4] These individuals will shoulder the expense of a higher deductible, as will state Medicaid programs responsible for dually eligible beneficiaries. Similarly, consumers who purchase Medigap plans may bear this expense in the form of higher Medigap premiums, as may retirees and their employer sponsors.

We are deeply concerned by the projected Part B premium and deductible increases, most notably for current and newly eligible beneficiaries living on low and fixed incomes. In 2014, half of the Medicare population lived on annual incomes of $24,150 or less.[5] Newly enrolled Medicare beneficiaries, those not collecting Social Security benefits—many of whom are retired public servants—and state Medicaid programs should not be expected to carry the burden of paying for increased costs in Part B through higher premiums and cost sharing.

For those reasons, we urge you to advance a solution that will significantly lessen the projected Part B premium and deductible increases in 2017. Notably, we support an extension of the solutions included in the 2015 BBA. We also support extending the protections of the hold harmless provision to all beneficiaries.

As it did in 2015, Congress should make it a priority to shield people with Medicare from the unintended consequences resulting from the application of the hold harmless provision. No beneficiary should be forced to pay more than they otherwise would simply because some beneficiaries are afforded critical protections against reductions in their Social Security checks. We urge Congress to act accordingly and swiftly following the announcement of the 2017 COLA. The longer Congress delays, the more uncertainty for our nation's retirees, people with disabilities, and their families who are counting on you. Thank you.

Sincerely,

AARP
Aetna
AFL-CIO
Aging Life Care Association
Alliance for Retired Americans
AMDA – The Society for Post-Acute and Long-Term Care Medicine
America's Health Insurance Plans (AHIP)
American Academy of Nursing
American Association on Health and Disability
American Federation of Government Employees (AFGE)
American Federation of State, County and Municipal Employees (AFSCME)

American Federation of Teachers (AFT)
American Postal Workers Union
American Society on Aging
Association for Community Affiliated Plans (ACAP)
Association for Gerontology and Human Development in Historical Black Colleges and Universities (AGHDHBCU)
BlueCross BlueShield Association
B'nai B'rith International
CalPERS
Caring Across Generations
Center for Elder Care and Advanced Illness, Altarum Institute
Center for Medicare Advocacy
Christopher & Dana Reeve Foundation
Communications Workers of America
Community Catalyst
Easterseals
FAA Managers Association
Federal Managers Association
International Association for Indigenous Aging
International Association of Fire Fighters (IAFF)
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)
The Jewish Federations of North America
Justice in Aging
Lakeshore Foundation
LeadingAge
Medicaid Health Plans of America (MHPA)
Medicare Rights Center
National Academy of Elder Law Attorneys
National Active and Retired Federal Employees Association (NARFE)
National Adult Protective Services Association (NAPSA)
National Association for Home Care & Hospice
National Association of Area Agencies on Aging (n4a)
National Association of Community Health Centers
National Association of Federal Veterinarians (NAFV)
National Association of Government Employees
National Association of Letter Carriers
National Association of Postal Supervisors
National Association of Postmasters of the United States
National Association of Social Workers (NASW)
National Coalition on Health Care
National Committee to Preserve Social Security and Medicare
National Council of Social Security Management Associations (NCSSMA)
National Council on Aging (NCOA)
National Education Association (NEA)
National Federation of Federal Employees
National Indian Council on Aging (NICOA)
National League of Postmasters of the United States
National Multiple Sclerosis Society
National Postal Mail Handlers Union (NPMHU)
National Rural Letter Carriers' Association

National Treasury Employees Union
National Weather Service Employees Organization
Ohio Public Employees Retirement System (OPERS)
Organization of Professional Employees of the U.S. Department of Agriculture
Patent Office Professional Association
Professional Aviation Safety Specialists (PASS)
Professional Managers Association
Public Sector HealthCare Roundtable
Senior Executives Association
Social Security Works
Teachers' Retirement System of the State of Kentucky
The Arc of the United States
The Coalition to Promote Choice for Seniors
United Steelworkers
Women's Institute for a Secure Retirement (WISER)

CC: Senator Mitch McConnell, Leader, U.S. Senate
Senator Harry Reid, Minority Leader, U.S. Senate
Congressman Paul Ryan, Speaker, U.S. House of Representatives
Congresswoman Nancy Pelosi, Minority Leader, U.S. House of Representatives
Secretary Sylvia Mathews Burwell, U.S. Department of Health and Human Services

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STRS OHIO

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

275 East Broad Street
Columbus, OH 43215-3771
614-227-4090
www.strsoh.org

RETIREMENT BOARD CHAIR
CAROL CORRETHERS

RETIREMENT BOARD VICE CHAIR
ROBERT STEIN

EXECUTIVE DIRECTOR
MICHAEL J. NEHF

September 30, 2015

The Honorable Rob Portman
United States Senate
448 Russell Senate Office Building
Washington, DC 20510

Dear Senator Portman,

We are writing to ask for your assistance in either eliminating the statutory provision that holds Social Security recipients harmless from increases in the Medicare premium during any year Social Security does not provide for a cost of living adjustment (COLA), extending the hold-harmless provision to non-Social Security recipients or providing Social Security recipients with an ad hoc increase. The reason being is that in years in which Social Security does not provide a COLA increase, the law unfairly targets those not receiving a Social Security benefit (approximately 30% of seniors) by forcing them to subsidize the premiums of those receiving a benefit necessitated by the requirement that total collected premiums equal 25% of the projected year's Medicare Part B costs. This is truly inequitable.

This particularly targets the 150,000 State Teachers Retirement System of Ohio (STRS Ohio) retirees as Ohio public employees do not contribute to Social Security.

Senator Portman, on behalf of the STRS Ohio board and retirees, I appreciate your leadership on this matter to correct this inequality. I look forward to sharing with STRS Ohio retirees the efforts of Ohio's congressional delegation on their behalf.

Sincerely,

Michael J. Nehf
Executive Director

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2017 Medicare Part B Premium

BACKGROUND:

In July 2016, the Medicare Trustees Report announced the Medicare Part B premium would likely rise again in 2017. Additionally, Social Security currently estimates that a cost-of-living adjustment (COLA) for 2017 may be very small (approximately 0.2 percent).[1]

Current law prohibits Medicare from passing along to Social Security recipients any Part B premium increase that is greater than the amount they would receive as a result of their annual Social Security COLA. Approximately 70 percent of Medicare recipients, who also receive Social Security benefits, are protected by this so-called "hold harmless" provision. As a result, Medicare applies the entirety of the planned increase in Part B premiums to the remaining 30 percent of Medicare recipients not covered by the "hold harmless" provision. That 30 percent includes many OPERS retirees who do not receive Social Security benefits.

Last year, a similar problem arose when Social Security announced there would be no COLA for 2016. Medicare had called for an increase in standard Part B premiums. For Medicare Part B participants who were not "held harmless" they potentially could have seen increased premium costs of 52 percent (from $104.90 to an estimated $159.30).

After extensive outreach and advocacy from OPERS, our retirees and other impacted groups, Congress acted late last year to include an amendment in the Bipartisan Budget Agreement of 2015 to limit the increase on those not "held harmless" when Social Security recipients experience a zero percent COLA. For 2016, Medicare Part B premiums for that population did rise from $104.90 to $121.80; however, the much larger predicted increase was avoided.

CURRENT ISSUE:

The amendment approved by Congress as part of the Bipartisan Budget Agreement will not apply in 2017 if a non-zero COLA is enacted. Given the estimate of a very small 0.2 percent COLA, those same individuals not "held harmless" in 2016 could see their Medicare Part B premiums increase again in 2017 from $121.80 to an estimated $149.00, an additional increase of 22 percent over 2016. OPERS retirees will be faced with a substantial increase in Med B premiums at a time when other health care costs are rising.

OPERS has over 144,000 Medicare-eligible retirees and dependents. While OPERS continues to provide access to health care coverage for our retirees, the potential premium increase will impact a population already on fixed incomes.

ACTION REQUESTED:

We are asking Congress and the Administration to take steps this fall, as they did last year, to pass a bill with language to ensure that Medicare Part B premiums do not increase dramatically for individuals not "held harmless" in the event of a small non-zero COLA increase for Social Security.

If necessary, OPERS will be working with our members and stakeholders to educate members of Congress about the serious consequences of the situation. An education and advocacy campaign may begin once the announcement on the COLA occurs. Staff will be reaching out to make appointments and discuss the issue.

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Alliance Area Retired Teacher Honored by National Society of the Daughters of the American Revolution

The National Society of the Daughters of the American Revolution (NSDAR) Conservation Award was presented to Kathryn Miller in October at the Jane Bain Ohio Society of the Daughters of the American Revolution (OSDAR) meeting.

During Miller's 30-year career as a classroom teacher in the Alliance City School District, her favorite subject was Earth Science which sparked her interest in conservation. The lessons encouraged students to respect the role trees play in our environment. She also helped students understand tropical rain forest issues and to grasp the concepts of reforestation. Miller continues to teach conservation to third graders as the Alliance Shade Tree Commission (ASTC) Education Coordinator for the Alliance Elementary Schools' Arbor Day Program.

She is a member of Keep Alliance Beautiful, Alliance Historical Society, Alliance Area Retired Teachers Association (vice president/program chair) and the Sebring High School Alumni Association (secretary). She holds a Bachelor of Science in Elementary Education with a minor in Library Science and a Master's Degree in Education. In 2003, Miller received the Keep American Beautiful Environmental Educator of the Year Award.

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Portage County Retired Teachers Celebrate 50 Years

Recently, Portage County Retired Teachers celebrated their 50th anniversary. About 100 people attended and enjoyed door prizes, food and fun. The speaker, Jim Schilling, a retired school teacher and principal, took the group back in time when people had to wear the dunce hat for wrongdoing.

Thank you to Ria Mastromatio, Connie Evans, Zuzelis, Dave Gynn, Kay Wise, Phyllis Spangler, Judy Hendershot, Marge Conroy, Helena Parry, Ron Snowberger, Georgia Darrah, Dan McCombs, Karen Balog, Pat Gynn, and everyone else who helped to make the event possible.

Ron Snowberger and Jim Schilling

Alliance Area Retired Teachers Help Support Local Family

The Alliance Area Retired Teachers Association has collected more than $425 to support a local Habitat for Humanity family. The donations helped purchase two pine bookcases, constructed by Ron and Diana Priest. The children were also provided with additional items to encourage learning and intellectual growth.

Each girl received 14 items that included a combination of books and games, and their parents received cookbooks. The family is the 46th to receive a Habitat for Humanity home in the county. They have a third child on the way.

