COLA Changes: Effective January 1, 2018

Beginning January 2018, whether an annual Cost-of-Living Adjustment (COLA) is granted is at the discretion of the SERS Retirement Board.

If granted, COLAs will be based on the increase in the Consumer Price Index and capped at 2.5%.

Changes are Necessary
The changes are necessary to address immediate financial challenges and long-term funding goals.

The Board reviewed SERS’ financial position with input from its independent actuary, Cavanaugh Macdonald Consulting LLC. The actuary detailed the scope of SERS’ financial challenges, along with the urgency to improve the System’s funding status.

The Board, staff, and actuary examined every possible option to address these issues. The Board began holding roundtable discussions with its advocacy groups in 2015, and continued to host stakeholder meetings through 2017. The resulting consensus indicated that changes to the COLA were the best and most fair way to manage SERS’ financial challenges and funding goals, and for active and retiree members to share equally in the solution.

At a special Board meeting on October 9, 2017, the Board suspended COLAs for retirees and benefit recipients for three years beginning January 1, 2018.

Seeking Legislation
The Board authorized staff to seek legislation that delays the start of COLA increases for future retirees and benefit recipients until the fourth anniversary of their allowance or benefit.

This assures equal treatment for current and future retirees and benefit recipients.

Payment Schedule

Your payment is directly deposited into your bank account on the dates listed below in the payment schedule.

Payments are usually deposited on the first day of the month.

If the first day of the month falls on a weekend or holiday, your payment will be deposited on the previous business day.

Because of tax laws, your January payment will not be deposited early. Instead, it will be deposited on January 2, 2018, the first business day of the month.

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Create Your Account Login
When you set up an online account on our secure website, you are able to monitor your pension payments and see each monthly payment at least two business days before receiving your actual payment, as well as access other important information.

It’s easy to do. Just visit www.ohsers.org, go to the “Retiree” section, and click on the “Account Login” button.

New Account Login Required
If you have already created an online account but have not logged into it since March 2017, you will need to create a new one.

The recent upgrades to our computer system, which increased functionality, expanded capabilities, and enhanced security features, require you to create a new account login user profile in order to access the new system.

Non-Medicare Plan Enrollees Will Receive a 1095-B Tax Form

Forms and Instructions Mailing Soon
Tax form 1095-B, which shows information regarding health care coverage through SERS for non-Medicare Aetna plan enrollees, will be mailing early in 2018. If you are covered by AultCare’s non-Medicare Plan, you will receive the 1095-B from AultCare.

Non-Medicare Aetna plan enrollees also will receive IRS instructions with the form.

This Form 1095-B shows the months that benefit recipients, and/or any of their dependents, had SERS’ non-Medicare health care coverage.

SERS then uses this information to report to the IRS that it has provided non-Medicare plan participants with minimum essential coverage in 2017. This reporting is required by the Affordable Care Act.

If you are enrolled in the SERS Marketplace Wraparound plan, you will not receive a mailing from SERS. You will receive a 1095-A from from your Marketplace plan.

More than One 1095-B?
Some benefit recipients might receive more than one 1095-B form if they were enrolled in more than one non-Medicare plan during the past year.

For example, a benefit recipient enrolled in an employer plan who moved mid-year into a SERS non-Medicare plan will receive two forms.

One form is from the employer; it shows the months the benefit recipient had employer coverage. The other form is from SERS; it shows the months of SERS coverage.

Taxpayers are not required to send proof of health care coverage to the IRS when filing their tax returns. However, it’s a good idea to keep these with your tax records to verify your health care coverage.

If you have questions, please call us toll-free at 800-878-5853, or email us at healthcare@ohsers.org.

Tax Form 1099-R on the Way
We are required by federal law to mail your 1099-R tax form by the end of January.

Along with the form, you also will receive a handout in the mail explaining how federal and Ohio income tax laws apply to your SERS pension payments.

