

# EMPLOYER Outreach



OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

[www.opers.org](http://www.opers.org)

THIRD  
QUARTER  
2009



## Election update

The work of the OPERS Board of Trustees is extremely important. To ensure the impartiality of the election process, the elections are handled by a third-party vendor and deadlines are strictly monitored.

Remember, October 2, 2009 is the deadline for OPERS to receive votes cast by affected employees (members) for their OPERS Board of Trustees representative.

### Who should be voting?

Although three seats are up for election, two seats up for election are those representing miscellaneous employees and county employees—so only individuals in those employee categories may vote. One seat represents retirees and, as such, only retirees are eligible to vote for that representative.

The definitions of employees who may vote for their representatives in the 2009 Board of Trustees election are:

- *Miscellaneous Employees*—those employed by a park district, conservancy district, sanitary district, health district, township, metropolitan housing authority, state retirement board, public library, county law library, union cemetery, joint hospital or institutional commissary within the state of Ohio (approximately 52,249 employees), and

- *County Employees*—those employed in a job by a county in Ohio (approximately 101,921 employees).

### Voting process

Your employees can vote one of three ways beginning August 28:

- Paper-based ballots (ballots were mailed on August 28 to all affected individuals),
- Online, or
- By phone via an interactive voice response (IVR) system.

Note that October 2, 2009 is the last day for OPERS to receive ballots. This is an actual date for OPERS to have ballots in-hand, not a postmarked-by date. Therefore, those who have not yet voted are strongly encouraged to vote via the Internet or by phone.

### Special request for employers

All employers can help raise the visibility of the election process. Employers with affected employees are urged to encourage affected employees to vote. Remember, voting materials have been mailed to the qualified members' home address of record.

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# Can you afford to do business the way you always have?

In this economy, most organizations and businesses are looking for ways to cut costs and work more efficiently. For Ohio's public employers, Employer Reporting is here to help by working to make sure employers have all the tools necessary to work smarter.

Although we've said it before, we believe it bears repeating: Making your payments online can save you time—and time really is money. Check out these advantages of the paperless—payment option offered by OPERS. Then, make the change to paperless payments.

## Paperless payment quick facts:

- **Paperless payments are cost-efficient**  
Typically, you incur no charge for ACH payments scheduled through ECS. Compare minimal—or no—cost to the expense associated with managing a paper check through your system. Studies show paper-check costs can be in excess of \$20 each check (don't forget how much time it takes for staff to track down signatures). Wire

transfer is also expensive; the cost of originating a wire transfer can range from \$15-20 per item.

- **Employers retain control over timing of funds transfers**  
With OPERS' paperless-payment option, you determine the:
  - ❖ Exact amount,
  - ❖ Debit date, and
  - ❖ Account from which your funds are made available to OPERS.
- **Payments are secure**  
Funds are transmitted from account to account via a secure file transfer protocol (FTP) encrypted file. You can eliminate the uncertainty of a paper check being delivered by the postal service.
- **Payment can be processed accurately and in real time**  
Real-time confirmation is automatically provided for each scheduled transfer; you'll always know what's been transferred and when—so you'll always know what funds are in your account.

- **Paperless payments provide flexibility**  
Payments can be entered on the payment due date or scheduled for future dates.
- **Paperless payments are efficient and easy to use**  
Employers tell us the paperless-payment option is easy to adopt and easy to use. Consider this:
  - ❖ ECS prompts you about information to be considered prior to completing the payment;
  - ❖ You have the capability to cancel a scheduled payment; and
  - ❖ Completion of the *Employer Payment Remittance Advice* (Form E-3) is built into the paperless payment process.

Many employers have already signed up for the ECS-based paperless-payment option. And, paperless payments are getting rave reviews (see related information in the *What's Your Focus?* article, page 5). Sign up today; you can start saving immediately.

## Recognizing employer market leaders

In marketing, those who are quick to change habits or try new products are considered to be market leaders. This term can apply to employer organizations as well. Some employers are quick to embrace new ideas; others prefer to wait.

