COLA Changes Awaiting Legislation

After a year of analyzing SERS’ financial situation and looking at all possible benefit changes and combination of changes to improve pension funding, the Board voted to make Cost-of-Living Adjustment (COLA) changes that will affect active members and retirees beginning in 2018.

While SERS is not in financial crisis, the COLA changes are necessary to address immediate financial challenges and long-term funding goals. SERS’ funding progress has stalled because of minimal investment returns over the last two years and the lowering of the assumed rate of return for future investments. To understand all the reasons why the COLA changes are necessary, visit the SERS website at www.ohsers.org/pension-reform--1 and read the COLA Changes – What You Need to Know handout.

Proposed Changes

After extended discussions with advocacy groups that represent many of SERS’ active and retired members, the Board decided to:

- Implement a four-year waiting period for new retired member and benefit recipient COLAs
- Temporarily suspend COLAs for retired members and benefit recipients for three years
- Replace the current 3% COLA with a COLA based on the Consumer Price Index capped at 2.5%

Also, we opened up an email address at pensionreform@ohsers.org for anyone who wants to ask questions about the COLA changes or provide feedback to the Board.

What is the Consumer Price Index (CPI)?

CPI is a measure of how much the same set of goods and services cost through the year compared to prior year data. The data is collected by the U.S. Department of Labor through the Bureau of Labor Statistics.
Future Matters

As a member of SERS, you can expect to receive a lifetime retirement benefit when you retire if you work 10 or more years in the schools. While this should provide some peace of mind, everyone should consider saving extra for retirement to cover unexpected emergencies or rising costs of basic needs such as groceries, gas, and health care.

According to the website Investopedia, many people between the ages of 35 and 44 are caring for children and parents at the same time, which puts a strain on the budget. If you are just starting to save for retirement, try and make an automatic payment to your retirement savings plan whether it is a 401(k), 403(b), 457(b), or an IRA. Also, this is a good time to cut back on nonessential spending and save most or all of a salary increase for retirement. Ohio Deferred Compensation is a good resource for public employees to learn about savings options and the benefits of setting up automatic payments.

For parents of college students, many are unsure whether they should pay for a child’s college expenses or retirement. Most experts agree that saving for retirement should take priority over paying for college. The reason is that there is financing available for college but not for retirement. Students can apply for grants and scholarships, and work-school programs are available for students who want to be debt-free after college.

Current Board Members Qualify for New Four-Year Terms

Current Board members Barbra Phillips and James Haller will begin new four-year terms on July 1, 2017. Because Phillips and Haller were the only two candidates to qualify for the two open member seats, Ohio law states that they will take office as if elected. This will be Phillips’ fourth term and Haller’s first full term. Haller was appointed by the Board to fill an unexpired term in April 2016.

Ohio Treasurer Appoints New Investment Expert to SERS’ Board

The Ohio Treasurer appointed Jeffrey T. DeLeone to SERS’ Board in December. DeLeone’s term runs until December 5, 2020.

He is president of Jeff DeLeone & Associates, a business and governmental affairs consulting company. Formerly, he served as a senior advisor to Gov. George Voinovich and his administration.

SERS Computer System Upgrade

We’re preparing to launch a new benefit administration system for our members and retirees in 2017. Once it’s implemented, the new system will allow us to serve you better. We’ll begin the transition soon. During this time, please be patient with us. You may experience some longer than usual turnaround times.

Did You Know?

If something happens to you, you want to know that your family is taken care of financially. As a member of SERS, you should know that your beneficiary may qualify for survivor benefits if you have at least 1½ years of contributing service credit.