Mahoning Retired Teachers Fall Update

Mahoning Retired Teachers Association (MRTA) recently gathered for their fall luncheon and meeting at Antone's Banquet Center in Broadman. President Susan Harris presided and welcomed the newly retired teachers in attendance. The community service project for the month included back-to-school supplies and monetary donations for the YWCA's *Women with Bright Futures.*

On October 29, MRTA members provided lunch for a restoration project in Austintown for Habitat for Humanity. Volunteers can help on Wednesdays and Saturdays between now and Thanksgiving. Contact Colin Penney to volunteer, 330-743-7244.

In addition, Ruth Gerrard Cole and her husband, Wendell, were highlighted in a local newspaper for their efforts to help Habitat homeowners. Ruth sketches pictures of Habitat homes and Wendell frames them. The couple has done more than 20 pictures for Habitat homeowners.

The next gathering will be held November 14 at 11:00 a.m. where there will be a social hour, followed by lunch and the meeting. The program, in honor of Veterans Day, will include taps by Jim Ramsey and a veteran's recognition by Sgt. Mike Kubitza, Commander of Canfield American Legion Post. There will also be a presentation of the MRTA scholarships to Youngstown State University School of Education students. All area educators are invited. For more information, visit www.mahoningcountyretiredteachers.com.

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Portage County Retired Teachers to Hear from Local STEM Academy Expert

Stephanie Lammlein is scheduled to speak at the upcoming Portage County Retired Teachers Association luncheon on November 17. Lammlein is the Chief Administrative Officer for the Bio-Med Science STEM Academy at NEOMED. The Academy opened in August 2012 with a freshman class of 71 students.

After earning a Bachelor of Arts in Biological Sciences from Hiram College in Ohio, Lammlein pursued a career in teaching. Taking her first job in Cincinnati, Ohio, at White Oak Middle School, she later transitioned into the high school setting starting at Colerain High School and then Rootstown High School; teaching biology and environmental science, along with other life science courses for 16 years.

With a strong desire to elevate her teaching, she continued her education, earning a Masters of Arts in Teaching Biological Sciences from Miami University. Lammlein has a deep commitment to her students that helps them strive for a greater understanding of the sciences.

Delaware County Retired Teachers Donate Books to Habitat Family

The Delaware County Retired Teachers Association (DCRTA) recently donated books to a new Habitat for Humanity home recipient. Rebecca Hughes is the most recent Habitat for Humanity of Delaware & Union Counties homeowner.

DCRTA Co-President Carolyn Kneisly and Vice President Sue Elfner presented the books to the Hughes children at the home dedication in Delaware on September 24. DCRTA purchased books for various age levels after Habitat officials expressed a need. The books will be a gift to all children of Habitat homeowners moving forward. DCRTA is proud to join other chapters across Ohio in this collaborative effort to help those in need.

(Front row, from the left) Sue Elfner, Carolyn Kneisly, Nicole, Jane and Rebecca Hughes, and Todd Miller, Executive Director of Habitat for Humanity of Delaware & Union Counties

Trumbull Retired Teachers Update

Carol Kinsey, the District 11 Director, recently visited the Trumbull Retired Teachers Association (TRTA) and provided an update on activities at ORTA. Also at the meeting, Roselyn Gadd, TRTA publicity chair, presented Sandra Bilovesky with a book to honor her selection as a Legacy Award winner. Bilovesky is active in her church and various educator groups, and is also the president of the Niles Historical Society. The Legacy Award evaluates candidates from three counties in the Mahoning Valley.

(From the left) Carol Kinsey, Dottie Fogel and Denise DelTondo

Roselyn Gadd and Sandra Bilovesky

Ohio Alliance for Retired Teachers Update

The November edition of the AWARE newsletter is about GOTV - Get Out the Vote. The Ohio Alliance for Retired Americans is concerned about pending legislation in the Ohio General Assembly that would cut unemployment benefits and end essential state government services.

In Congress, there is equal concern about the federal budget as it targets Social Security, Medicare and Medicaid and the potential for another last minute "reform" for pensions. Also, the Trans-Pacific Partnership is expected to come up for a vote.

To learn more, check out the AWARE attachment enclosed in this package.

Volunteer Tutors Needed

The Dominican Learning Center is an education facility serving adults seeking to improve reading and/or math skills, pass a GED exam, or learn English as a second language (ESL). The Center is looking for volunteers to provide one-on-one or small group tutoring. Below are the Tutor Training Workshop dates. If you interested in volunteering, please call or email the Dominican Learning Center.

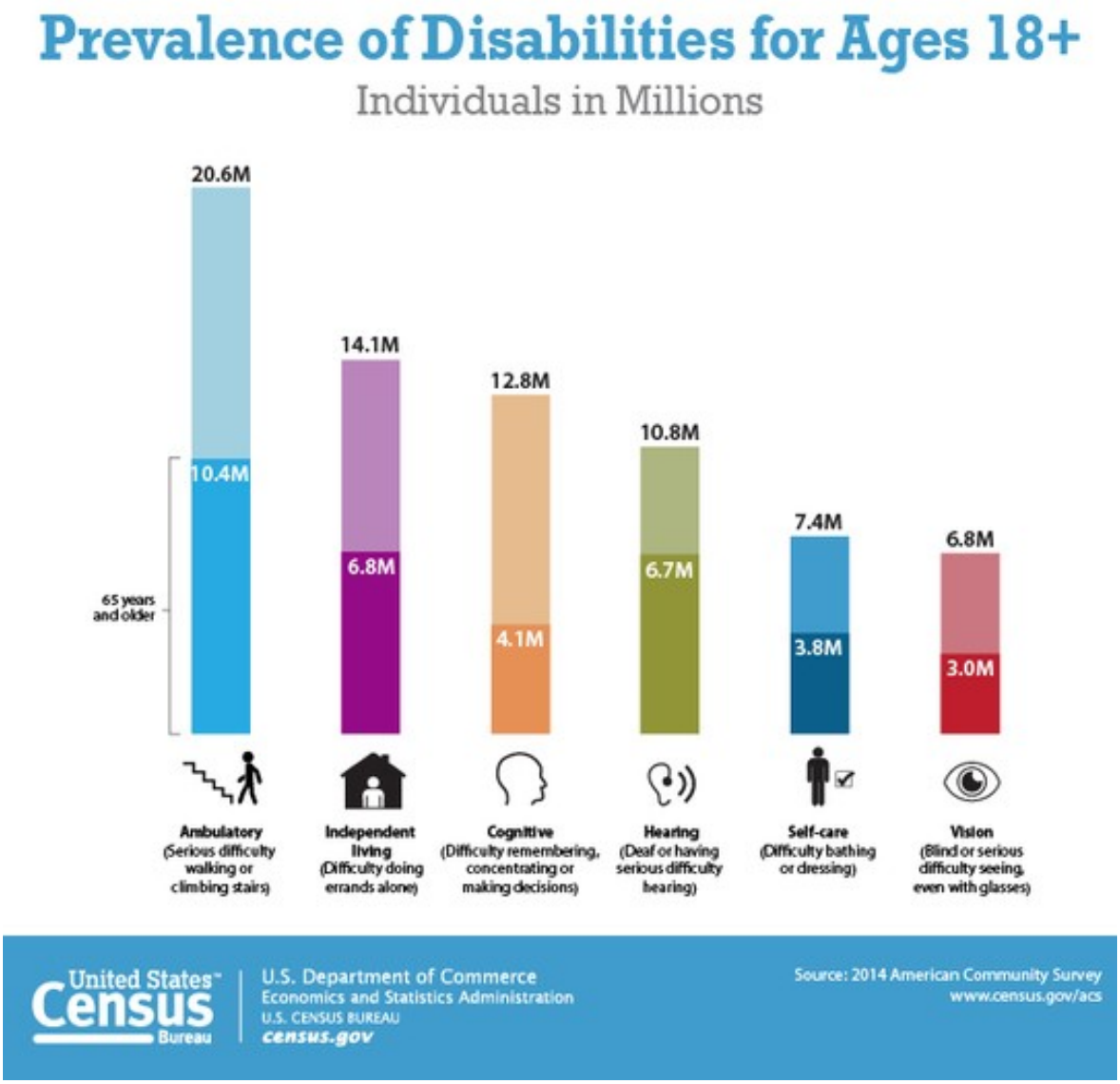
1111 E. Stewart Avenue
Columbus, OH 43206
614-444-7330
dlccolumbus@oppeace.org

Tutor Training Workshop dates:
November 19, 2016
January 21, 2017
February 18, 2017
March 18, 2017
April 29, 2017
May 20, 2017

9:00 a.m. until 12:30 p.m.
www.Domlearningcenter.org

News from STRS

Did you know that STRS offers disability coverage? Check out the latest numbers from the U.S. Census.



Don't miss the latest news from STRS. To read the October STRS update, see the enclosed attachment.

To sign up for updates, visit www.strsoh.org, click on the black box that says SUBSCRIBE, and tell them you want to receive the eUPDATES. Not only do you receive information following each Board meeting, but at any time there may be additional information to be disseminated, an additional eUPDATE is sent out.

AARP Tips: Retirement Security for Multicultural Americans

Multicultural Americans are facing a retirement crisis, and many are not prepared with the savings they need to maintain a standard of living. Learn more by checking out the facts from AARP.

RETIREMENT SECURITY FOR MULTICULTURAL AMERICANS

MULTICULTURAL AMERICANS FACE A RETIREMENT CRISIS

52% of Americans are at risk of not having enough money to maintain their standard of living in retirement.

THE RETIREMENT SECURITY CHALLENGES ARE EVEN MORE SEVERE FOR MULTICULTURAL AMERICANS

Three out of four Black working age households (25-64) have less than $10,000 in retirement savings.

Four out of five Latino working age households (25-64) have less than $10,000 in retirement savings.

$30k The average retirement savings balance among households of color.

$0 A typical Black or Latino household near retirement has virtually zero dedicated retirement savings in a 401(k) or Individual Retirement Account (IRA).

LACK OF ACCESS TO RETIREMENT PLANS IS DRIVING THE SAVINGS SHORTFALL FOR AMERICANS OF COLOR

62% Percentage of Latino employees age 25-64 who work for an employer that does NOT sponsor a retirement plan.

54% Percentage of Black employees age 25-64 who work for an employer that does NOT sponsor a retirement plan.

