



EMPLOYER Outreach

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215 • 1-888-400-0965 • www.opers.org

CEM Report: Employer Reporting maintains rating of 95

Who's doing the rating?

CEM stands for Cost-Effective Measurement, a trademark of an independent benchmarking service that specializes in analysis of pension systems. CEM uses survey information to review a pension system's activities by closely examining costs, service levels to specific target groups (members, retirees, and employers), plan complexity, transaction volume, and cost of environment (city in which system is located).

In 2006, CEM monitored 66 pension systems. However, OPERS is not necessarily compared to all systems; rather, it's evaluated to a comparable peer group. In OPERS' case, the peer group includes 10 systems such as CalPERS, Illinois PERS, Arizona SRS, and North Carolina RS.

For 2006, we're pleased to report that, for the second year in a row, the Employer Reporting statistics were outstanding. Here's an overview:

- For overall service to employers, OPERS received a 95 (out of 100), while the peer group average was 77.
- Interestingly, the OPERS employer-oriented administrative costs are less than the peer group's costs—some of that is due to the fact that OPERS gains economies-of-scale savings when working with Ohio's public employers—OPERS works with 3,263 different employers, while the average peer system works with 1,273 employers.

- In addition, OPERS processes data from employers with about 7% less expense per transaction than the peer median.

What employer-oriented activities were evaluated?

Of course, the main thrust of the CEM report is how a system manages costs and provides services to members, your employees, and our retirees. However, service to employers is one of the major categories reviewed. The CEM report reviews, and weights the importance of, a variety of employer-oriented activities, including:

- Training provided for employers,
- Assistance provided for new employers,
- Maintaining employer relationships,
- Presentations, counseling, workshops for employers,
- Publications and newsletters for employers,
- Employer Call Center,
- An employer Web site presence, and
- Advice and account management.

OPERS received a significant number of points for segmenting the employer group as a separate audience and providing:

- Dedicated staff to service employers,
- An employer-specific manual that's updated on a regular basis,
- An employer-targeted section on the OPERS Web site,
- Three or more different types of presentations specifically for employers,
- A newsletter for employers, that's published four or more times per year,
- Satisfaction surveys and service agreements,

- Reporting software that's Web based, and gives employers integrated collections and billing and the advantage of real-time error checking and feedback.

The CEM study concluded that having staff dedicated to servicing employers, providing generalized and/or customized collections reporting software, an up-to-date employer handbook, Web site, newsletter and training will help to reduce data errors and misinformation. Why is that important? Because, ultimately, these activities improve a system's ability to provide service to members, your employees.

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Different retirement plans = *different retirement applications*

What could be more frustrating than having your retirement application returned? It's happening more often than OPERS wants, and frequently the reason is entirely preventable.

Employers are encouraged to remember that the three retirement plans (Traditional, Member-Directed, Combined) have different retirement applications. If your retiring employee completes the wrong application, the application will be returned and the retirement process will be delayed.

Because employers don't know which plan employees are in, employers cannot ask

for the exact retirement plan application. However, here's what you can do:

- If you request applications for retiring employees via Employer Outreach, and you don't know which retirement application is needed because your employee is uncertain, we'll ask you to have the employee call the Member Services Center to verify the retirement plan selection. This way, the correct form can be filled out.
- Employers are requested to remind employees to verify they have the correct application for the retirement plan they have chosen (see below).

Employees can obtain their retirement applications via the OPERS Web site at www.opers.org; or employees can call the Member Services Center at 1-800-222-7377 and request an application. The Member Services Center professionals will determine the correct application to send employees.

Remember, it's a simple equation: different retirement plans = different retirement applications. A mismatch will equate to a significant delay in processing your employee's retirement.

Member-Directed Plan Retirement Application

Traditional Pension Plan Retirement Application

Traditional Pension Plan Retirement Application

Combined Plan Retirement Application

Health Care Update

Healthy lifestyles: An investment that pays dividends for employers

Employers who focus on helping employees remain aware of their health so that the incidence of disease is managed and reduced may save up to 50 percent on health care costs over employers who rely strictly on traditional health-and-benefit solutions.

First, a definition: What is wellness?

Strictly speaking, the term wellness means the quality or state of being healthy. However, today, the definition is also applied to an approach to health care that emphasizes preventing illness and prolonging life—as in a wellness program.

An ounce of prevention...

An effective wellness program manages an individual's health and helps employees become aware of and motivated to practice choices that will create a healthy lifestyle. How important is the healthy lifestyle approach? Very. Consider these facts:

- By the year 2020, more than 157 million Americans will have a chronic disease. However, many of those diseases are preventable with sustained healthy lifestyles.
- The National Center for Disease Prevention estimates that per 100 employees:
 - 60 have sedentary lifestyles,
 - 25 smoke,
 - 20 are obese,
 - 27 have active cardiovascular disease,
 - 10 have diabetes,
 - 50 have high cholesterol,
 - 24 have high blood pressure, and
 - 95 percent report a desire for more energy.