Watch your mailbox for your form and handout.

They will be arriving soon.
Mail Order Update for Non-Medicare Participants

Beginning January 1, 2018, non-Medicare plan participants must order maintenance medication as well as insulin refills through mail order. Express Scripts has changed its Diabetic Care Value Program, and SERS is not participating. As a result, SERS non-Medicare plan participants must use mail order for insulin refills.

Participants covered by Medicare may get their maintenance medications either at a retail pharmacy or by mail order.

Dreaming of a Good Night’s Sleep?

Getting enough sleep helps you stay healthy and alert. As we age, however, many of us don’t sleep well. But getting older doesn’t mean you have to feel tired all the time.

According to the National Institute on Aging, there are many things you can do to help you get a good night’s sleep:

- Follow a regular sleep schedule.
- Avoid napping in the late afternoon or evening.
- Develop a bedtime routine.
- Keep your bedroom dark, at a comfortable temperature, and quiet.
- Have a good mattress, a pillow you like, and enough blankets.
- Exercise at regular times each day; but, not within three hours of your bedtime.
- Get outside in the sunlight each day.
- Stay away from caffeine late in the day.
- Drink fewer beverages in the evening so you won’t have to disturb your sleep by waking up to go to the bathroom.
- Don’t use your bedroom as an office.

Extent of the COLA Changes

The Cost-of-Living Adjustment (COLA) changes will not affect COLA increases retirees received before January 1, 2018. You will continue to receive the same COLA you had been receiving.

For example, if the “current month” COLA amount on your check stub as of December 1, 2017 is $165, you will continue to receive $165 monthly from 2018 through 2020. Your COLA amount will not increase during those years.

The gross amount of your check will remain the same; however, the net amount may change based on your deductions. Beginning January 1, 2021, you will resume receiving an increase on your COLA anniversary date.
Tell Social Security about Your SERS Payment

Offset/Windfall Penalty
There are two Social Security provisions that may affect you: the Government Pension Offset and the Windfall Elimination Provision. These provisions may reduce, and in some cases totally eliminate, your monthly Social Security payment.

Please notify your local Social Security Administration (SSA) office when your SERS pension payment begins. Failure to do so could result in costly back payments due to Social Security.

If you are a new retiree, you will receive a letter to take to Social Security once your final payment has been calculated.

Social Security Based on a Spouse
When you receive a Social Security check based on a spouse, ex-spouse, or start receiving a benefit based on a deceased spouse’s work record, you also must report your SERS pension to Social Security.

You still must report your pension amount to Social Security each year, and Social Security verifies your spousal benefit each year.

You can report your pension by providing your local Social Security office with a verification letter from SERS.

You can request this letter by contacting SERS toll-free at 800-878-5853.

Failure to report your pension will result in your Social Security check being suspended for overpayment. Any deduction for Medicare Part B premiums from your Social Security check also will end, which could result in your Medicare Part B coverage being terminated.

To find a local office near you, contact Social Security toll-free at 800-772-1213 (TTY 800-325-0778), or visit the Social Security website at www.ssa.gov. Social Security can answer questions regarding public pension reporting requirements or to see if you are subject to the Social Security Offset/Windfall penalty.

Keep Us Updated
Remember to keep us updated on any changes to your personal information, such as your address or bank account, especially if you have changed banks. This ensures that your SERS payment is deposited into the correct bank account.

Having the correct banking information for you also saves SERS money. Every time a bank has the wrong information for you, SERS is charged a fee. These fees add up quickly. If your bank merged with another bank, or if you simply changed where you do your banking, it is important to let us know. Wrong information costs SERS money.

Also, if you are a snow bird, make sure we have your proper mailing address. Some mail, including Social Security and IRS forms, are not forwarded.

Quarterly Payment Stubs
You receive a payment stub from SERS four times a year. This quarter’s stub is enclosed with this issue of the Focus. You also receive a stub anytime there is a change in your benefit, such as a change to your tax withholdings or health care premiums.

