

Insight From the Administrator

By William I Winegarner



Why?

I recently received a note from one of our founding members asking why he should continue his memberships in our, or any other, retiree association.

My first reaction was, “Didn’t you read the letter or review the pamphlet that was included with your membership renewal application? It explains why.”

As I thought about how best to respond to his question, I reflected on the facts that wise decision making depends on the explanation of the problem, the clarity of the resolution, the decision maker’s understanding of both, and his or her state of mind at the time the decision is made.

From my understanding there are four general questions that should be answered before making a decision: 1. Has the problem been stated accurately? 2. Has the resolution been stated accurately? 3. Is the decision maker being affected by some outside influence? 4. Is the decision maker willing to take the time to understand the problem and potential resolutions?

Because the staff and board of Protect Ohio Pensions, is passionate about and very involved in our product, we often assume that all retirees have the same understanding of the issues and their potential impact on pensions as we do.

Continued on page 2

The Legislative Report

By Steve Buehrer, Esq.



Wrapping Up and Looking Ahead

With the elections behind us, our thoughts turn to wrapping up the matters of the year, celebrating the holidays and thinking about issues and opportunities moving forward. These priorities are typically true

around the Statehouse as well. Although 2020 has certainly been a bizarre and atypical year, this usual pattern is repeating itself this year. This quarter’s column focuses on what is happening and likely will happen in the coming months.

While most state legislatures across the country are not meeting or have adjourned for the year, Ohio is entering the period known informally as “lame duck”. This time period from after the election until the end of the calendar year when legislative terms must end is known as a time of unpredictable law making.

Many pieces of legislation that have percolated for the two-year session are often thrust to the forefront as lawmakers seek to get their proposals enacted. This year is destined to be quite rigorous as a number of bills were stymied by the differing perspectives of the leaders in each chamber in the early part of session, the Covid-19 virus which limited the legislative session days earlier this year, and the removal and election of a new House Speaker in July.

Each of these factors has left a number of unfinished priorities that legislators must decide upon now or delay into next year. The list of items is quite diverse and range from energy to taxation to health care.

On a positive note, no one seems to be talking about changes to the pension systems.

Continued on page 3

RETIREES & WORKERS

Insight: Continued from page 1

Our first responsibility to our members is to state the problems and our services accurately. By doing so, our potential and current members will have the best opportunity to make an informed membership decision.

After reviewing our pamphlet, Preserving Ohio's Defined-Benefit Pension Plans, we believe that we have clearly explained the problems facing Ohio's defined-benefit pensions, and the services POP-5 provides for its members.

This year, 2020, has been like none other. The pandemic-panic and political rhetoric has disrupted the regular legislative flow of the Ohio General Assembly. In some aspects, this has been good for retirees, since emotional and biased-based legislation usually results in harmful legislation.

Even though everyone's attention has been on national politics and the corona virus, the forces that want to harm our public pension systems haven't ceased leveraging their agendas behind the scenes.

Elsewhere in this Newsletter, you will find some of the panels from our information pamphlet. Other than what is in the pamphlet, I would like to offer another analogy of why maintaining membership in POP-5 is so important.

Warriors need to be prepared. They can't start to train when the enemy is charging. As a matter of fact, the more they prepare, the less likely the enemy is prone to attack; however, if they do, the enemy knows there will be a well-organized resistance.

POP-5 is your shield.

There is a lot of money in our respective pension systems.



STANDING TOGETHER

Ohio Did it Right

In the 1930s, when Ohio established pension funds for their publicly employed workers, they did it right.

They separated the operation and investment decisions from legislators and put them into the hands of an employee-elected board of trustees.

The legislature still establishes the rules and pension plans and it retains oversight of the pension systems to ensure compliance with the statutory requirements.

So, Why is there a Problem?

As the pension systems received deposits and began earning investment returns, the dollar balances in the funds became enormous.

Now we have politicians who want to tell the pension system boards where they can, and cannot, invest our funds.