An active and sustained wellness program can address each and every one of those issues.

Return on investment

Employer-sponsored wellness programs make dollars-and-sense. Here's how:

Studies show that wellness programs increase employee morale, reduce absenteeism, and benefit your bottom line. Productivity losses related to personal and family health problems cost U.S. employers \$225.8 billion annually—

Worksite wellness programs are important and can provide support, convenience and education—all aimed at supporting and reinforcing positive behaviors.

that breaks out to \$1,685 per employee, per year. By taking some of that money and funding wellness programs, employers can see an actual reduction of both hard (health care expenses) and soft (absenteeism) expenses. Health promotion programs are cost-effective—a review established the savings-to-cost ratio of \$3.50 (savings) to \$1 (cost), that's more than a 300 percent return.

Health promotion or wellness programs can generate, on average:

- 28 percent reduction in sick leave absenteeism,
- An estimated average 26 percent reduction in health costs, and
- Average 30 percent reduction in worker's compensation and disability claims.

Tips for success

Worksite wellness programs are important and can provide support, convenience and education—all aimed

at supporting and reinforcing positive behaviors. However, not all wellness programs are as successful as they can and should be. Interestingly, the cost of a wellness program doesn't necessarily translate into success. The low-cost, sustained programs are equally successful in producing cost savings and healthy lifestyles. And, remember to work on the obvious—if you have a cafeteria, are healthy food choices as available as the less-healthy alternative?

So, what are some of the most important tips for success? Here are a few that may surprise you:

- *Involvement at all levels*—especially from the top. If employees see top management actively involved, the success rate of any wellness program is significantly enhanced.
- *Continuous reminders, support and programming*—although a good start, a health fair once each year really might not be enough to get you where you need to go.
- *Competition*—interdepartmental weight loss competitions or exercise challenges really seem to work—at very little cost to the employer.

Seek partnerships

Remember, you're not alone. There are myriad programs available to employers from a variety of health-care experts. Contact your insurance provider to determine what educational and wellness programs are provided to clients. Search the Internet for wellness programs offered by local non-profit organizations and to learn about national organizations' offerings. Talk to other employers with similar demographics to find out what worked for them. In short, get moving because the sooner you do, the sooner you—and your employees—will enjoy positive results.



Info to Go

2007 wrap-up

Details, details...some details are hard to keep track of from year to year. Year-end details for retirement contribution reporting can be especially trying with all the other activities involved when processing your year-end payrolls. Following are some important year-end retirement reporting reminders that we'd like to share.

Elected officials paid on each pay date throughout the year:

Contribution reports must show when employees earn their salary—regardless of when the employee is actually paid. Employers must remember to report earnings on the appropriate month's report, even if your employee is paid early.

If you have a payroll system where paying an elected official is required within the calendar year, you must ensure your retirement reports accurately show when the money was actually earned. Since elected officials have a specific term of office, you may need to report elected officials on a separate additional regular report.

Pay periods ending on December 31, 2007:

For employers who are trying to finalize year-end payroll by December 31 (but that's not the actual pay period end (PPE) date for your pay schedule), you'll want to make sure your retirement contribution report is accurate and not rejected due to a pay frequency code/date mismatch.

To avoid that error: If you must end all pay periods on December 31, you'll need to code each employee with a pay period begin (PPB) code of H (pay schedule or frequency change) in the month of December, and then do the same thing in the month of January. This will prevent your report from being blocked in transmission through ECS.

Contribution rate increase for state and local employees and employers effective January 1, 2008

Effective January 1, 2008, the last of the previously scheduled rate increases for state and local employees and employers will go into effect. The law enforcement/public safety classifications will have a rate increase as well, but 2008 is not the final year for their scheduled increases. Because the increase amount is greater for law enforcement groups, their scheduled increases will be phased in through 2011.

Here are the 2008 contribution rates beginning with all pay periods ending in January 2008:

	Local	State	Public Safety	Law Enforcement
Employer	14.00%	14.00%	17.40%	17.40%
Employee	10.00%	10.00%	10.10%	10.10%

Please make the necessary adjustments to your payroll and reporting systems.

Effective with pay periods ending in January 2008, both employee and employer retirement contributions are due at the same time. If you are not already paying your employer contributions at the same time as you remit your report and pay the employee contributions, you should begin doing so with reports ending in January 2008.

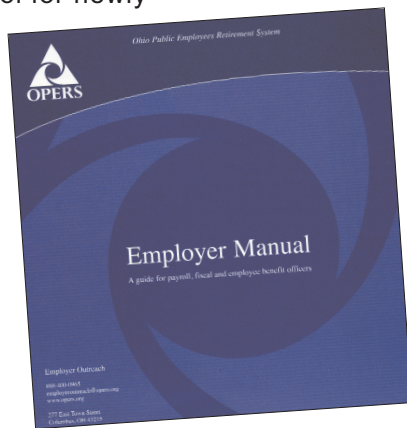
Although more than 80% of all employers have been remitting the employer liability on a monthly basis, making the monthly schedule mandatory will help strengthen the System's funded status.