However, as the member, you must meet the following requirements to qualify your beneficiary for survivor benefits:

1. Have at least 1½ years of contributing service credit with SERS
2. Have at least ¼ year of Ohio service credit in the 2½ years prior to death, unless you are receiving a disability benefit from one of the three major Ohio retirement systems at the time of death
3. Not be receiving a service retirement benefit

More information is available on our website, www.ohsers.org/survivor-benefits.
**Take a Hike: Explore Ohio This Winter**

Winter is a great time to take advantage of what nature, and Ohio’s parks, have to offer. Bundle up and put on your hiking shoes to check out these seven trails:

1. **Old Man’s Cave Loop at Hocking Hills State Park**  
   [www.thehockinghills.org](http://www.thehockinghills.org)  
   A six-mile hike from Old Man’s Cave to Ash Cave.

2. **Horseshoe Falls Trail at Caesar Creek State Park**  
   [www.caesarcreekstatepark.com](http://www.caesarcreekstatepark.com)  
   See the frozen Horseshoe Falls and the park’s snow-covered swinging bridge.

3. **South Chagrin Reservation Trails at Cleveland Metroparks**  
   [www.clevelandmetroparks.com](http://www.clevelandmetroparks.com)  
   Choose from 13 different trails. The most challenging trail, Squaw Rock Loop, travels 0.6 miles along the edge of the Chagrin River to a rock carving by Henry Church.

4. **The Buckeye Trail at Cuyahoga Valley National Park**  
   [www.nps.gov/cuva](http://www.nps.gov/cuva)  
   Each winter Ohio’s national park features stunning snowshoe hikes. Take a moderate three-mile hike along the Buckeye Trail.

5. **Clear Creek Metropark Trails at Columbus and Franklin County Metro Parks**  
   [www.metroparks.net/parks-and-trails/clear-creek](http://www.metroparks.net/parks-and-trails/clear-creek)  
   The Metropark is home to Ohio’s largest state nature preserve.

6. **Possum Creek Metropark Trails at Five Rivers Metroparks**  
   [www.metroparks.org/places-to-go/possum-creek](http://www.metroparks.org/places-to-go/possum-creek)  
   Take an easy five-mile hike through a southwest Ohio winter wonderland.

7. **Clifton Gorge Trails at John Bryan State Park**  
   Explore Clifton Gorge and other areas of this beautiful state park for the ultimate winter hiking experience.

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**Choosing Wisely**

*An initiative of the ABIM Foundation*

**Knowledge is Power When it Comes to Your Health**

If you have sneezing fits or watery eyes due to allergy symptoms, you may get relief from self-help steps and over-the-counter drugs. When these measures don’t work, it may be time to seek out the advice of a doctor.

Have you ever wondered about the reliability of the free allergy screenings offered by drugstores or the home kits available for purchase that allow you to test allergies yourself? These tests often can be unreliable, and unlike a doctor’s exam do not tell you what is causing your symptoms or how to treat them.

So where can you turn when you have questions about medical conditions, tests, or procedures?

The American Board of Internal Medicine (ABIM) Foundation’s Choosing Wisely gives you tools and resources to help you talk to your doctor about tests and care options that are right for you.

According to the Institute of Medicine, up to 30% of health care spending in the United States is unnecessary. Some tests and procedures are overused and duplicate one another. In some cases, they even carry risks that could be harmful to you.

Choosing Wisely offers reliable information to help you make good decisions about your health. It also can help you make smart use of your health coverage.

Law Changes Health Care Requirement and Improves Multi-System Retirement

On December 8, 2016, the Ohio legislature passed H.B. 520, which includes a requirement to apply for early Medicare for some new disability benefit recipients and improves independent retirement from more than one Ohio retirement system.

After this legislation becomes law in early April, a disability benefit recipient must apply for early Medicare as well as Social Security Disability Insurance if the recipient is eligible to apply for them. This applies to anyone who is granted a benefit after this legislation becomes law and enrolls in SERS’ health care coverage. With Medicare in place, SERS can switch a disability benefit recipient’s coverage to a SERS Medicare plan, which provides lower premiums and better coverage. SERS will assist retirees with the early Medicare application process.

For members of SERS, OPERS, and STRS who have earned service credit in more than one of these systems, this bill provides them with the opportunity to retain all service credit if they choose to retire independently from each system.