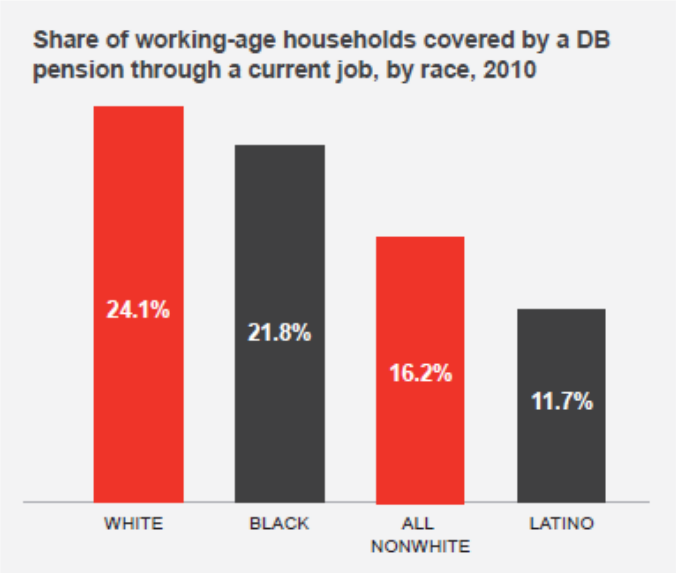
54% Percentage of Asian employees age 25-64 who work for an employer that does NOT sponsor a retirement plan.

NRTA
AARP's Educator Community

AMERICANS OF COLOR ARE LESS LIKELY TO HAVE A PENSION

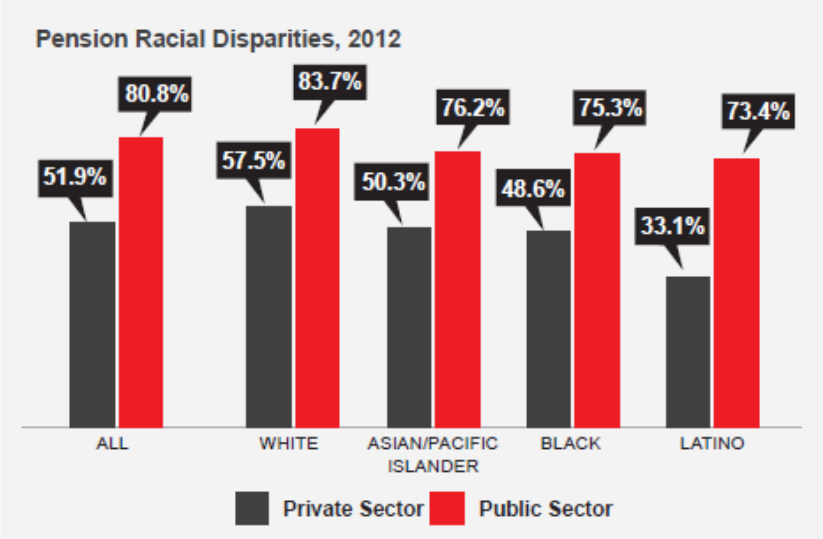
A defined benefit pension plan generally provides greater retirement income security as compared to 401(k)-type plans.

But, households of color are less likely to have access to a pension, which further weakens their retirement readiness.



RETIREMENT READINESS LESS CHALLENGING FOR PUBLIC SECTOR AMERICANS OF COLOR

Public sector workers are more likely to have a pension, which improves retirement outlook.



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AARP's Educator Community

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November is Long Term Care Awareness Month!

A long term care plan isn't just a future thought; the time to make it happen is now! Have you thought about your plan? Ask yourself these three questions to determine if you might need help with long term care.

1. In case you and/or your partner need living assistance, will a family member provide it?

Think about your close family members. Are they able to provide care if you should need it? A few factors to consider are how much space they have, your future medical needs, and your own budget. Will you be able to help out with living costs and handle your own medical costs? It's important to discuss this with family members so that everyone is on the same page and knows what to expect.

2. If care at home or in assisted living is needed, how will it be paid for?

Think about your current assets. Are they enough to handle the cost of long term care? The average cost for long term care can be as high as $83,580/year *. How much of your retirement budget can be allotted to long term care?

3. Is a long term care insurance policy necessary for your future plan?

After discussing budget and other factors, are you still unsure about your ability to handle future expenses? Long term care policies can be designed with the right combination of benefits to provide protection while still meeting your budget needs.

*Cost based on 2010 estimate for a private room in a nursing home, according to Longtermcare.gov.

Visit **myamabenefits.info/orta** or call **800-258-7041** to learn more about the importance of Long-Term Care.

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ORTA
NEWS BULLETIN

KEEPING MEMBERS APPRISED OF ORTA HAPPENINGS AND UPCOMING EVENTS

eUPDATE

Oct. 24, 2016

Annual Pension Valuation Shows Modest Improvement, but Indicates Challenges Ahead

During the October meeting of the State Teachers Retirement Board, actuarial consultant Segal Consulting presented its July 1, 2016, report of the annual pension valuation results. The valuation report measures two sets of assumptions — demographic and economic — against the retirement system's actual experience from the past year. Demographic measures include retirements, disability inceptions, withdrawals and mortality (the number of deaths among active members and benefit recipients). Economic measures include the rate of inflation, return on assets, salary increases and payroll growth. This year's report shows the funding period — the amount of time needed to pay off the system's unfunded liability — decreased to 26.6 years from 28.4 years, and the funded ratio increased slightly to 69.6% from 69.3%. During the presentation, Segal shared that while some of the valuation report shows improvement from last year, other aspects show the pension fund faces several issues that will result in a less favorable position going forward.

Segal noted that the pension fund has a net $2.8 billion in deferred investment losses that will be recognized over the next three years. STRS Ohio uses a common actuarial technique called “smoothing” to spread investment market volatility over a four-year window rather than a one-year “spike.” Investment returns during the past two fiscal years were below the assumed return of 7.75%, and the smoothing method means those losses have not yet been fully recognized.

Segal’s report showed the pension fund suffered a demographic loss of $485 million, primarily due to increasing lifespan among benefit recipients. These losses in the mortality or “longevity” experience reflect that retirees and benefit recipients are living longer and collecting benefits longer than expected. The system also continues to face challenges meeting the total covered payroll growth assumption.

Segal is currently working on a study that STRS Ohio conducts every five years called an experience review. This study compares the system’s economic and demographic assumptions to the actual experience over the past five years. Segal shared with the board that changes to the mortality assumption (to reflect benefit recipients’ longer lifespans) and the discount rate (the rate that is also used as the investment return assumption) will have a negative impact on system funding by increasing the system’s liabilities and decreasing its funded ratio. A change to the payroll growth assumption could also increase the funding period beyond the state of Ohio’s statutory 30-year target to pay down the system’s unfunded liability.

Other key points from the 2016 pension valuation report include:

- STRS Ohio’s Defined Benefit and Combined Plans paid about $7.3 billion in benefits during the fiscal year.
- The unfunded actuarial accrued liability increased to $30.6 billion from $30.4 billion.
- Total covered payroll increased 1.4%, while the system’s expected payroll growth rate is 3.5%.

Staff Provides Pension Funding Recap and Expectations

Following the valuation presentation, STRS Ohio Finance staff recapped some of the funding data the board has reviewed in 2016. These points included:

- The board's investment consultant, Callan Associates, is forecasting lower returns over the next 10 years than the system's assumed rate of 7.75%.
- Accounting for future mortality improvement in pension fund assumptions is now standard actuarial practice and should be strongly considered.
- Payroll growth is expected to continue to lag STRS Ohio's current assumption, due in part to lower inflation and, looking ahead, to lower birth rates in Ohio — meaning there will likely be fewer students to educate, possibly indicating fewer classroom teachers will be needed.

The board will continue its discussion on long-term pension funding in the months ahead and will receive the results of Segal's five-year experience review in January. Staff confirmed that any changes to the actuarial assumptions will impact the funding period and could increase the funding period beyond the state of Ohio's statutory 30-year target to pay down the system's unfunded liability. STRS Ohio will use its website, newsletters and *eUPDATE* email news service to share information as these discussions continue.

Board Explores Pathways to Offer Sustainable Health Care Program

During its September meeting, the Retirement Board continued its review of STRS Ohio's Health Care Program. The board has identified health care funding challenges as a key area of focus for 2016–17. There is currently no dedicated source of funds for the health care program. STRS Ohio no longer allocates 1% of the 14% employer contribution to the Health Care Fund because these funds are needed to strengthen the pension fund.

This month, the board examined several potential options that could extend the years the health care program is offered. Staff shared that the current pension funding ratio and funding period are unlikely to improve enough to provide an opportunity to designate any funding for health care from employer contributions until 2042 (under current assumptions). Staff is targeting a solvency period that provides the chance to sustain a health care plan that maintains a solid base in the Health Care Fund until additional funding is available.

Staff presented options that are projected to extend the solvency of the Health Care Fund by 50 years or more, noting that changes to the current subsidy levels and eligibility for the program are the best options for achieving longer term solvency. Next month, the board is expected to narrow these options for further discussion.

Board Recognizes Chief Benefits Officer for Outstanding Service

The Retirement Board recognized Sandy Knoesel, deputy executive director — Member Benefits and chief benefits officer, who is retiring after 25 years of service at STRS Ohio. Knoesel served as STRS Ohio's first female deputy executive director, and under her leadership, the Member Benefits Department has been ranked number one in service worldwide by CEM Benchmarking eight times in the past 17 years. The board thanked Knoesel for her dedication and outstanding service to the retirement system's members, board and staff.

Retirements Approved

The Retirement Board approved 191 active members and 89 inactive members for service retirement benefits.

Other STRS Ohio News

Steen Reappointed to Four-Year Term

Governor John Kasich announced his reappointment of Wade Steen to the State Teachers Retirement Board. Steen is president and founder of Steen & Company LLC, with offices in Columbus, Ohio. His term on the Retirement Board will end Sept. 27, 2020.

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The STRS Ohio *eUPDATE* is designed solely to provide timely and accurate news and information about legislation, benefits and other issues affecting the STRS Ohio membership.

If you wish to comment on a topic, please either email contactus@strsoh.org or call the Member Services Center toll-free at 888-227-7877.

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Legislative News

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OCTOBER 2016

At the Statehouse

Ohio Retirement Study Council approves recommendations for pension bill

At its Oct. 13 meeting, the Ohio Retirement Study Council (ORSC) voted to approve the Council staff's updated recommendations for House Bill 520, which contains provisions that will affect Ohio's five retirement systems. The approved recommendations included adopting a number of amendments to the bill co-sponsored by Reps. Kirk Schuring (R-Canton) and Dan Ramos (D-Lorain). One such amendment would change the calculation of the mitigating rate for the alternative retirement plan (ARP).