About eight years ago, the Employer Contribution System (ECS) was rolled out. Those who signed up initially, the market leaders, quickly saw and captured the advantages of the new system. Others waited and, well, some employers remain on paper-based reporting (although 98% of employees are currently reported via ECS).

### New product rollout

Now, OPERS has rolled out a new time-and-cost saving function—paperless payments. As expected, the paperless payment function is having a similar rollout experience as it's introduced to the employer market. Officially initiated in 2003, but significantly enhanced in 2009, some employers jumped on the new product offering; others are taking a little more time.

### By the numbers

OPERS recognizes 19 employer categories; the top nine

employer groups in terms of using the paperless payment function are listed here. Where, exactly, do you fit in?

Employer group	Percent of group using paperless payments
Transit Authorities	69%
Libraries	63%
Cities	57%
Colleges and universities	46%
Miscellaneous	34%
Villages	35%
Counties (includes law libraries)	28%
Hospitals	29%
Townships	18%

### Are you a market leader?

If so, our thanks for jumping on the new function and realizing the savings offered. If not, check out the paperless payment function that's available via ECS. If you already report using ECS, you can start realizing cost efficiencies immediately. Why wait? Join this group of employer market leaders—and save today.

## Health Care Update

# Changes slated for retiree health care plan in 2010

As an employer, you know the impact health care costs take on your budget. Escalating health care costs are the reason OPERS is working now to extend the solvency of the Health Care Fund—so that access to health care continues to be a part of the financial security provided to our retirees. In 2010, retirees will see incremental changes to the retiree health care plan—changes that are part of the ongoing initiative to extend the solvency of the Health Care Fund. It's important for employers to fully understand these changes because we know employers are an essential resource for employees who will soon retire.

### Change overview

What will retirees see in 2010?

Two changes are in place for the upcoming year:

- New medical plan administrators have been selected and will begin working with OPERS-covered retirees in 2010, and
- Cost-share changes, previously announced and provided for by the Health Care Preservation Plan, will be implemented.

### Regarding the new administrators

Two new medical plan administrators have been selected, providing an estimated savings of more than \$92 million over the next three years.

- After extensive negotiations, Humana has been selected as the administrator for the medical portion of the OPERS health care plan for Medicare-eligible retirees. Many will recognize Humana as an administrator with an established and strong reputation for providing for the unique needs of seniors. In addition to its service and program reputation, Humana's premium rates were considerably lower than the next-lowest competitor.
- For those retirees who are not yet Medicare-eligible, the medical portion of the OPERS health care plan will be administered by Medical Mutual. Medical Mutual provides the largest physician and hospital network in the region. In addition, Medical Mutual offers programs designed to help retirees be informed and active partners in health care and lifestyle choices. Medical Mutual offers extremely competitive rates in Ohio and very low administrative fees.




### Regarding the incremental cost-share increase

The cost-share increases will be in out-of-pocket maximums, deductibles and co-pays, *rather than as increases in monthly premiums*. This means healthy retirees accessing health care services infrequently will be affected less than retirees who frequently access health care services. It's anticipated this equitable cost-share change will provide more than \$73 million in savings in 2010.

### Some things will not change

Although neither mandated nor guaranteed, OPERS remains steadfast in its commitment to preserve retiree health care coverage. Pharmacy coverage for OPERS retirees will remain with Express Scripts for 2010. The changes slated for 2010 are designed to strengthen the Health Care Fund, while allowing OPERS to continue to provide access to high-quality retiree health care coverage.

Employers are encouraged to direct employee questions and concerns to the OPERS Member Services Center at 1-800-222-7377. 

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## Resources for Employers

### Onboarding new employees? OPERS can help...

OPERS provides retirement plan information directly to new employees—information designed to help employees understand and choose the right retirement plan for their retirement goals. We also offer additional resources for employers to access; resources designed to enhance your new-employee orientation program by providing expertise on retirement plan choices.

Take a look at what's offered and determine where we can help you with effective onboarding. We want to ensure your new employees have speedy access to the information they'll need to make the right retirement plan decisions. Here are resources available to you now:

- **Speakers for new-employee orientations**—contact OPERS to request a speaker for your orientation;

our experts can be on-site to knowledgeable review information and answer questions.

