



## Board Approves COLA for 2023



At its September meeting, the Board unanimously voted to approve a 2.5% cost-of-living adjustment (COLA) increase for eligible retirees and beneficiaries in 2023.

The 2023 COLA takes effect on the benefit anniversary of the recipient's effective date of retirement.

Benefit recipients whose benefit effective date is on or after April 1, 2018, must wait until the fourth anniversary of their allowance or benefit before receiving a COLA.

By statute, SERS' COLA is based on the year-to-year change in the Consumer Price Index (June 2021 to June 2022) for Urban Wage Earners (CPI-W), with a floor of 0% and a cap of 2.5%. While the Board has the authority to adjust the percentage, based on information provided to the Board from the actuary, Cavanaugh MacDonald, the Board approved the statutorily determined 2.5% COLA without adjustment.

## Payment Schedule



Your SERS payment is deposited into your bank account on the first business day of each month. If the first day of the month falls on a weekend or holiday, it will be deposited on the previous business day. Due to tax laws, your January payment will be deposited on January 3, 2023, the first business day of the new year.

Payment Schedule	
<b>October</b>	September 30, 2022
<b>November</b>	November 1, 2022
<b>December</b>	December 1, 2022
<b>January</b>	January 3, 2023
<b>February</b>	February 1, 2023

### Payment Stubs

Your payment stub details your gross monthly allowance and deductions, and these amounts for year-to-date.

Beginning August 1, 2022, you started receiving your payment stub on a twice-a-year basis.

You will receive your next payment stub in January 2023 with your issue of the *Retiree Focus*, which comes to you twice a year, once in January, and once in July.

You also will receive a payment stub whenever there is a change in your benefit, including a change in your COLA, tax withholdings, or health care premiums. ■

### Dues Increase for SERO Members

If you are a School Employee Retirees of Ohio (SERO) member in addition to being a SERS member, beginning October 1, 2022, your SERO dues increased from \$2.00 to \$2.50 per month.

# Open Enrollment Begins October 1



In late September, SERS' health care enrollees received packets containing an *Open Enrollment Guide* highlighting 2023 premiums and benefit changes.

## Non-Medicare

Aetna Choice POS II premiums remain unchanged, while AultCare PPO premiums are increasing by 1%. Plan benefits are staying the same.

Aetna Choice participant's pharmacy plan will change to the Express National

Preferred Formulary, expanding the list of covered drugs. The 2023 formulary will be available from Express Scripts after October 1, 2022.

SERS has engaged Know Your Rx (KYRx) to assist members with any needed formulary changes.

The SERS Wraparound HRA will remain an option for non-Medicare health care participants. For 2023, the maximum reimbursement will increase to \$1,950 from \$1,800.

You can view your plan summary and formularies on our website by clicking this link: [Retirees > Health Care in Retirement > Plans and Premiums.](#)

## Medicare

Aetna Medicare Plan (PPO) premiums will remain the same for 2023.

Benefit changes include:

- Primary Care Office Visit co-pays are **decreasing** to \$10 from \$20.
- Outpatient Rehabilitation Therapies co-pays are **decreasing** to \$15 from \$20. Therapies include physical, occupational, and speech.
- Cardiac and Pulmonary Rehabilitation Services co-pays are **decreasing** to \$15 from \$20.

The pharmacy plan will change to the Express Scripts Medicare Premier Performance Formulary, expanding the list of covered drugs. The 2023 formulary will be available from Express Scripts after October 1, 2022.

SERS has engaged Know Your Rx (KYRx) to assist members with any needed formulary changes.

You can view your plan summary and formularies on our website by clicking this link: [Retirees > Health Care in Retirement > Plans and Premiums.](#)

## Premium Discount Program

The Premium Discount Program reduces monthly SERS medical premiums for lower-income households with at least one family member enrolled in SERS' Aetna Medicare plan. For 2023, the qualifying income is **increasing** to 175% of the Federal Poverty Level.

Premium discount applications are included in Open Enrollment packets for those eligible to apply.

## Dental and Vision

Delta Dental and VSP Vision plan premiums and benefits will remain the same for 2023.

## Open Enrollment: Your Opportunity to Select Dental and Vision Coverage



Open Enrollment is the time to enroll in SERS' dental and vision coverage for the upcoming year. If you are eligible, you will receive enrollment information in the mail.

To join a plan for the first time, return the completed enrollment form by November 15, 2022. Coverage begins on January 1, 2023.