The ARP mitigating rate is a portion of the employer contribution that is sent to the pension system to help offset the negative impact to the system resulting from participation in an ARP. Alternative retirement plans are defined contribution plans offered by private vendors and are only available to full-time higher education faculty.

One of the changes approved by the ORSC includes a provision that STRS Ohio staff has advocated — to increase the mitigating rate cap found in the introduced version of H.B. 520 to 4.5% from 4.0%. Rep. Schuring indicated that the House Health and Aging Committee will hold a hearing on the bill at its next meeting on Nov. 10, with the intention of having the bill voted out of the House the following week.

Council's actuary provides investment performance update

ORSC's actuary, RVK, presented its semi-annual investment performance review of the retirement systems for the year ended June 30, 2016. RVK found that total fund absolute returns for STRS Ohio were first among the Ohio systems for the three- and five-year periods, and second for the seven- and 10-year periods. RVK also noted that all five Ohio retirement systems have actuarial rates of return above the RVK Public Fund Report Median of 7.5%.

Council staff weighs in on discount rate

ORSC staff presented an Issue Brief on the discount rate retirement systems use to measure their liabilities. Specifically, the brief presented information on the difference between using the assumed rate of return method and the market value of liabilities approach. Staff concluded that the assumed rate of return method that the systems currently use is more useful than the market value of liabilities approach because it "provides the best estimation of the eventual costs today that are necessary to fund a benefit in the future and, therefore, provides the best budgeting of necessary contributions."

ORSC

The ORSC is scheduled to meet next on **Nov. 10.**

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U.S. Senate Finance Committee moves pension bills

(Note: The following is based on information disseminated by Leigh Snell, federal relations office for the National Council on Teacher Retirement.)

In late September, the U.S. Senate Finance Committee approved two major retirement bills, but did not take the opportunity to attach amendments that the public pension community find concerning. The two pieces of legislation are the "Miners Protection Act of 2016" (MPA) and the "Retirement Enhancement and Savings Act of 2016." (RESA).

The MPA addresses the financial status of the United Mine Workers of America's pension and health care plans, both teetering on the brink of insolvency, by redirecting funds from the Abandoned Mine Reclamation Fund, run by the U.S. Department of the Interior. Criticized as setting a dangerous precedent for the other 1,237 multi-employer pension plans that are currently underfunded by "bailing out a private sector business plan with taxpayer dollars," the legislation nevertheless received bipartisan support from the Finance Committee and was cleared for Senate action by a vote of 18 to 8.

The second piece of legislation, the Retirement Enhancement and Savings Act of 2016, is described by *Bloomberg BNA* as a "catch-all retirement bill aimed at bolstering the defined contribution plan system."

Within the public pension arena, there was some concern that the lawmakers would attach the "Public Employee Pension Transparency Act," (PEPTA), H.R. 4822 sponsored by Congressman Devin Nunes (R-CA), and certain provisions of the "Secure Annuities for Employee (SAFE) Retirement Act." The SAFE Act was initially introduced by Senate Finance Committee Chairman Orrin Hatch (R-UT) in 2013 and would authorize an optional, federally regulated "Annuity Accumulation Retirement Plan" for state and local governments as a replacement for their defined benefit plans.

While versions of both proposals have been strongly advocated by Sen. Hatch and other Senators as recently as December of 2015 — when they were included in the "Puerto Rico Assistance Act of 2015" (S. 2381) — neither were offered as amendments to the two pension-related bills approved by the committee.

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Study
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John Gallagher, *OP&F*
Lisa Morris, *SERS*
Mike Nehf, *STRS*

Director/General Counsel
Bethany Rhodes

H.B. 520 of the 131st General Assembly (Update) Rep. Schuring

October 13, 2016

Recommendation Update

Staff Contact
Jeffery A. Bernard
(614) 228-5644

Summary of H.B. 520

H.B. 520 makes administrative and clarifying changes to the laws governing the five state retirement systems. It makes a number of substantive changes. It also modifies the calculation used to determine the mitigating rate applying to alternative retirement plan (ARP) participants. A proposed amendment would alter the transfer of service credit provisions between OP&F and PERS. This analysis includes an update with actuarial information and a review of proposed amendments.

ORSC Comments

The majority of the changes in the bill relate to administrative and clarifying changes which are listed below as dot pots. The ORSC recommends approval of all of the following changes as they improve the operation of the retirement systems:

Changes affecting multiple systems

- Provides survivor benefits until age 22 to the qualified child of a Public Employees Retirement System (PERS), State Teachers Retirement System (STRS), or Ohio Police and Fire Pension Fund (OP&F) member who dies before retirement regardless of whether the child is attending an institution of learning or training.
- Provides death benefits from the Ohio Public Safety Officers Death Benefit Fund until age 22 to the surviving child of a public safety officer regardless of whether the child is attending an institution of learning or training.
- Eliminates provisions under which a PERS, STRS, or School Employees Retirement System (SERS) member who earns service credit in more than one system during the same time period receives partial credit from each system in which credit is earned.
- Requires that any legal action commenced against OP&F or STRS be filed in Franklin County.[1]

Public Employees Retirement System

- Requires a PERS disability benefit recipient to undergo a periodic, rather than annual, medical examination.
- Reduces to two months (from three) the time a PERS member or re-employed retirant must wait to receive a refund of the member or retirant's PERS contributions.

[1] Note that, should H.B. 503/S.B.303 apply to the state retirement systems, this requirement would conflict with the citizen cause of action provisions of those bills.

- Specifies that the last established beneficiary of a deceased PERS member who was also a member of STRS or SERS is the sole beneficiary in all the systems if a survivor benefit may be paid under provisions coordinating PERS, STRS, and SERS benefits.

Ohio Police and Fire Pension Fund

- Establishes as conditions for return of contributions of an OP&F member who terminates active service that two months have elapsed and the member has not returned to active service during the two-month period.
- Requires a deceased member's accumulated contributions that are not claimed within seven years to be transferred to the Guarantee Fund and paid to the member's survivor or the member's or survivor's estate on application to the OP&F Board.
- Specifies that money due or to become due to an individual from OP&F is not subject to the operation of bankruptcy or insolvency laws but is subject to an order for division of marital property.
- Requires an application submitted to OP&F to be in the form and manner specified by the Fund.

State Teachers Retirement System

- Excludes from "compensation" for purposes of STRS contributions and benefits any portion of the amount paid to a teacher as a retroactive payment of earnings, damages, or back pay under a court order or settlement agreement that is excluded from compensation under continuing law.
- Revises when the STRS Board terminates payment of a disability benefit.
- Eliminates the dollar amount multiplier that may be used to calculate the pension portion of an STRS disability retirement benefit.
- Allows an STRS member to receive credit for the period as a recipient of an STRS disability benefit if the member has become a contributor to the STRS defined contribution plan and earns at least two additional years of service credit.
- Makes a recipient of an STRS allowance or benefit beginning on or after August 1, 2013, that was immediately preceded by a disability benefit that was terminated on or after that date, eligible for a cost-of-living adjustment on the date that would have been the disability benefit's next anniversary date.
- Authorizes the STRS Board to establish a plan for retirants re-employed as teachers under which the retirant's STRS contributions are invested at the retirant's direction in accordance with investment options established by the Board and, if the Board establishes a plan, requires STRS to transfer each retirant's contributions to it.

- Requires STRS to withhold or recover from the recipient of an STRS retirement or disability benefit who is employed in a position subject to the Cincinnati Retirement System (CRS) any amount that is to be forfeited under CRS requirements.
- Requires certain STRS members who purchase service credit for an absence or leave due to illness, injury, or professional reasons to purchase the credit by paying STRS instead of treating it as a pass through from the member's employer.
- Includes in the benefit used to calculate future cost-of-living adjustments paid a survivor of a deceased STRS member who was receiving a disability benefit any increases the member received while receiving the disability benefit.
- Eliminates the minimum survivor benefit dollar amount for qualified STRS survivors whose benefits are based on the number of qualified survivors.
- Clarifies that any return of contributions or unpaid disability benefits payable to a deceased STRS member's beneficiaries are to be paid to the beneficiaries designated by the member.

State Highway Patrol Retirement System

- Provides for designation of beneficiaries by State Highway Patrol Retirement System (SHPRS) members and retirants.
- Specifies that a surviving spouse of a deceased SHPRS member or retirant is eligible for a monthly pension based on the member's or retirant's age and service only if the member or retirant had at least 20 years of service credit.
- Clarifies that only SHPRS members who are eligible for retirement with an unreduced pension may elect to participate in the system's deferred retirement option plan (DROP).
- Changes the effective date of a member's election to participate in DROP to the first day of the first payroll period immediately following the SHPRS Board's receipt of the election (instead of the date the member files the election).
- Permits SHPRS retirants to authorize dues checkoffs on behalf of certain organizations composed of retired State Highway Patrol employees.

The bill includes the following changes of note:

- Suspends or terminates the PERS disability benefit of a recipient who *fails*, rather than *refuses*, to file required information with the PERS Board. LSC staff noted in their analysis that the change does not include an exception for an individual who is incapacitated and incapable of submitting the form.[2] However, the ORSC

[2] LSC Analysis, "H.B. 520 of the 131st General Assembly, As Introduced," 11.

is comfortable with the change as PERS currently has a one year suspension period during which an incapacitation issue is resolved.[3]

- Requires for transfer to PERS or purchase of CRS credit in PERS that a PERS member have more PERS service credit than the amount of CRS credit to be transferred or purchased.[4]
- Requires for transfer of PERS credit to CRS that a CRS member have more CRS service credit than the amount of PERS credit to be transferred.[5]
- Eliminates provisions under which an STRS member may purchase credit for school board service only if the member is or will be eligible to retire and retires within 90 days after purchasing the credit. Note that this is not altering the cost of service credit purchases made under pension reform. The 90-day requirement is no longer necessary as all purchases must be 100% of the additional liability.[6]
- Causes certain future community (charter) school nonteaching employees to be excluded from SERS. The change removes a membership determination for individuals that do not exist due to the timing of the effective date of the charter school changes. The amendment removes a provision that had no effect as the specified individuals do not, and will not, ever exist.[7]
- Requires an SHPRS member to have at least five years of service credit to be eligible for off-duty disability retirement. SHPRS currently provides *on-duty* disability retirement immediately on employment. The other law systems require five years of employment prior to being eligible for *off-duty* disability retirement. The ORSC, *therefore, recommends this policy change as it would standardize the off-duty disability retirement provisions between the law enforcement systems.*[8]
- Requires a disability pension to be terminated if an SHPRS disability retirant is re-employed as a law enforcement officer. *While this is a policy change, it is a logical extension of disability re-employment provisions applicable to all of the state retirement systems; therefore, the ORSC recommends the change.*[9]
- Removes the requirement that actions of the SHPRS Board be approved by a majority of the Board's members. Currently only SHPRS and SERS require a majority of members, rather than a majority of a quorum, to take action. The ORSC is neutral on this change as there are valid arguments to be made under both voting requirements. However, as this change would make SERS the only