- **Regional seminars**—for those employers whose numbers limit the need for new-employee orientation, but recognize the advantages of live presentations, OPERS sponsors regional seminars. Employees are invited to attend—at no charge—so that informed decisions can be made (no registration needed).
- **Web-based seminars**—some individuals prefer interactive, online learning. If your new employees prefer, have them sign up for a Web-based, interactive seminar or a Web-based seminar that's pre-recorded (no interactive capability).

#### Ready to schedule?

Scheduling is simple:

- To book a speaker for your new-employee orientation, contact our Defined Contribution experts at 614-228-3993 to request a speaker on the topic, *How To Select Your OPERS Retirement Plan*.
- For dates and locations of current *How To Select Your OPERS Retirement Plan* regional seminars,
  - Go to the OPERS Web site at [www.opers.org](http://www.opers.org)
  - Click on Members, then
  - Click Seminars, and
  - How to Select.

- To register for a *How To Select Your OPERS Retirement Plan* Web-based seminar:
  - Go to the OPERS Web site at [www.opers.org](http://www.opers.org),
  - Click on Members, then
  - Click Seminars, and
  - Web Seminars/Workshops.

Note: The seminar offerings outlined here are designed specifically to help new employees determine retirement plan choices. These seminars and speakers are different from the Employer Reporting-sponsored seminars for those employees in your organization whose job function involves retirement reporting and remitting of contributions. Therefore, the sign-up process is different.

### Check out National Save for Retirement Week Web site

Americans are being urged to save more for retirement. To that end, National Save for Retirement Week has been established as a week-long event to raise employee awareness about the importance of retirement savings—and to give employers innovative tools to promote employee awareness. Originally established by Congress in 2006, National Save for Retirement Week is slated in 2009 for October 18-24.

#### Web site resource

Although National Save for Retirement Week is designated in October, the resources available via the National Save for Retirement Week Web site are available throughout the year so that employers can tailor events and information specifically for their area and their employees. Via the Web site, you'll find brochures, calendars, handouts, videos—everything you might need to create a customized National Save for Retirement Week for your organization.

The National Save for Retirement Week Web site is sponsored by the National Association of Government Defined Contribution Administrators.

#### Why this is important

Employers are encouraged to use National Save for Retirement Week as a key event to inspire employees to save more for retirement. Public employers across the country including cities, counties, municipalities and states are getting involved in National Save for Retirement Week by hosting events and activities—all aimed at raising awareness so that employees have the necessary tools to make sound financial decisions now as they look toward retirement.

#### Savings for retirement

OPERS continues to work to achieve the stated goal of our mission statement: “Our purpose is to provide secure retirement benefits for our members.” And, to the extent possible, to provide access to health care. However, most experts agree that retirees also need some savings to augment retirement plans. Why? Well, with longer life expectancies and rising costs, it's more and more important for your employees to understand the importance of saving—now, while they are fully employed.

Check out the National Save for Retirement Week Web site as a resource to help ensure your employees are fully informed. The National Save for Retirement Week Web site can be found at [www.retirementweek.org](http://www.retirementweek.org).



[www.retirementweek.org](http://www.retirementweek.org)

### What's your FOCUS?



Throughout 2009, employers will find the recap of employer focus groups, input sessions and phone surveys presented in this section of the newsletter. OPERS wants, and needs, your input to make sure our initiatives are in focus.

### Paperless payment, communication and form titles

Here's a recap of what's on employers' minds (note the comments captured here are from large employer organizations, defined as 500 employees or more, and are not reflective of the entire employer population):

- **Regarding paperless payments**
  - Those employers who are signed up for paperless payments—approximately 40%—really like it. What, exactly, has them pleased with this tool?
    - Comments about paperless payments included:
      - Easy to use, just click and set up
      - Better than paper
      - Simply like to work online better
- **Regarding employer-oriented communication**
  - Most valuable resource? *Employer Notices*
  - Favorite distribution method? Online (due to archiving capability)
- **Regarding what we call forms**
  - For OPERS-specific forms:
    - 50% of employers use the title of the form
    - 50% of employers use form number
  - For the *Personal History Record*, this group referred to it as the *Personal History Record* or PHR; no one used the term, Form A

#### Then, we learned a little about what's important to you:

- The Employer Call Center is considered to be a wonderful service.
- Employers really endorse the employer-group specific training concept.
- Employers would like MORE communication about changes or any conversions to raise comfort level.
- ECS-reporting employers are deeply dependent on getting instant feedback from ECS.
- Protecting Social Security numbers is more of an issue than ever, especially in the realm of health care coverage and COBRA.

