

Protect Ohio Pensions 3rd Quarter 2022

Retirees & Current Employees Working Together to Preserve Ohio's Public Pensions

Insight From the Administrator

By Maryfrances Kamyar



Pension Board Responsibility

The discussion of both COLA's and board member elections has covered most of the early spring and summer months through September in Ohio's public pensions. It is available for all retirees and survivors of retirees to be involved

with their pension system by voting for board member seats and attending board meetings in person or online. For those who can be involved by running and fulfilling a pension board seat it is a significant responsibility. We receive many calls asking for information concerning pension systems and board activity.

In the spring, after much debate, the State Teacher Retirement System board voted for a one-time 3% COLA which follows their fiscal year starting July of 2022, the benefit increase will be paid to the recipient on the anniversary month of retirement. The COLA could have been continuous, but the board chose to reassess the COLA in the spring, 2023. The STRS board had three seats open in 2022, two representing contributing members and one the retirees. All three seats went to new candidates. <https://www.strsoh.org>

Ohio Public Employee Retirement System board voted a 3% COLA for all retirees in 2023. The OPERS COLA increase follows the calendar year starting January 2023. COLAs are paid on the anniversary of a recipient's effective retirement date, including survivors' benefits. The OPERS COLA is reassessed each year based on the CPI-W index. OPERS also had board elections that ended in September, four seats were open for election, only one new candidate was running with those up for reelection. <https://www.opers.org>

The School Employee Retirement System had no board elections this year, 2022. The current board voted for a 2.5% COLA which is the maximum available. It starts and follows the calendar year in January 2023. The COLA takes effect on the benefit anniversary of the recipient's effective date of retirement. SERS reassesses their COLA each year based on the CPI and actuarial information provided to them. <https://www.ohsers.org/>

Administrator Continued on Pg:2:

The Legislative Report

By Steve Buehrer, Esq.



Voting is Critical to Democracy and Pension Futures

With the General Assembly remaining in recess, nearly all discussion around Capitol Square has shifted to the upcoming November elections. As the Executive Director reminds us in her

article this quarter, voting (and possibly running) for the pension board of trustees is an important obligation and will ensure not only qualified candidates, but quality decision making. These same desired outcomes are also true in our broader responsibility as citizens to exercise our right to vote. Our very governmental system as a representative democracy is based on the citizenry actively selecting their leaders and holding them accountable. I certainly realize that researching the candidates and what they really stand for can be a daunting and time-consuming task. Further, even if we figure out the "best" candidates from our perspective, we are often disappointed by the outcomes and pronouncements of our leaders at all levels. However, overcoming these barriers and emotions and continuing to participate in a meaningful way is critical to the success of our governing system.

Like all elections, Ohio's 2022 elections bring many important choices. First, this election is a state election year with the offices of Governor, Lt. Governor, Attorney General, Auditor, Secretary of State and Treasurer on the ballot. These office holders make key decisions about the priorities and operations of state government including the spending of billions of dollars in tax money. Equally as important this year are the races for three seats on the Ohio Supreme Court. Ohio's seven-member Supreme Court

Legislative Continued on Pg 2 :

RETIREES & WORKERS

Administrator Continued from Pg 1:

The next scheduled elections for Ohio Police & Fire Board of Trustees will be in the spring of 2023. Ohio law requires OP&F to pay annual COLAs to eligible members. Eligibility to receive a COLA and the amount of the COLA depends on the retirement date, years of service and age. <https://www.op-f.org>

The Ohio Highway Patrol Retirement System board had two seats up for reelection in 2022, one employee-member and one retiree-member position, both members ran for reelection. Per Ohio Administrative Rule 5505-9-01 (F), if the number of candidates is less than or equal to the number of available board seats, each candidate shall be certified as a trustee without the need for an election. No new candidates ran for these seats. In June a 3% COLA was approved for 2023 for retiree-members that qualify. <https://www.ohprs.org>

I came across an article written in 2017 by Mr. William I Winegarner, published in Protect Ohio Pensions 4th Qtr. newsletter that addressed the loss or reduction of the COLA at that time. At this time, 5 years later, this same newsletter article is a good reminder of the responsibilities of the pension board members and the decisions they are faced with.

“I want to start by explaining a pension board’s makeup. Each system has its own variation, but basically each consists of elected worker and retiree members: a statutory member and three appointed members (one by the Governor, one by the Treasurer, and one by the General Assembly). The worker and retiree members outnumber the others.

Even though the worker and retiree members represent their constituency groups’ perspectives, they are charged with a greater responsibility of protecting the interest of all retirees, workers, or future workers and their beneficiaries. As it is stated in the Ohio Revised code 145.113 C1 and C2:

A fiduciary shall not: Deal with the assets of the system in his own interest or for his own account; In his individual or in any other capacity, act in any transaction involving the system on behalf of a party (or represent a party) whose interests are averse to the interests of the system or the interests of its participants or beneficiaries;

In other words, board members have the fiduciary responsibility to take into account the interest of all members, even though their decision may



STANDING TOGETHER

Legislative Continued from Pg 1:

is the ultimate arbiter of issues concerning state law. Therefore, with three races to be decided, the partisan and philosophic leaning of the Court hangs in the balance. These races and how the Court decides issues in the future is critical to the future of our state.