[3] R.C. 145.362(B).
[4] R.C. 145.2911.
[5] R.C. 145.2912.
[6] R.C. 3307.78.
[7] R.C. 3309.013.
[8] R.C. 5505.18(A).
[9] R.C. 5505.18(F) and (G).

system requiring a majority of member voting, the ORSC advise SERS staff to consider whether their current voting requirements make sense.[10]

H.B. 520 includes the following provision that the ORSC recommends be modified or removed for further review and interested party discussion:

- Excludes employer contributions from "compensation" for purposes of STRS additional annuity payments amounts that are in excess of certain percentage increases.[11] The ORSC recommends that the portion of the employer match returned to the member be tied to the withdrawal portion, as this provision appears to be closest to a withdrawal (although the comparison is not exactly the same), which is currently provided at 50%. The ORSC agrees that the member should not receive 100% of the employer contribution (as provided in current law) as there is no other situation of full withdrawal of employer contributions in STRS law. *However, the ORSC recommends that this provision either be pulled from H.B. 520 for further review or set to match the withdrawal rate, rather than 0%, of those employer amounts.*

Actuarial analysis of administrative changes

According to analyses done by the retirement systems and as reviewed by the ORSC consulting actuary, the actuarial impact of the above changes would be negligible.[12]

The bill also includes the following policy changes.

Mitigating Rate (AM 2388)

Background

In December of 2014, ORSC staff issued a report on the employer contribution rate diverted to a retirement system in order to mitigate the negative financial effect of the alternative retirement plan (ARP).[13] That study noted that the calculation was unnecessarily opaque, inconsistent, and not in line with the directives of the General Assembly. Staff listed six considerations that could be included in developing a new formula. Subsequent to that study, Am. Sub. H.B. 64 of the 131st General Assembly froze the mitigating rate as follows but did not adjust the statutory formula:

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[10] R.C. 5505.04.
[11] R.C. 3307.501(D).
[12] William B. Fornia, "Analysis of House Bill 520 – General Issues " (October 11, 2016).
[13] Jeff Bernard, "Alternative Retirement Plan Mitigating Rate: Report on Rate History and Operation, as Required by Am. H.B. 483 of the 130th General Assembly" (December 11, 2014).

PERS 0.77%
STRS 4.50%
SERS 6.0%

H.B. 520 proposes to eliminate the frozen rates and modify the actual formula used in determining the mitigating rate in PERS, STRS, and SERS. Described simply, the amendment establishes a rate that is one-fourth of that needed to amortize unfunded accrued liability (UAL) payments resulting from the ARP, capped at 4.5%. The calculation under the bill is as follows:

1) Determine the "historical liability." The historical liability is the difference between the cumulative mitigating rate contributions received from ARP members for UAL payments and the cumulative contributions that would have been applied to the UAL had the member not participated in ARP. This historical liability is used both in determining the initial mitigating rate and also as a floor on the mitigating rate in the future.

2) For the initial mitigating rate study in December 2016, determine the following:

a) Calculate the percentage contribution necessary to amortize the "historical liability" determined in 1 above over an indefinite period (greater than 100 years). Add to this the percentage contribution necessary to amortize over a 30-year period the portion of existing UAL (**excluding** the historical liability figure) attributed to ARP payroll.[14]

b) Determine the mitigating rate which will be one-fourth of the percentage sum determined under 2a above, not to exceed 4.5%.

3) For each subsequent 5-year study after 2016, determine the following:

a) Determine the percentage contribution necessary to amortize over a 30-year period the portion of existing UAL (**excluding** the historical liability) of the most recent actuarial valuation attributed to ARP payroll.

b) Determine the mitigating rate which will be one-fourth of the sum of the indefinite historical liability percentage contribution rate determined above under 2a plus the updated UAL percentage contribution rate determined under 3a, not to be less than one-fourth of the indefinite historical liability percentage contribution rate under 2a, but not to exceed 4.5%.

[14] By considering the compensation of those existing ARP members, the UAL attributed to ARP could be higher, if ARP participants on average earn more than a typical retirement system member, or lower, if ARP participants on average earn less than a typical retirement system member.

While not simple, any interested party will be able to calculate the figure using retirement system financial reports. The mitigating rate calculation under AM2388 is a determinable number that follows the original six suggestions made by ORSC staff (*italicized* below) in its 2014 report to clarify the mitigating rate formula:

1) *Recognize that there is a negative financial impact on the retirement system due to ARP participation and that this effect is related to the UAL.* The proposed formula acknowledges the negative financial impact both historically and currently and ties that negative impact directly to UAL in a predictable, measurable manner.

2) *That a consistent formula be established in statute to provide clarity and consistency for employees, employers, and the retirement systems.* As a statutory formula based on an actual UAL figure present in the systems financial statements, the proposed formula will provide consistency over time and eliminate the opaqueness of the current formula.

3) *That the formula use as its central data point the most recent unfunded accrued liability rate for the relevant system.* The key data point in the proposed formula is the UAL attributed to ARP membership and payroll.

4) *That the General Assembly consider and specify the extent of the mitigation provided by ARP employers and whether there is a cap on that amount.* The formula answers this question by providing for a rate that is at least one-fourth of percentage rate needed to amortize historical ARP liabilities, with a cap of 4.5%.

5) *Whether the mitigation of the unfunded accrued liability owed by employers has a termination date.* The formula addresses this recommendation by establishing a rate that continues into the future at not less than one-fourth of the historical liability rate.

6) *Whether adjustments to the unfunded accrued liability should be made to account for benefit increases, benefit decreases, 13th check provisions (in the case of STRS), and health care contributions made in the post-1999 period for the defined benefit plan, and how that would be expressed.* Perhaps the most difficult suggestion to implement, the proposal addresses this issue by calculating the historical liability as a function of what would have been collected by the system had the member not participated in ARP. This formula excludes just the types of benefit changes that could artificially affect these historical liabilities.

According to analyses done by the actuaries for PERS, STRS, and SERS, the amendment would result in the following mitigating rates:

System	Current Rate	AM2388	Rate Floor
PERS	0.77%	2.44%	0.61%
STRS	4.50%	4.43%	0.63%
SERS	6.00%	3.48%	0.36%

Actuarial analysis of mitigating rate proposal

The ORSC consulting actuary reviewed AM2388 and made the following comments:

> We have reviewed the mitigating rate provisions in depth including a review of sample calculations and the ORSC draft discussion of the provisions. We believe that the process in HB 520 is unnecessarily cumbersome, but is a reasonable actuarial approach given the various objectives of setting a mitigating rate. In particular, we question the necessity of treating the "historical liability" any different from other unfunded liabilities, particularly considering the arbitrary use of a multiple of one-fourth and a limit of 4.5%.
>
> But notwithstanding our questioning of the basic calculation process, we have thoroughly reviewed the language and examples and find that they develop a reasonable (albeit complex) approach for setting a mitigating rate.[15]

ORSC staff recommends that **AM2388 be approved** by the ORSC to provide consistency and measurability to the mitigating rate.

Additional Amendments

The following amendments have been proposed:

1) **AM2392**-Corrective, ORSC staff recommends that the ORSC **approve AM2392**.

2) **AM2393**-Corrective, ORSC staff recommends that the ORSC **approve AM2393**.

3) **AM2682**-Removal of obsolete provisions, ORSC staff recommends that the ORSC approve **AM2682**.

4) **AM2390**-Current law provides that SHPRS DROP participants are "retired" for purposes of electing membership to the Board. Because these individuals remain "active" employees in all other ways, this amendment provides that SHPRS DROP participants be treated as "active" for Board election purposes.

The amendment would make the SHPRS DROP provisions consistent with OP&F as OP&F DROP participants are "active" for purposes of electing membership to the Board.

ORSC staff recommends that the ORSC **approve AM2390**.

5) **AM2389-1**-Provides that SERS members who are eligible to participate in Medicare prior to age 65 must do so in order to be eligible for SERS health care coverage. As with other current provisions of law, such as a requirement to enroll in employer health care coverage if reemployed and requirement to participate in Medicare Part B, members are expected to utilize available health coverage options prior to enrolling in SERS health care. The amendment is consistent with these other provisions. ORSC staff recommends that the ORSC **approve AM2389-1**.

6) **AM2650-1**-As with the other systems, a SERS member who is subject to a retirement benefit forfeiture order for certain offenses may instead request for withdraw of contributions. The amendment clarifies that, if the member has a spouse, the spouse

[15] William B. Fornia, "Analysis of House Bill 520 – Mitigating Rate" (October 11, 2016).

must provide written consent of the withdraw (the spouse must provide written consent for the other systems under existing law unchanged by the bill).

ORSC staff recommends that the ORSC **approve AM2650-1**.

7) **AM2391-4**-This amendment has two distinct parts. First, it provides that a number of employment positions be included in the definition of a "law enforcement officer." "Law enforcement officers" are eligible for enhanced law enforcement benefits but are subject to additional employee and employer contributions. The expanded positions are as a bureau of criminal identification and investigation investigator, gaming agent, Department of Taxation investigator, special police officer for a port authority, and special police officer for a municipal airport. The amendment would provide a one-time opportunity for those employed in the expanded positions on the effective date of the bill to elect to receive *future* credit as a law enforcement officer. The election is irrevocable and must be made in 90 days or less. The amendment is prospective in nature and will not create additional liabilities for prior service as that service will not be retrospectively converted to PERS-LE credit.

The original intent of the law enforcement program was to provide benefits for law enforcement officers whose duties and training were similar to those of police officers, but who, at that time, did not have the career longevity needed to receive a retirement benefit from OP&F. The first groups of employees eligible for benefits under the law enforcement divisions were required to have as primary duties preserving the peace, protecting life and property, and enforcing the laws of the state. As later groups have been added to the division, the emphasis for eligibility has shifted from the primary duties of the employee to the type of training the employee has received. While training is important, it is the duties of the officer of preserving the peace, protecting life and property, and enforcing the laws of the state that justifies the enhanced benefit.

The amendment requires both the specified training and the requirement to have primary duties preserving the peace, protecting life and property, and enforcing the laws of the state to be eligible for law enforcement credit. Including these individuals would be consistent with prior ORSC recommendations in 2002 (H.B. 158 and 215 of the 124th GA) and 2006 (H.B. 286 of the 126th GA) to include new members with requisite training and duties, and consistent with ORSC recommendations in 2005 (H.B. 66 of the 126th GA) and 2006 (H.B. 270 of the 126th GA) to not include those without requisite training and duties.