# Going Green

**Going green makes good environmental sense; did you realize it also makes good economic sense?**



## Between us

OPERS offers a variety of online initiatives to improve retirement contribution processing by enhancing speed and accuracy. In addition, online options also help the environment by reducing your organization's use of precious resources. Consider these options available to you and their potential savings for the environment:

- Paperless payments eliminate use of paper, ink and paper-based delivery.
- By choosing to have your routine communication (*Employer Notices*, employer newsletters) delivered electronically, via the Electronic Distribution for Employer Communication (EDEC) program, you eliminate the use of paper and paper-based delivery. (You also enhance your mailing list because you may add as many individuals as you want to your distribution list.)
- The Employer Contribution System (ECS) has a long tradition of eliminating paper reporting and enhancing accuracy by providing instant feedback.
- All employer forms are available for instant delivery via the OPERS Web site to your desk top—saving delivery fees and reducing environmental impact.
- Multiple OPERS forms are available to complete and send online (via ECS)—and more will be added every year.

## OPERS-specific green initiatives

Within OPERS, we're working to become as green as we can be. To that end, a Green Team has been formed to propose and implement the best green ideas.

Here's what we've done so far:

- Working to eliminate forever-in-a-landfill Styrofoam, the use of Styrofoam products has been significantly reduced throughout our building. Employees are encouraged to bring in and use coffee cups.
- Bike racks are available for those who are choosing to ride bikes to work (visitors can use them as well).
- We're encouraging all vendors to go green and opt for online payments—also quicker and safer.
- Throughout our building, containers to encourage recycling are available for items such as pop cans, water bottles and, of course, paper.
- As an ongoing initiative, all employees are encouraged to turn off lights and computer equipment at the end of the work day.
- Climate controls have been automated so that energy efficiencies are delivered by turning thermostats up in the summer and down in the winter during non-working hours.

## What do you do?

If the environment is your passion, tell us. We're asking for employer input on green initiatives to share with others. Write or email us what you've done at the office or at home to go green.

## Green with envy? Here are some green ideas for home or office

Remember the power of one: even small changes make a big difference. Take a moment to review these small steps to improve the environment...then commit to adopting a green change each week. Before you know it, you'll have made a big impact on the world around you.

- Recycle plastic bags; most grocery stores have a recycle bin. And remember other easy-to-recycle options for paper, batteries, ink cartridges, cell phones.
- About the car:
  - ❖ Walk when you can; cycle if you dare and consider public transit.
  - ❖ Take a moment to group driving errands into sectors to eliminate wasting miles.
  - ❖ Thinking of buying a new car? Consider purchasing a hybrid/low emissions vehicle.
- Looking to buy appliances? Review the literature to ensure you get the best appliance for you—and one with the most efficient energy rating.
- Insulating your home, windows and doors can make a big difference in your energy use.
- Thinking of replacing windows? Select energy-efficient models—and make sure you apply for applicable energy credits.
- When using your computer, make sure you really need an item before you hit the print button. Is a hard copy really necessary...or simply habit?
- If your community has a recycling program...learn about it and use it. If your community doesn't...become an advocate and start one.
- Plant a tree and reduce your carbon footprint. Is your birthday coming up? Ask for a tree, or spearhead the effort to plant trees to honor a loved one or community leader.



# Looking ahead to 2010: Mandatory online submission for PHR

In 2010, ECS-reporting employers will be required to submit the *Personal History Record* (PHR) online. Employer compliance with online filing of the PHR is expected by the end of the first quarter. However, we're letting employers know now so that you have the time to anticipate and implement any technology changes that will be needed.

