

Focus

DECEMBER 2012

Direct Deposit Schedule for 2013

January	January 2
February	February 1
March	March 1
April	April 1
May	May 1
June	May 31
July	July 1
August	August 1
September	August 30
October	October 1
November	November 1
December	November 29

Your payment will be directly deposited into your bank account on the dates listed in the above schedule.

You will receive a payment stub quarterly as well as anytime there is a change in your benefit. ■

Watch Your Mailbox for 1099-R Form

Be on the lookout for your 1099-R form. Federal law requires that we mail these forms by the end of January 2013.

Along with your 1099-R form, you will receive a guide to federal and Ohio income tax laws that apply to your SERS benefits. If you do not receive your 1099-R form by Feb. 7, 2013, call us toll-free at 800-878-5853.

For those of you who want to start working on your 2012 tax return early, the online forms will be available before the hard copy arrives in your mailbox.

If you have not yet set up an online account with us, it's

easy. Log in on our homepage at www.ohsers.org. Click on "Retirees" and "Member Account Login," then just follow the instructions for setting up an online account.

Once you have entered the required information, you will have instant access to your personal SERS information, including monthly payment stubs and annual 1099-R forms. ■



Have You Signed Up for Direct Deposit?

Each year, checks are lost, delayed, or stolen. Hurricane Sandy is a recent example of how a natural disaster can delay check delivery for days or weeks.

Direct deposit stops these problems and helps protect your payments by ending the paper trail that can lead to identity theft.

All new retirees, those whose first day of retirement begins on or after Jan. 1, 2013, will receive their payments by direct deposit to their bank or credit union account.

You can always view your payment stubs online at www.ohsers.org. ■

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What Did Not Change

Pension reform did not change the following:

- Employer or employee contributions – employee contributions remain at 10%; employer contributions remain at 14%
- Cost-of-Living Adjustment (COLA) – the COLA remains at 3%
- Final Average Salary (FAS) – the FAS remains the average of the three highest years of salary ■



Pension Reform News

SERS' pension reform bill passed the House and Senate of the Ohio legislature on Sept. 12, 2012. Governor John Kasich signed the bill on Sept. 26, 2012. The bill increased the current age and service credit requirements for retirement eligibility for members retiring on or after Aug. 1, 2017.

To retire with full benefits, the requirements are changing from age 65 with 5 years or any age with 30 years, to age 67 with 10 years or age 57 with 30 years. To retire early with reduced benefits, they are changing from age 60 with 5 years or age 55 with 25 years, to age 62 with 10 years or age 60 with 25 years.

To protect the benefits of longtime members, SERS included a grandfather provision and a buy-up option that will allow members to retire under the current age and service credit requirements. ■

Modifications to Existing Statutes

The pension reform bill contains a number of modifications to existing SERS statutes. Modifications include:

- An employee must be age 57 to participate in an early retirement incentive.
- An employee is required to pay both the employee and employer contributions plus interest to purchase Leave of Absence credit. Service credit may be purchased for multiple leaves of absence. The total years purchased cannot exceed five years, and the maximum amount of service that may be purchased for a period of leave is two years.
- Survivor benefits for children whose benefit effective date is on or after Feb. 1, 2013, will be paid up to age 19 with no requirement that the child be attending school. This does not apply to children currently receiving a survivor benefit.
- The Board has authority to determine the amount of Medicare Part B reimbursement with the current \$45.50 monthly reimbursement rate as the floor.
- Health care eligibility restrictions were removed from state law. ■

Disabilities Affected by Pension Reform Modifications

Several modifications to existing SERS statutes affect some disability recipients and applicants.

Current and future disability recipients who return to contributing service for two years after their disability terminates will be limited to two years of free disability-period service credit, but can purchase service credit for the remaining period.

Future disability applicants and recipients may be affected by:

- Clarifying that a member is not eligible to apply for a SERS disability benefit if the

person is receiving a disability benefit from another Ohio retirement system.

- Prohibiting application if a condition resulted from the commission of a felony or occurred after SERS-covered employment ended.
- Requiring a disability recipient to apply for Social Security disability insurance if eligible.
- Changing the effective date of disability to the later of the last day of compensation or the date the most recent application was filed.
- Suspending or terminating a disability

benefit if a member does not get the medical treatment and/or vocational rehabilitation recommended.

- Changing the standard for ending disability – after three or five years on SERS' disability – to whether a recipient is capable of performing the duties of any job with pay at or above 75% of the annual pay of their previous school job that can reasonably be found and for which they are qualified. ■

Pension reform changes will not affect retirees

When Will These Changes Take Place?

Changes take effect on different dates. Most changes, including modifications to existing disability, survivor, and health care statutes take effect on Jan. 7, 2013.

The age and service credit requirement changes do not take effect until Aug. 1, 2017. An amendment to the bill that gives SERS' Board limited authority to make future age and service

changes has been delayed until July 6, 2013, so that the Ohio Retirement Study Council has time to review it and make suggestions.

SERS' Board would only be able to make future age and service changes if the results of the required five-year actuarial review are unfavorable. The next review is scheduled for release in 2016. ■

Aetna Medicare Plan Change for 2013

On Jan. 1, 2013, the \$300 annual deductible that is part of the Aetna Medicare Plan (PPO) will apply to the following services:

- Outpatient dialysis
- Diabetic supplies
- Outpatient laboratory services
- Medicare Part B prescription drugs

Currently, the deductible does not apply to these services

When the deductible starts applying in January, you will pay \$300 out-of-pocket for these services before the plan coverage begins to pay.

The Medicare Part B drugs are a small number of drugs covered under your medical plan. Most prescription drugs are covered under your Express Scripts plan, which has no deductible.

Emergency room services, urgent care, emergency ambulance transport, and preventative care are services not subject to the annual deductible. This means you do not have to satisfy the \$300 annual deductible before the plan coverage begins to pay. ■

Prudential Ending Long-Term Care Enrollment in June

Prudential Insurance Company is no longer accepting new enrollments of SERS' members and benefit recipients for group long-term care coverage after June 30, 2013. Current plan participants will continue to have coverage after June 30.

Long-term care insurance pays a specified amount per day for custodial care to assist with the activities of daily living. SERS does not administer or subsidize the cost of this insurance.

Enrollment is open to members who have contributed to the retirement system for the previous 18 months, as well as retirees and benefit recipients.

To learn more about the coverage or to enroll, contact Prudential at 800-732-0416 or visit www.prudential.com/gltcweb. To log onto the website, enter "school" into the Group Name field, "retirement" into the Access Code field, and choose "OH" from the State of Residence drop-down menu. Then, click the "login" button to enter the site.

SERS is looking into other long-term care coverage options. ■

Board Approves Health Care Premium Subsidy Eligibility Change

The SERS Retirement Board recently approved changes that expanded the eligibility standard for a health care premium subsidy.

The changes affect benefit recipients whose benefit effective date is on or after Aug. 1, 2008.

Under the expanded standard, a benefit recipient must have at least 20 years of qualified service credit, and at the time of retirement or separation of service be:

- eligible to participate in the health care plan of his or her last school employer, or
- eligible to participate in the health care plan of his or her school employer at least three of the last five years of service

Anyone with 20 or more years of qualified service who moved into a part-time position prior to

retirement but who lost eligibility for the school's health care coverage, may now be eligible for a premium subsidy.

We mailed letters to those benefit recipients who might qualify for a premium subsidy.

A special health care coverage reinstatement period runs through Dec. 14, 2012.

If you think you might be eligible but have not been contacted, please call us toll-free at 800-878-5853. ■