ORSC staff does note that anytime the PERS law enforcement division is expanded, it may cause other individuals to seek inclusion. Additionally, the amendment would increase costs for employees and employers due to the increased contribution rates.

The second relates to the transfer of service credit between OP&F and PERS.

S.B. 42 of the 130th GA modified the transfer of service credit provisions of STRS, SERS, and PERS. One provision was to provide that a member who transfers credit must do so into the system in which the member has the most credit, the logic being that the benefit paying system should be the system in which the member had the most service and most contributions. S.B. 42 also provided that, for PERS (but not SERS or

STRS), the "majority of credit provision" applied to transfers involving the uniform systems (HPRS and OP&F).

However, in existing law, credit from a non-uniform system (including PERS) may not be transferred to a uniform system unless the member is an *active member* of that uniform system. The combination of the changes in S.B. 42 and existing law had the effect of orphaning certain members with credit in both PERS and a uniform system: those members are unable to get a career benefit from any system even though, combined, they had sufficient credit. For instance, a member with 20 years of credit with OP&F who then becomes a PERS member for 5 years would not be permitted to transfer the 5 years of PERS credit to OP&F or the 20 years of OP&F credit to PERS. As Ohio is a non-Social Security state, this could result in significant unplanned hardship on those individuals, requiring the member to work additional years or receive a substantial reduction in benefits.

The amendment would remove this impediment for uniform service transfers between OP&F and PERS by removing the active service requirement in OP&F for uniform service (Law Enforcement and Public Safety service) transfers to OP&F. As a result, those with *full-time* service credit in PERS-LE and PERS-PS may freely transfer credit to OP&F regardless of if they are an active member of OP&F at the time of transfer. As under current law, *part-time* credit will continue to be non-transferable to OP&F. The transfer of funds between the systems would follow the same principles as under current law. This includes a provision allowing OP&F to reduce the amount of credit granted in OP&F if the member does not pay additional contributions to OP&F. This means that PERS uniform credit will continue to be treated differently in OP&F.

The amendment also provides for a 90-day period in which those PERS members who have a majority of credit in OP&F as police or fire fighters may elect to transfer that OP&F credit into PERS for retirement eligibility purposes. After the 90-day period, those individuals will have to have a majority of credit in PERS to transfer the OP&F credit.

ORSC staff comments

One guiding principle for ORSC staff recommendations is prior precedent. On this issue prior precedent is mixed. For most of ORSC's history, OP&F has not permitted credit to be transferred into OP&F unless the member was actively serving in a position covered by OP&F. One reason for this was likely because the non-uniform systems did not have the law enforcement duties that would justify an earlier, enhanced benefit. Therefore, it would not make sense for an individual with 15 years of OP&F credit and 10 years serving in a non-law position, who is currently serving in that non-law position, to instead retire early as a law enforcement officer. Current law's active requirement prevented this type of enhanced benefit for non-uniform employees.

However, two conditions suggest that this prior precedent may need to be revisited. First, PERS has, since 1975, included a law enforcement benefit. Currently, this includes approximately 8,884 individuals. Transfers, therefore, may be uniform to uniform. Second, portability of credit has always been promoted in Ohio, and the recent

trend has been to standardize transfers. The active service requirement has been one of the most significant blocks to portability, even if this was an intentional block.

Current situation

The combination of S.B. 42 and existing law has created an untenable position for certain members. AM2392-4 would remove a barrier to retirement by removing the active service requirement in OP&F for PERS uniform service transfers. ORSC staff would note a number of issues that would continue to be inconsistent and could continue to prevent consolidation of uniform service credit:

a) Part-time credit continues to be non-transferable to OP&F, reduced or otherwise.

b) OP&F may continue to reduce the value of PERS uniform service credit when transferred to OP&F, even though both are uniform service.

c) The "majority credit" provision is not standard between uniform and non-uniform systems.

d) The active service requirement still applies to SHPRS credit.

e) The principles of joint retirement expressed in S.B. 42 will not be uniformly expressed.

Actuarial analysis of transfer credit provisions

The ORSC consulting actuary reviewed the concept of the amendment and had the following comments:

> We understand that the draft amendment would modify [the bill] so that the PERS to OP&F transfer would only be available under certain circumstances and only for LE and PS positions. This would effectively eliminate our actuarial cost concerns. Furthermore, we understand that OP&F can reduce the amount of incoming credit by rule. For example, if the PERS-LE transfer amount only covers 90% of the cost of full OP&F credit, then only 90% of the credit would be granted. Once again, this alleviates our concern over actuarial costs.
>
> While there are clearly some winner and loser systems with the general transfer rules, as long as there is an approximate balance between members transferring from System A to System B to those transferring from System B to System A, there is no significant actuarial concern.
>
> In conclusion, as planned to be modified, HB 520 does not have an unfavorable actuarial impact for its transfer methodology.[16]

ORSC AM2391-4 recommendation

Given that some members are currently unable to retire even though they have sufficient credit, ORSC staff recommends that the ORSC **approve AM2391-4** for the following reasons:

a) ORSC has consistently advocated for portability.

[16] William D. Fornia, "Analysis of House Bill 520 – Transfer Provisions" (October 12, 2016).

b) The amendment continues the long-term trend of standardizing transfer provisions by allowing uniform to uniform service transfers.

c) Currently, a number of members are unable to retire even though they have sufficient credit. In the absence of an alternative on this pressing issue and giving deference to the more recent action of the General Assembly, ORSC recommends maintaining the change under S.B. 42 and eliminating the active service in OP&F that applies to PERS uniform service. This will enable a number of members to again retire.

d) The expansion of law enforcement personnel is consistent with prior ORSC recommendations.

8) **AM2683**-Removes provisions regarding transfer of credit between SERS and the uniform systems but maintains those provisions that apply to the CRS.

Considering the comments above (AM2392-2), ORSC staff recommends that the ORSC **approve AM2683**. While this will create inconsistencies between how credit is treated between SERS and OP&F compared to how credit is treated between PERS and OP&F, credit transfers between these two systems are less likely. The issue of portability among all systems should likely receive a more holistic review in the future.

9) **AM2387**-This amendment has two distinct parts. The first provides clarifying language regarding disability benefits. ORSC staff recommends approval of these provisions.

The second part of the amendment is the same as the existing transfer provisions regarding SERS. *As with comments to AM2683, ORSC staff recommends that the provisions of the amendment relating to the Cincinnati Retirement System remain but provisions addressing retirement with the uniform systems be removed.*

ORSC Recommendation

At its June 9, 2016, meeting the ORSC recommended that the General Assembly approve H.B. 520 with the understanding that any upcoming changes to the bill receive an updated review prior to the bill being voted out of the House committee. This analysis serves as an update on those recommendations:

1) That the As Introduced version of H.B. 520 be approved with amendments AM2388, AM2392, AM2393, AM2650-1, AM2682, AM2683, AM2389-1, AM2390 and AM2391-4.

2) That amendment AM2387 be approved only with the removal of provisions regarding transfers between STRS and the uniform systems.

3) ORSC staff continues to recommend that the compensation exclusion for certain STRS contributions be tied to the withdrawal rate, rather than being set to 0%. The current withdrawal employer match is 50%. If this amendment were added, STRS

would increase the amount of employer amounts withheld from these excess contribution from 0% (under current law), to 50%.[17]

[17] R.C. 3307.501(D).

AWARE

October/November 2016

Activists **W**orking to **A**dvance **R**etiree **E**ducation

News and Commentary from the Alliance for Retired Americans in Ohio

Norman Wernet, President | Melissa Long, Secretary | Jamie Fant, Treasurer

GOTV - Get Out The Vote _ It Is Time to End This

It has been a grueling two years of presidential and senatorial campaigning but it is now time to bring it to a conclusion. It is time for us to vote – to make decisions on who will act in our interest – who will: govern, legislate, and judge the fairness of the law and its administration.

It is time for you and me to vote for judges, county officers, representatives and senators in the General Assembly and Congress, and the President. It is not time for us to walk away in disgust of the ugliness, or to feel like it does not matter. It is time for us to act on our issues. It is not time for us to jeer or boo – It is time to VOTE.

Vote in person now, or by mail from your kitchen table, or on Election Day November 8 – Vote. Take someone with you. Canvass with us. Days, times, and places to gather are list below. Talk with family, friends, neighbors, and especially your members – it is our responsibility to **Get Out The Vote**.

STAGING LOCATIONS

LABOR 16 AFL-CIO

GetOutTheVote Hours and Locations

Labor 2016 is underway in Ohio! **The stakes are too high** in this Election for working people to sit out. Join us as we **speak up together** at a phone bank or door-to-door canvass!

CANVASS HOURS:

1p.m.-4 p.m. & 4 p.m. – 7 p.m. on Mondays – Thursdays before 11/5

10a.m.-1p.m., 1p.m.-4 p.m. & 4 p.m. – 7 p.m. on Mon11/7 & Tues11/8

10 a.m. – 1 p.m. ,1 p.m. – 4 p.m., and 4 p.m. - 7 p.m. on Saturdays

1 p.m. – 4 p.m., 4 p.m. – 7 p.m. on Sundays

PHONE BANK HOURS:

1p.m.-4 p.m., 4p.m. – 6 p.m., and 6 p.m. – 8 p.m. Mon – Thurs before 11/5

10a.m.-1p.m., 1p.m.-4 p.m. & 4 p.m. – 7 p.m. on Mon11/7 & Tues11/8

10 a.m. – 1 p.m. on Saturdays 1 p.m. – 4 p.m., 4 p.m. - 6 p.m., & 6p.m.-8p.m. on Saturdays

1 p.m. – 4 p.m., 4 p.m. – 6 p.m., & 6p.m.-8p.m. on Sundays

FIND A LOCATION NEAR YOU!