If you currently have SERS' dental and/or vision coverage, you will remain enrolled unless you complete the form and tell SERS to cancel your coverage. ■



### Myths and Misconceptions: The Truth about Pensions

Public pension systems are often the target of negative criticism. In an effort to undermine the value of public pensions and convert defined benefit plans to defined contribution plans, false and misleading information is frequently circulated, resulting in confusion of the facts and distortions of the truth.

When dangerous and misinformed myths and misconceptions surface, especially among news agencies, special interest groups, and media outlets, SERS Executive Director Richard Stensrud addresses the topics head-on at a SERS Board meeting. He explains why such information is misleading by breaking apart the truth from the lies.

Stensrud recently addressed the false statement that Ohio public pensions are underfunded and will never be able to pay all the benefits they owe, with the cost crushing taxpayers.

This is untrue on multiple levels, said Stensrud.

Ohio's public pensions are not set up like other states where funding comes directly from the state budget.

Ohio's pensions are funded by contributions from employers, including school districts, community schools, and some community colleges, as well as employees. Employers contribute the equivalent of 14% of their SERS employees' pay, and employees contribute 10% of their own wages.



Pension contributions are not the only source of funding for SERS' pension benefits. The largest source of funding – at nearly 70% – is the investment returns earned on the pension trust.

Additionally, plan design changes approved by state legislators in 2017 gave SERS the ability to make adjustments to benefits to reduce the liabilities of the System.

These plan design changes, along with contributions and investment returns, have contributed to a gradual increase in the funded status. ■

## Employment after Retirement: Reemployment



After retiring, many people reenter the workforce. As a retiree of an Ohio public pension system, the type of job you take after retirement and the timing of your start date could affect your pension benefits.

If you are reemployed in an Ohio public position, meaning you return to work in a position covered by SERS, Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio, Ohio Police & Fire Pension Fund, or Ohio State Highway Patrol, you must wait two months

from your effective date of retirement before becoming reemployed. If you do not wait, you forfeit your pension for those two months.

As a reemployed retiree in an Ohio public position, you do not accrue any additional service credit for the period of reemployment. If you did not previously qualify for health care coverage, coverage cannot be earned with the time spent working as a reemployed retiree. No service credit can be purchased, and reemployed retirees cannot apply for disability benefits.

If you become reemployed in a SERS-covered position, you must contribute to SERS the same as you did as a member.

You will earn an annuity from the reemployment.

Your original pension is not affected during your reemployment.

Once you begin reemployment in a position covered by one of the Ohio retirement systems, contributions are withheld and sent to the appropriate retirement system.

### Health Care Coverage

If you return to work in a private sector job covered by Social Security, it does not affect your SERS pension but could affect your SERS health care coverage.

If you retire and then go back to work for a public or private employer, you may temporarily lose eligibility for SERS' health care coverage while you are reemployed. Once reemployment ends, your eligibility is restored.

Those affected are:

- Under age 65 not yet eligible for Medicare
- Eligible for Medicare but not enrolled in Medicare Part B

If you have questions about SERS' health care coverage, call us at 1-800-878-5853. ■

## WEP and GPO Repeal/Reform Update



A SERS retiree who also is eligible for a Social Security benefit based either on the retiree's work history or a spouse's work history may be affected by two federal laws regulating Social Security benefits. As a result, a Social Security benefit may be reduced by either the Government Pension Offset (GPO) or the Windfall Elimination Provision (WEP).

Federal legislation to repeal the WEP and GPO has been introduced in Congress

several times without progress. The current repeal bills include Senate Bill 1302, introduced by Senator Sherrod Brown (D-OH) and House Bill (H.R.) 82.

On July 15, H.R. 82's sponsor, Congressman Rodney Davis (R-IL), filed a motion to get the bill onto the Consensus Calendar, which could make the measure available for consideration by the full House before the end of the year.

It is difficult to predict the outcome. Getting H.R. 82 to a floor vote in the House is a challenge. Assuming it can be accomplished and the House passes the bill, the question of whether such legislation has a chance of approval in the Senate remains.

There are also legislative attempts at WEP reform, which have been championed by both the Democratic and Republican leaders of the House Ways and Means Committee: Congressmen Richard Neal (D-MA) and Kevin Brady (R-TX). Both have similar legislative proposals to repeal the existing WEP and replace it with a fairer proportional formula for future retirees and provide a rebate of between \$100 and \$150 a month for current retirees subject to the WEP.

SERS recently sent a letter to Congressmen Neal and Brady, as well as the rest of the Ohio delegation and the House Ways and Means committee, urging them to find a compromise before the end of the year.

We will continue to keep SERS members informed of any progress. ■



**School Employees Retirement System of Ohio**  
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