Recently Retired? Take a Partial Lump Sum Payment?
If you recently retired and opted to take part of your retirement allowance in a one-time partial lump sum option payment (PLOP), you may be wondering why you haven’t received it yet. Due to the record volume of retirements this summer, it may take up to six months to receive your PLOP. Please be patient; it’s on the way.
Not Yet Enrolled in Medicare?
Here are Answers to Questions Commonly Asked by SERS Retirees

Q: At What Age Do I Qualify for Medicare?
A: Most people become eligible for Medicare at 65. People under 65 with certain disabilities and those with end-stage renal disease can qualify earlier.

Q: What is Medicare?
A: Medicare is federal health insurance. Medicare Part A pays for hospitalization, and Medicare Part B pays for doctor visits. It only pays for about 80% of your medical costs and does not include prescription drug coverage.

The SERS Medicare Advantage Plan helps pay some of the costs not covered by Medicare, and it includes prescription drug coverage. It provides you more complete coverage than Medicare alone.

By law, you cannot enroll in a Medicare Advantage or Medicare Supplemental plan unless you enroll in Medicare Part B (medical). For new enrollees in 2017, the Part B premium is $134 per month. As of the date of publication, 2018 rates were not yet available. However, you are eligible to receive a Part B Reimbursement of $45.50 per month from SERS to help offset this cost when you enroll in SERS’ Medicare coverage.

Most people who sign up for Medicare Part A (hospitalization) do not pay a premium. They receive premium-free Part A.

Q: I Started Working in My School District Before 1986, so I Have Never Paid Medicare Taxes. How Does that Affect Me?
A: Social Security might tell you that to enroll in Medicare Part A (hospital) you must pay a premium. That is not the case if either of the following applies to you:

• You are eligible for premium-free Part A through a spouse or ex-spouse’s work record.
• You plan to enroll in a SERS Medicare Advantage Plan. If you do not qualify for premium-free Medicare Part A through a spouse, SERS will cover your Part A services.

Everyone is eligible for Medicare Part B (medical), and everyone pays a monthly Part B premium.

Q: How Do I Pay My Medicare Part B Premium?
A: SERS cannot deduct the Part B premium from your SERS pension payment.

Medicare will deduct the Part B premium from a Social Security check. If you do not receive a Social Security check, you will receive a quarterly bill from the Centers for Medicare & Medicaid Services (CMS). After paying that first bill, you can sign up for Medicare’s Easy Pay program for automatic deductions from a savings or checking account. Easy Pay information is listed on the back of the Part B billing statement.

Q: I Deferred My Medicare Part B Coverage Because I Am Still Working and Have Employer Health Care Coverage. What Happens When I Stop Working?
A: Three months before you stop working, contact Social Security to set up an appointment to enroll in Medicare Part B. This ensures there is no coverage lapse between your employer plan and Medicare benefits.

You should also request Social Security’s “Request for Employment Information” form. Your employer must complete this form. Take the completed form to your appointment. Social Security needs this information to process your Medicare enrollment application.

Medicare Questions continued on back

Medicare Issuing New ID Cards Beginning in April

The Centers for Medicare & Medicaid Services (CMS) is removing Social Security numbers from Medicare ID cards to prevent fraud and fight identity theft.

Medicare enrollees will be assigned new, unique Medicare numbers that contain a combination of numbers and uppercase letters.

The new Medicare cards will be issued starting in April, and mailings will continue through April 2019. Once you get your card, your new number takes effect right away. The Medicare benefits you receive will not be changing.

You should beware of anyone who contacts you about your new Medicare card. Medicare will never ask you to give them personal or private information to get your Medicare number and card.

Enrolled in SERS’ Medicare Coverage?
If you are enrolled in a SERS Medicare Advantage Plan, you do not need to carry your Medicare card.

If you do carry your Medicare card in your wallet, you should remove it and put it in a safe location with the rest of your important papers.