Toledo Toledo Federation of Teachers 111 S. Byrne Rd. Contact: Chris Maxie cmaxie@ohaficio.org 614-284-0134	**Lorain** USW Local 1104 2501 Broadway Contact: Dan O'Malley domalley@clevelandaficio.org 440-552-7234	**Cleveland West** **UAW Local 1005** **5615 Chevrolet Blvd** **Parma, OH 44130** Contact: Dan O'Malley domalley@clevelandaficio.org 440-552-7234	**Cleveland East** North Shore AFL-CIO 3250 Euclid Ave. Contact: Dan O'Malley domalley@clevelandaficio.org 440-552-7234	**Mentor** IBEW Local 673 8356 Munson Rd. Contact: Darlene Tinsley dtinsetown@gmail.com 216-299-8975
Lima IBEW Local 32 1975 N. West St. Contact: Chris Maxie cmaxie@ohaficio.org 614-284-0134	**Sandusky** Opening Soon	**Akron** ICWUC, walks only 1655 W Market St Akron, OH 44313 Contact: Kathleen Kelly-Calcei kcalcei@ohaficio.org 614-364-0787	**Akron** USW, phones only 501 Kelly Ave Akron, OH 44306 Contact: Kathleen Kelly-Calcei kcalcei@ohaficio.org 614-364-0787	**Niles** United Steel Workers 1265 N. Main St. Contact: Kathleen Kelly-Calcei kcalcei@ohaficio.org 614-364-0787
Dayton IBEW Local 82 6550 Poe Ave. Contact: Cherika Carter ccarter@ohaficio.org 614-477-3951	**Mansfield** Laborers Local 1216 821 Park Ave. West Contact: Samantha Trueblood strueblood@aficio.org 614-256-5439	**Columbus North** OAPSE 6805 Oak Creek Drive #1 Columbus, OH 43229 Contact: Jessica Vernon jvernon@ohaficio.org 614-329-5842	**Canton** Golden Lodge Local 1123 1234 Harrison Ave., SW Contact: Kathleen Kelly-Calcei kcalcei@ohaficio.org 614-364-0787	**Canfield** Opening Soon
Cincinnati IUPAT District Council 6 200 Kovach Dr. Contact: Cherika Carter ccarter@ohaficio.org 614-477-3951	**Columbus South** Seafarers International Union 2800 S. High St. Contact: Jessica Vernon jvernon@ohaficio.org 614-329-5842	**Columbus East** UFCW Local 1059 (walks only) 4150 E. Main St. Contact: Jessica Vernon jvernon@ohaficio.org 614-329-5842	**Heath** USW Local 341 (walks only) 2100 James Pkwy Heath, OH 43056 Contact: Jessica Vernon jvernon@ohaficio.org 614-329-5842	**Steubenville** IBEW Local 246 626 N 4th St. Contact: Josh Giffin josh@ibew972.org 740-525-2122
		Portsmouth IBEW Local 575 110 Offnere St. Contact: Mike French mfrench@ohaficio.org 614-370-0954	**Athens/The Plains** OEA 53 Johnson Rd. Contact: Mike French mfrench@ohaficio.org 614-370-0954	**Marietta/Reno** IBEW Local 972 50 Sandhill Rd. Contact: Josh Giffin josh@ibew972.org 740-525-2122

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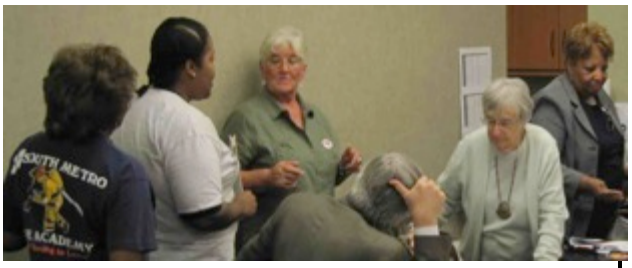
Ohio Alliance Affiliates Engage Voters



Wynne Antonio and the Cleveland area Senior Voice! and the Northshore Retiree Council leadership have a speaker's bureau outreach to retiree and senior group meeting and have reached over 2500 people in small group meetings in NE Ohio. In addition they have gotten 5000 side by side comparisons on the issues of the presidential and Ohio US Senatorial candidates into the hands of retirees and seniors where the live and congregate.

The Ohio ARA affiliates in Columbus (CWA AFGE, AFSCME), Dayton (IUE-CWA, AFSCME), Toledo (SOAR UAPPF, Informed Citizens) held press events to promote our Protect Social Security campaign asking Rob Portman to sign the pledge not to privatize, cut, or means test our earned defined benefits. Senator Portman, like many running this year, has a pro-privatization record. He has repeatedly supported efforts to replace guaranteed, earned benefits with private, risk-based accounts and raise the Social Security retirement age, and he voted against resolutions to expand Social Security. It's pretty simple. Establishing private accounts for some or all current or future retirees **is** privatization. See why Social Security is important to all of us in the Senior Voice! Ohio ARA video: https://www.youtube.com/watch?v=HCJZPKO1A8A

Our leadership in Akron, Charlie Lemon, in Warren, Juanita James and Liz Knauf, in Canton, Dan Fonte, in Toledo, Marcy Gregory have been recruiting affiliate members to the AFL-CIO Labor 2016 phone operations. Cleveland teacher retirees have been staffing the area phone bank completing hundreds of thousands of one to one issues conversations. It is our issue conversation that is important to Get Out the Vote for retirement security.

Bruce Bostick the state coordinator brought SOAR's annual convention together at McCall Hall 979 in Cleveland October 10 with 70 delegates gearing up to do GOTV and refining their pitch to elect Ted Strickland as a partner for Sherrod Brown in the Senate. SOAR celebrated its major role in kicking off our Protect Social Security campaign at its last convocation in April 2015 when the White House Conference on Aging was in Cleveland. https://www.youtube.com/watch?v=V6IB6qO0r30

Voter Protection Update

The A. Phillip Randolph lawsuit to restore voting rights to purge voters won a federal district court order to allow those voters to cast a provisional ballot that must be counted and cannot be disputed. http://www.dispatch.com/content/stories/local/2016/10/19/1019-voting-rights-restored.html . Federal Judge George C Smith, a Republican appointment to the bench, said, "If those who were unlawfully removed from the voter rolls are not allowed to vote, then the secretary of state is continuing to disenfranchise voters in violation of federal law." This order could allow tens of thousands of Ohio citizens to vote.

Sign up for free GOTV text messages . Don't miss a deadline this election. Subscribers can opt-in by texting OHIO to 864237. Msg & Data rates may apply.

Got voting questions? Call 866-OUR-VOTE. We're ready to take your calls from now until Election Day.

Retiree UC Benefits Still at Risk

A year ago, House Bill 394, a one-side unemployment compensation reform bill, was introduced by a single sponsor on behalf of the Chamber of Commerce, Manufacturers Association, Retail Merchants, the Farm Bureau and the Federation of Independent Business. Reforms to Ohio's Unemployment Compensation system are necessary because employers have paid too little into the system or far too long and we would not be able to pay benefits without borrowing money from the Federal Government during an even moderate recession. The business community's solution to the trust funds insolvency was to slash maximum benefits, cut the number of weeks one could receive benefits, and make it harder for unemployed workers to qualify for assistance.

A year later, an only slightly modified version is still active. A House-Senate joint committee has been taking testimony over the last two months on how to change the legislative proposal. We expect another substitute bill to be introduced in the week after the election.

Ohio Alliance president, Norm Wernet, testified on October 6th urging the General Assembly to 1*) get rid of the Social Security offset, 2) increase the taxable wage base so employers fund the system more fully, 3) increase the cap on tax rates so those who layoff the most pay their fair share, and 4) lower the earnings threshold so part-time workers are eligible for benefits.*

The Ohio Alliance for Retired Americans Educational Fund sees the proposal to return to the offset of Social Security as bad faith by the General Assembly since it was eliminated in 2007. We see this also as bad public policy not just for retirees and the disabled but also for grocers, health care providers, landlords, schools and other merchants we patronize locally who depend on our purchases and paying our bills even in times of economic downturn.

Those of us who retire early or are economically forced out of work and must take "early outs" before full Social Security retirement age, and must take a lower amount in order to have an income, are limited in our ability to earn. Too often, we cannot meet the high income-threshold to receive UC benefits.

Older workers and older women workers in particular are a growing part of the Ohio labor market in part because they have earned less through their work lives and continue to work to meet basic living needs and make up for lesser pensions, lower 401K investment growth and lack of retirement savings. While the modest Social Security retirement benefit averages $16,319 in Ohio the average Social Security retirement benefit for women is $13,500, neither of which meet the minimum wage.

We urged the General Assembly to cover part time workers, as many returning to work from retirement can only achieve part time status. Lowering the earnings threshold to allow more part time workers to qualify for UC benefits, helps retirees and will further help stabilize your community during hard economic times.

What you and I can do next – call or visit your State Representative and Senator at home *with the ask to pass a UC Reform bill that does not cuts benefits, makes more workers eligible for benefits, and has employers paying their fair share now so they will not face the high repayment with interest they are worried about.*

SB 329 Threatens Vital Services for Retirees and Seniors

In the short session between the summer recess and the General Election the Ohio Senate passed SB 329 in two days and sent it to the House. The bill states its purpose: "to require standing committees of the General Assembly to establish a schedule for the periodic review and sunset of state departments that are currently in the Governor's cabinet."

SB 329 by action of neglect, political stalemate, private business interest intervention, internal factional fighting would shut down the services vital to the well being of retirees and seniors. If the Speaker of the House, President of the Senate and the Governor have a dispute like the one that happened over the

expansion of Medicaid, simply refusing to review the department will shut it down. With no state agency to receive the federal Medicaid dollars or comply with federal regulations, or audit payment, Ohio would have no mechanism to pay for long term care in nursing homes or develop supports to age in place.

SB 329 is a radical proposal from the American Legislative Exchange Council (ALEC) model "Spending Evaluation" whose goal is privatization of public services http://www.alecexposed.org/wiki/The_Spending_Evaluation_Act_Exposed .

The proposal would automatically eliminate the Departments of Aging, Health, Medicaid, Jobs and Family Services, Insurance unless there is a review and an affirmative vote to keep these agencies by the General Assembly. Services to seniors would expire so meals-on-wheels, senior centers, aggregate meals facilities and programs would stop. The health department inspections of hospitals, and nursing homes, as well as restaurants, food trucks, swimming pools and other public facilities would cease. Those of us that are dually eligible for Medicaid and Medicare would cease being able to pay our health care bills.

Think this a scare tactic? Consider the last three governorships when the General Assembly tossed out the executive branch proposals for funding its departments and started from scratch and pandered to the special interests lobby. Tucked in the detail of the review process are implicit and explicit benchmarks to move services to private sector vendors or abandon them all together.