Along with these executive and judicial branch races, every seat in the Ohio House is up for grabs this year (two-year terms) and half of the seats in the Ohio Senate (four-year terms). Given the interests of POP 5 and its members, the importance of these elected officials in protecting and maintaining the state pension systems cannot be overstated.

In addition to these state level races; Ohio will elect a new US Senator this year to replace the retiring Rob Portman. Additionally, Ohio voters will elect congressional representatives from each of the 15 districts across the state (down from 16 seats prior to the 2020 Census). Like their state peers, these federal legislators carry wide authority across a broad spectrum of issues including pension legislation at the federal level.

Rounding out the November 8th ballot are a host of other local elections as well as two statewide ballot issues. Nearly half of the elected county government officials are on this year’s ballot as well as local judges and state appellate judges. Ohio voters will also consider two modifications to Ohio’s Constitution. State Issue One would remove the Ohio Supreme Court’s authority to set bail and would require courts across the state to consider public safety in setting bail. State Issue Two would require US citizenship to vote in Ohio.

With all of these important issues and offices at stake, each of us must take the responsibility to vote. Numerous alternatives are available to vote early either at home or in polling locations in each county. Additionally, the “old fashioned” way of voting on Election Day remains an option. No matter how or when you do it, please take the time to vote this fall. Our future depends on it!

adversely impact their constituent group, themselves, their families or others in similar situations to theirs. Each of their decisions must sustain the pension fund for the benefit of all.

Pension boards are made up of people. Some never grow beyond being a mouthpiece for their constituency group, others have taken advantage of their position, and others appear to be against everything just for the fun of it. Fortunately, the vast majority of board members are honest men and women doing their absolute best to represent the membership in its entirety. They accept their duty of providing the maximum prudently-possible benefits, while providing for the long-term financial stability of their particular pension fund and its assets.

No matter what their educational background or secular qualifications, board members are exposed to hundreds of hours of financial and legal input. Accountants, actuaries, auditors, statisticians and investment experts provide them with information. The Ohio Revised Code and a battery of attorneys provide rules and opinions that have to be met. Committee meetings are held and membership input considered. Finally, a decision has to be made.

Many times, the board members realize that a particular decision they have to make will be very unpopular with the membership and possibly even with themselves; however, they are ultimately the ones who have to have the integrity to rise up to their fiduciary duty and responsibility to do what they feel is best for all current and future members and their beneficiaries.

Did you know that, under ORC Section 109.98 the Ohio Attorney General has the statutory right and the obligation to sue any Ohio public retirement system board member who breaches his/her fiduciary duty to his/her system for any resulting harm? “WIW

“All members should be very thankful for those who take pension board responsibilities and, on occasion, should actually thank the ones who make the unpopular decisions in order to protect your retirement fund.”

October has brought us a new hope that pension board members both new and veterans will work together as a unit to keep Ohio’s pension systems financially sound.



Constitution Amendments: Recruiting Board members

Nancy King POP5 Board Secretary

At the August 25, 2022 meeting, the Board of Trustees adopted an amended Constitution for Protect Ohio Pensions, Inc. The amendments included the adoption of our purpose to our mission statement, inclusive language changes, and a more accurate description of reserve account practices.

The one substantive change is focused on the Board makeup. At the time POP5 was founded in 2016, the goal was to have Board member representation from each of the 5 Ohio public pension systems. This requirement in the Constitution limited who could serve on the board. POP5’s membership is open to retirees, current workers and those from our communities who understand the importance of public pension systems.

The Board of POP5 are volunteers who are interested in working to support and protect the defined benefit pension plans of all 5 Ohio public pension systems. The Board is committed to supporting each pension system, regardless of which system a Board member has affiliation.

Amended language in the Constitution encourages representation from each system but allows for 5 at large members and 5 members representing the five pension systems. This builds in flexibility so Board applicants can be considered even if they are in a pension system which already has representation. We will continue to look for Board members from each system, more importantly, we need to fill the Board with committed people who care about our mission and will contribute to achieving our purpose.

Pension board information such as: elections, COLA's, and future meetings are on the pension system websites. Information in the previous article was gathered by attending pension board meetings and from the pension systems websites. Even if you are a part of a particular pension system, the information available on other sites is informative and invaluable at giving a scope of Ohio's defined-benefit public pension systems. Thank you to all of Ohio's pension systems for providing the updated information on a regular basis to all its members and for providing transparency through board meetings.

Please remember to keep our fellow retirees living in Florida in your thoughts and prayers.



Constitution continued from Pg 3:

We are actively looking for people to serve on the Board. The POP5 Board meets bi-monthly at the office in Westerville, with an option to attend remotely, if necessary. We encourage POP5 members to be actively involved in the mission and growth of the organization and ask you to consider serving on the Board. If you are interested, please contact Mary Frances Kamyar, Executive Director for more information.



Protect Ohio Pensions, Inc.
132 Dorchester Sq. S. Ste. 101
Westerville, Ohio 43081

NON-PROFIT ORG.
U.S. POSTAGE
PAID
COLUMBUS, OH
PERMIT NO. 1375

Board of Trustees



Candace Shicks
Vice Chair



Mary Winegarner
Treasurer



Nancy King
Secretary



Ed Ciecka
OPERS
Representative



Ed Wells
STRS
Representative

Staff



Maryfrances Kamyar
Executive Director



Keith Kleiber
Data Manager

Phone: 614-426-4333

Email: POPOFFICE@POP5.ORG