Whether you go to a doctor’s office or hospital, you only need to show your Aetna, PrimeTime, or Paramount Elite ID card. The provider will bill your plan, which pays its portion of the bill along with the Medicare portion. Medicare pays the plan directly on your behalf.
There are special Medicare enrollment rules that may apply if you stop working less than four months after your 65th birthday.

To join a SERS Medicare Advantage Plan with Part D prescription drug coverage, contact SERS toll-free at 800-878-5853 to ask about current premium and plan information.

Medicare Questions continued

The federal government will automatically enroll you in Medicare if you are receiving a Social Security check when you turn 65. The red, white, and blue Medicare card will arrive in the mail before your 65th birthday.

If you do not receive a Social Security check, you must apply at a Social Security office or online at www.ssa.gov/medicare. This means that most career public school employees who are turning 65 will have to sign up for their Medicare benefits.

The earliest you can apply is three months BEFORE the month in which you turn 65 and are already retired. Apply as soon as you are eligible because it takes 4-6 weeks to process. Waiting until the month that you turn 65 will delay the start of your Medicare benefits.

You must sign up for Medicare in order to enroll in a SERS Medicare Advantage Plan or other Medicare Supplemental Plan.

SERS Medicare Advantage Plans

You will receive an “Approaching 65” packet three months before your birthday when enrolled in a SERS non-Medicare plan or the SERS Marketplace Wraparound Plan.

If you previously waived SERS coverage, you are eligible to enroll in a SERS Medicare Advantage Plan within 90 days of becoming Medicare eligible. Contact SERS toll-free at 800-878-5853 for premium and plan information.

Our Medicare Advantage Plans offer a $0 deductible and include prescription drug coverage. You will also be eligible to receive $45.50 per month to help offset the cost of the Medicare Part B premium that you must pay directly to Medicare.

Individual Medicare Plans

If you are not eligible for SERS’ coverage or you want to explore other Medicare plans, we recommend you contact the Ohio Senior Health Insurance Information Program (OSHIIP). Call them toll-free at 800-686-1578.

OSHIIP is part of the Ohio Department of Insurance. Its volunteers can explain your Medicare options and provide an unbiased view of all individual Medicare plans sold in the state of Ohio. If you live outside of Ohio, you should contact the Senior Health Insurance Information Program (SHIIP) for your state.

Retirees’ Actions Result in Cost Savings

SERS’ retirees have embraced asking their doctors to prescribe lower-priced generic medications. Generics result in lower co-pay costs for retirees and savings for the SERS Health Care Fund. Jamie Nordlund, Account Manager for Express Scripts (far left) and Brian Trier, Account Executive with Express Scripts, present SERS’ Health Care Director Anne Jewel with an award recognizing our retirees’ use of generics. The retiree prescription plan has achieved a 93% generic fill rate – the highest among Express Scripts’ clients.

How to Enroll in Medicare

SERS Health Care Coverage

Will You Receive a New Health Care ID Card for 2018?

Most SERS health care plan participants will receive a new ID card in 2018.

In late December, new ID cards will be mailed to:

• Aetna Medicare Plan (PPO) participants
• PrimeTime Health Plan participants

In late March, new ID cards will be mailed to:

• AultCare PPO plan participants

If your plan is not listed above, you should continue using the ID card you have.

Dental and Vision

Delta Dental of Ohio only mails ID cards to new enrollees. If you had the plan last year, continue to use the card you have.

To find a network provider, go to www.deltadentaloh.com/sersohio and complete the information in the “Find a Dentist” box. Dentists in the Delta Dental PPO network provide you the best benefit.

When you have the VSP vision plan, you do not need an ID card to receive your benefits.

Just tell your provider that you have VSP coverage when making an appointment. When the provider is in the VSP network, they have access to your benefit information. To find VSP providers, go to www.vsp.com or call 800-877-7195.