Ohio has a process to review and change policy and funding of the executive cabinet departments. We have a two-year state budget cycle that must end fiscally balanced to meet the needs and issues of Ohio's people and businesses. SB 329 is unnecessary. Ohio is already the leanest state. In fact, a study by the conservative Mercatus Center at George Mason University finds that Ohio's current sunset review eliminates more than twice as many government structures than the next ten states combined. National research shows sunset reviews do not save money. The conservative Mercatus Center finds that "the data suggests that sunset laws do not have an impact on state expenditures." http://mercatus.org/sites/default/files/Baugus-Sunset-Legislation.pdf

This puts the vital public services that we pay for with our taxes in jeopardy. No one is safe from this dangerous, untested and unproven approach to possibly dismantle part or all of state government every two years. It is unclear, after years of proposals like this being rejected by both Republicans and Democrats, why this is moving now.

*What you and I can do – **Be prepared to call and visit our State Representatives** and say this legislation is unwarranted, does damage to Ohio tax payers, destabilizes our business climate and put us, as aging citizens who built up this state, and our standard of living at jeopardy.* Lame Duck will be a busy time to protect retirement and the ability to age with dignity.

Retirement Security Issues in Lame Duck Congress

Pension Reform -- Again A Possible Midnight Raid

Editors Note: The following letter to the editor is an example of holding the folks in Congress we elect accountable. In this lame duck Congress another "pension reform" is likely to be discussed and put forward at the last minute without examination, debate, or knowing how it helps or hurts retirees. We witnessed this in in the budget bill of December 2014 when a "reform" allowed the cutting of current retiree pensions in multiemployer plans.

REP. JORDAN HAS FAILED PENSIONERS

Rep. Jim Jordan, R-Urbana, asserts, "There now appears to be two standards in America: one for we, the people, and then a different standard for the politically connected."

While Jordan refers to Hillary Clinton, Lois Lerner and John Koskinen, I contend he could just as easily refer to Congress. That must be why Congress fails to end defined-benefit pensions for members of Congress,

while ordinary American worker/retirees' earned pensions are threatened by the Multiemployer Pension Reform Act of 2014 and Multiemployer Composite Pension Plan Legislation.

MPRA affects 10 million retirees/workers in the U.S., including the Central States Pension Fund. MPRA must be modified or repealed to prevent reductions in pensions of up to 70 percent for those in underfunded multiemployer plans.

Proposed Multiemployer Composite Pension Plan Legislation (Phase 2 of MPRA) sets up both composite and legacy plans for failure; subjects legacy and composite plan participants to risk of substantial benefit cuts; will increase the likelihood that employers will withdraw from legacy plans; would further erode the PBGC Premium Base and pressure healthy plans to fund PBGC obligations; puts both composite and legacy plans at risk of underfunding; puts workers and retirees at significant risk of major benefit cuts; further weakens legacy plan funding by encouraging employer withdrawal; and puts healthy plans and potentially taxpayers on the hook for PBGC underfunding.

This legislation would have serious ramifications for both workers and retirees. It would destroy retirement security. Unfortunately, Rep. Jordan (Alliance for Retired Americans, Lifetime Rating: 2 percent) has failed pensioners by not speaking out against such injustices to his constituents as the Multiemployer Pension Modernization Act of 2016 (MPMA). I urge Rep. Jordan to oppose such legislation. We, the voters, have a long memory. If we can't count on you, don't count on us.

J. Keith Knoff, Bellefontaine Letter to the Editor 10/15/2016
http://thecourier.com/opinion/letters-to-the-editor/2016/10/15/letters-to-the-editor-10-15-16/

The 2017 Federal Budget – Social Security and Medicare

Social Security and Medicare are still political footballs at play in the federal fiscal year budget that began October 1. The Speaker of the House Paul Ryan could not get the Jim Jordan and his radical 'Freedom' caucus to agree to appropriations to run the services the rest of us agree need to continue.

At risk for Medicare again is the proposal to give us a voucher and push us into the private healthcare insurance market, while repealing the prohibition of using pre-existing conditions against us. If we think the premium hikes as high now for Part B and a Medicare supplement – just imagine. Medicare exists because the private market views aging Americans as too expensive and not profitable enough.

At risk for Social Security is a plan described by our partners at Social Security Works: "Freshman Senator David Perdue (R-GA) is working behind the scenes with Senate Majority Leader Mitch McConnell (R-KY), Senate Budget Committee Chairman Mike Enzi (R-WY), and House Budget Committee Chairman Tom Price (R-GA) to remove Social Security's guarantee and allow Congress the power to vote on Social Security's spending each year. They want to make Social Security part of the annual budget so that they have the opportunity to cut it every single year. They are framing the debate in a way that is meant to undermine confidence in the program, calling Social Security insolvent and saying it won't be there for future generations."

Trans Pacific Partnership – TPP Trade Deal

Over the last months the legislative whips have been at work trying to get members in the House and the Senate to vote in favor of the Trans Pacific Partnership. The President has said he wants a vote during the lame duck session. It appears the Senate is ready to vote but not enough votes have been secured in the House. Expect a ***call-in day to Congress*** around November 16 and an ***in-district lobby***

day toward the end of November or early December.

To review we oppose the Trans-Pacific Partnership because it fails to provide and create economic opportunities for workers, protect labor rights, protect and support a clean environment, a safe food supply, safeguard our country from being sued, because it will have a negative impact on our already diminishing U.S. trade balance, and appears to protect pharmaceutical corporations price gouging practices.

As part of the movement for income equality, we call upon our elected officials in the U.S. House of Representatives to oppose the Trans-Pacific Partnership, unless it includes the following:

- Protect and promote traditional state and local prerogatives and authority under our federal system, including by ensuring that states and localities will not be required to comply with certain commitments, including any restrictions on preferences for local, state, or U.S. goods or services, without prior informed consent of the legislature or local lawmaking body;
- Ensure balanced trade and address the excessive, job-killing U.S. trade deficit;
- Include enforceable rules against currency manipulation, which countries such as China and Japan have used to tilt the playing field in their favor;
- Exclude investor-to-state dispute settlement (ISDS) and other provisions that favor foreign companies over domestic ones and undermine public choices;
- Ensure that countries cannot undercut U.S. based producers with weaker labor and environmental laws and enforcement;
- Ensure that the U.S. will engage in robust enforcement of trade rules, including labor and environmental rules;
- Include strong rule of origin to promote economic growth and job creation in the U.S.;
- Promote high standards of protection for workplaces, products, and natural resources rather than promoting a race to the bottom; and
- Put the interests of people and the planet over the interests of private profit.

Alliance Addresses the Tiny 0.3% COLA Increase for Social Security Beneficiaries

On Tuesday **Richard Fiesta,** Executive Director of the Alliance, issued a statement regarding the government's announcement that there will be just a 0.3% cost-of-living adjustment (COLA) for millions of Social Security beneficiaries, disabled veterans and federal retirees next year.

“The Alliance for Retired Americans is deeply disappointed by the announcement today that there will be a minuscule 0.3% benefit increase for millions of Social Security beneficiaries in 2017,” said Mr. Fiesta, “For the average retiree that means just a $5.00 per month increase, not enough to keep up with the cost of their prescription medications.” To read Mr. Fiesta’s entire statement, https://retiredamericans.org/2016-cola-social-security-beneficiaries/

The small COLA increase also triggers massive Medicare Part B premium hikes for the 30 percent of Medicare beneficiaries not currently covered by the “hold harmless” provision, which prevents premiums from increasing by more than the dollar increase in an individual’s Social Security benefit. Low-income beneficiaries, whose deductibles are paid by Medicaid, public sector retirees not receiving Social Security, new Medicare beneficiaries and high-income beneficiaries who already pay higher premiums are the affected groups.

Without a solution, these people will be forced to shoulder the entire burden of all beneficiaries’ Medicare Part B’s increases, and their monthly premiums will rise 23%, from $121 to $149 each month.
Congress last year voted to extend the hold harmless provision to cover all Medicare Part B beneficiaries whenever there is no cost-of-living adjustment. However, this provision does not apply when there is a small COLA, as there will be in 2017.

"The Alliance will absolutely be working to make Congress pass a legislative fix for this large premium increase," said Mr. Fiesta.

HOW TO VOTE IN OHIO

Ohio Alliance for Retired Americans® Educational Fund

OPTION 1: Early voting in person

EARLY VOTING STARTS OCTOBER 12!

Get registered by October 11.

Check your registration: http://voterlookup.sos.state.oh.us/voterlookup.aspx

What do I need?

NOTHING. YOU DON'T NEED YOUR ID.

You just have to provide either: the last 4 digits of your Social Security Number or your Ohio driver's license or state ID number.

Where?

YOUR COUNTY EARLY VOTE CENTER

Every county has an Early Vote Center, usually at the Board of Elections. Find it here:
http://www.sos.state.oh.us/sos/elections/electionsofficials/boeDirectory.aspx

When?

IN-PERSON EARLY VOTING HOURS

WED OCT 12 - **FRI** OCT 14	**8** AM - **5** PM
MON OCT 17 - **FRI** OCT 21	**8** AM - **5** PM
MON OCT 24 - **FRI** OCT 28	**8** AM - **6** PM
SAT OCT 29	**8** AM - **4** PM
SUN OCT 30	**1** PM - **5** PM
MON OCT 31 - **FRI** NOV 4	**8** AM - **7** PM
SAT NOV 5	**8** AM - **4** PM
SUN NOV 6	**1** PM - **5** PM
MON NOV 7	**8** AM - **2** PM
TUE NOV 8	**6:30** AM - **7:30** PM

ELECTION DAY

HOW TO VOTE IN OHIO

Ohio Alliance for Retired Americans® Educational Fund

OPTION 2: From your home USING AN ABSENTEE BALLOT!

STEP 1

Apply for an absentee ballot to be mailed to your home.

- Most people will get an application form in the mail. Fill it out and send it back.

- If you don't get an application form in the mail, that's okay. You can print one from this website: *http://www.sos.state.oh.us/sos/upload/elections/forms/Absentee_Request_06-2014.pdf* and send it to your County Board of Elections.

- You can also call your County Board of Elections and ask them to send you an absentee ballot application form.

STEP 2

Receive your ballot and fill it out! Make sure to vote in all the races!

STEP 3

Fill out the return envelope for the ballot completely.

STEP 4

Stamp and mail your ballot back to YOUR COUNTY Board of Elections as soon as you can.

The deadline to get your ballot in the mail is Monday, November 7.**

STEP 5

Track your absentee ballot.

- Make sure your county Board of Elections got your absentee ballot in the mail.
- Track your absentee ballot at: *http://www.sos.state.oh.us/SOS/Upload/sites/ballotTracking/ballotTracking.aspx?page=20547*

*Do not drop your absentee ballot off at your neighborhood polling location.

**Election Day is TOO LATE to mail your ballot back. Your absentee ballot has to be postmarked BEFORE Election Day. But you can drop off your absentee ballot in person by 7:30pm on Election Day at the Board of Elections.