Corporations don't like defined-benefit pension systems, because their directors can and do vote their shares, and they can and do sue when there is corporate wrongdoing.

Stockbrokers don't like defined-benefit pension systems, because only a few knowledgeable firms are entrusted, and they must prove the validity of their recommendations.

Here it is in a Nutshell

Some politicians want to use our retirement funds for their benefit and not ours. Corporations want to eliminate the power defined-benefit systems have to protect our pension investments. Stockbrokers want to earn huge fees from individual retirees.

Continued on page 3

Insight: Continued from page 2

There are also, a lot of folks who would like to get their hands on it by manipulating accounting methods, eliminating the defined-benefit plans, reducing our benefits, and legislating funding requirements, so the state can restructure its lost revenues by avoiding their financial obligations to the systems, and their promises to us.

As individuals we don't have much influence. As members of Protect Ohio Pensions we do have an informed, active, and effective advocate.

POP-5 doesn't have local social clubs. We don't sell insurance or other gimmicks. and we don't sell false hopes, like eliminating the WEP and GPO in an attempt to increase memberships. Finally, we don't use your dues to pay our "volunteer" board members special gratuities, or our CEO an exorbitant salary.

What we do is provide the legislative services of one of the top law firms in Ohio with offices in Washington DC.; the constant research of the issues that will, or could, potentially impact our pension system; the experience of pension legislative testimony, and leadership that works for you.



Legislative: Continued from page 1

Although proposals have been made throughout the session to make certain reforms, none of them have gained traction. Given the long-term perspective that is needed for pension related matters, it is always good for any reforms to be considered deliberately and not in the frantic days of a lame duck session.

Even as this General Assembly closes its 133rd session in December, plans are already underway for the 134th General Assembly beginning in January, 2021. The election results have given Republicans larger majorities in the legislature, and activities are underway to elect the General Assembly's leadership for the next session. (More on these topics in a future column.) Along with these organizational

What Can POP-5 Do For You?

Protect Ohio Pensions is led by a staff of skilled and knowledgeable people, who have years of pension legislative experience, and access to the decision makers.

We will be your eyes and ears.

1. We can and will discuss each situation with the directors of the pension systems.
2. We can and will work directly with the leadership and members of the House and Senate.
3. We can and will address all negative newspaper articles.
4. We can and will accurately advise you about each situation.
5. We can and will give you the information you need when it is time to communicate with your legislator.

We can and will work together with any and all willing associations in order to Protect and Preserve our Ohio Defined-Benefit Pension Plans.

matters, discussion is already beginning on agenda items for the new session. Certainly, COVID 19 and its impacts on a number of issues will be a dominate overhang to many policy discussions. Ohio's budget, although apparently not in as dire of a condition as in some states, will still be challenging. All observers are expecting a tight budget that seeks to maintain current services with little room for new programs. Leaders have already hinted that school funding will be a priority as well as ongoing healthcare reforms. Much of these discussions will be colored by predictions about the virus' spread and the pace with which vaccines become available. All of these topics will make the first six months of work in the Statehouse busy and intense in the new session.

Continued on page 4

Legislative: Continued from page 3

Whether or not pension reforms will be on the legislative docket are unknown at this time. Certainly, key decision makers will be reviewing financial results of the systems over the past year and reform topics from the prior session will likely be brought forward.

Even if pension changes do not make the top of the priority list, our work will continue at POP 5. We will continue to build relationships with new legislators and renew friendships with those members returning. Early indications are that key leadership

posts will be held by experienced legislators who understand the vital role of Ohio's pension systems.

These individuals will be key to our strategy in the next session. We will also listen to new members to hear their ideas and concerns. Often the most important legislative work is done before an actual bill is introduced or an issue is pending. Good relationships and careful attention to what is going on at the Statehouse is the hallmark of what we do and what POP 5 is all about. We will continue this proactive course and our ongoing advocacy in 2021 and beyond.



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