Of course, you don't have to wait for the deadline. The function to submit PHRs online is already available; any employer who chooses to file the PHR online can do so via data entry or file transfer prior to the mandatory changeover date.

## Responding to employer requests

Many employers already routinely process the PHR online and have responded favorably to OPERS for providing this efficiency. In 2006, via phone surveys and focus groups, employers indicated overwhelmingly that the form they wanted most online was the PHR. Employer Reporting responded by making an online PHR function available in May 2007.

## Why online filing is good

In any business, improving efficiency by reducing the number of times a form is handled is a significant goal. When that reduction of handling is accomplished with the ability to speed a document to its destination and enhancing accuracy, it's a goal worth achieving. Simply put, the act of submitting the PHR online just makes good business sense because it:

- Enhances security and speeds delivery—you and your employees will have the confidence provided by online transmission of sensitive information. (Sensitive information such as Social Security numbers are required on the PHR.) OPERS' online security is provided by 128-bit SSL encryption—the same encryption

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provided by financial institutions. And, of course, online transmission takes seconds, not days.

- Steps up efficiency—employers using file transfers will need to provide new-employee data just once because the online PHR captures data from your human resources system. (Whatever human resources system you use, we can accommodate it.) File specifications for the online PHR can be found online, in the *Employer Manual*.
- Provides accurate data—employers are required to provide demographic data that would be part of the typical hiring process. Better, more accurate, data will yield long-term results for you and for us—most importantly, accurate data will help your employees in the long run.
- Streamlines processes—because the PHR is submitted online, you can skip the step of tracking down signatures. Submitting documents online provides automatic employer certification because of the secure function of the system. When OPERS receives the PHR via your online transmission, it is considered certified.
- In September, an *Employer Notice* will be issued with the complete file specifications and tips for success. Route the file specifications to your information technology experts (internal or external) to ensure compliance by first quarter 2010. For employers who find data entry more convenient, that option is available as well.
- The same information should be sent to those in your organization who handle the *Personal History Record* and/or new employee paperwork.
- Target your organization's cutover date for online filing—remember the function is now available, but it will be mandatory by the end of first quarter 2010. Regardless of the exact cutover date, you will not need to resubmit PHRs that were previously sent in paper format.
- Contact Employer Outreach with any questions, concerns or training issues you might have. The Employer Call Center is available to take your calls throughout the business day.

## To help with the change

As always, Employer Reporting is partnering with employers to assist with this change. Here are suggested steps to help you accommodate this enhancement:

## No need to wait

Plan on enjoying the time-saving and security enhancements provided by submitting the PHR online as you see fit. Remember, the sooner the better, but mandatory by the end of first quarter 2010.

## Info to Go...

### **Back to school with employer-specific seminars:**

It's autumn; think football, think leaves...think employer-specific seminars. Kids aren't the only ones who get to go back to school. Employers are encouraged to remember Employer Outreach offers a wide variety of training options, including on-site seminars, Web-based and traditional seminars. We know you'll find something to suit. Check out the entire line up of employer-specific training. Times, topics and locations are listed in detail at [www.opers.org](http://www.opers.org). Click on Employers, then Seminars.

### **Database needs constant updating:**

OPERS is launching a clean-data initiative to obtain the most accurate and up-to-date information for your entity and employees. How can you help?

- We ask that you remind your employees to complete the OPERS *Change Request* (Form F-50) whenever you're given a change of address or name change. The OPERS *Change Request* can be accessed online at [www.opers.org](http://www.opers.org). You'll see this easy-to-use form handles address, name or bank changes. (Is reminding employees about submitting information to OPERS really your responsibility? No; but it would be a huge help to us and to your employees.)
- In the same spirit, we're urging all employers to update contacts for all Employer Outreach communication—print or electronic. Remember, via the Electronic Distribution for Employer Communication (EDEC) program, you can have multiple contacts listed. In addition, electronic distribution costs you nothing to update. Call the Employer Call Center at 1-888-400-0965 to update, verify or sign up for EDEC.

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