Employer Manual: Revised and redesigned

As of year-end, the OPERS *Employer Manual* has been completely revised and redesigned, providing a complete how-to document for new employers or employers taking on new responsibilities.

Overall, the manual revision project called for the manual to be edited so that all information was in everyday language for easy comprehension, to provide a quick reference for employer questions and to serve as a training tool for newly hired payroll, human resources or finance employees. In early December, the final installment of the revised manual was sent to all employers. This installment also included a new look for the cover and the spine.



OPERS Employer Manual

Going forward

Now that the manual revision project has been completed, all employers are encouraged to take note of how the manual will be updated going forward:

- It's anticipated that legislation and changes in technology will drive additional changes. By employer request, changes will no longer be created in hard-copy format and mailed.

Instead, employers will be notified of changes via *Employer Notices* and directed to the OPERS Web site where revised *Employer Manual* pages will be posted. As is done currently, all revised pages posted on the Web will be in print-friendly format. Those who wish to have a

hard copy available can easily print any revised pages.

- If an entirely new section is necessary, it will be handled the same way a revision will be handled: posted to the Web site and employer notification via *Employer Notices*. However, if a new tab is needed, that will be sent to employers as a hard copy.
- Employers are encouraged to let Employer Outreach know of any questions, errors, or omissions found in the manual material.

We're not saying goodbye

As always, Employer Reporting has the goal of working in partnership with all employers. The *Employer Manual* is just one vehicle to keep us in touch. Remember that employers can access Employer Reporting with questions, concerns and requests via the Employer Call Center or email.



CEM Report: Employer Reporting maintains rating of 95 (Continued from page 1)

Other news: More than Employer Reporting

As a pension system, OPERS received excellent ratings on a wide variety of topics. Here's a peek...

- Regarding administrative costs, at OPERS, the total adjusted administrative cost per member is \$48, below median of \$58—showing that OPERS is a prudent steward of funds. Notably, the OPERS administrative cost has trended down over the past few years; this is significant because the number of retirees and the complexity of plan offerings have increased. (This cost is established using five indicators: service level, transaction volume, total volume, plan complexity, cost environment).
- Regarding member statements, OPERS received a rating of 94; the peer group average was 74.

- The OPERS Web site received a rating of 95, verses the peer group rating of 79.

The OPERS Board of Trustees has an ongoing directive for staff to work to manage costs while providing enhanced services to all stakeholders. The most recent CEM report would indicate that

we're on the right track. However, as always, we know it's not acceptable to rely on the past to take care of the future. We'll continue to provide employers with the information and tools needed to make retirement reporting accurate and efficient—so that we all benefit.

Additional interesting employer-oriented facts garnered from the 2006 CEM report:

- How many times was OPERS asked to assist in determining whether an employee was eligible for membership last year? **Answer: 1,568**
- How many incoming calls from employers were handled? **Answer: 23,435**
- What's the number of presentations given to employers on topics such as orientation workshops or seminars on benefit changes? **Answer: 112**
- How many pages are there on the employer-targeted portion of the Web site? **Answer: 256**



Employer Spotlight: *Where in the world is...*

Ohio has many recreational attractions, but few people realize that two of the premier zoos in Ohio are OPERS-reporting employers.

The Columbus Zoo and Aquarium is internationally recognized as one of the premier zoo parks in the U.S. Hosting more than one million visitors each year, the Columbus Zoo and Aquarium has an impressive roster of education, conservation and research programs.

Cleveland Metroparks Zoo was established in 1882 and now has more than 3,000 animals, representing 600 species. Visitors to the zoo are frequently drawn to the zoo's botanical garden, which vividly demonstrates the interdependent relationships necessary for plants, animals and humans to survive.

Number of employees who are OPERS members: 232

Number of employees who are OPERS members: 1,202

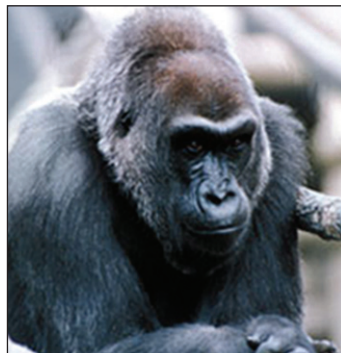
Number of seasonal employees each year: Approx. 450

Number of seasonal employees each year: Approx. 700

OPERS-reporting employer since: January 1, 1986

OPERS-reporting employer since: January 1, 1990

Where in the world are the zoos that report to OPERS?





Employer input vital for accurate annual statements

Timeliness of contribution reports is always to be encouraged. However, employers are urged to submit their December contribution reports as soon as possible. (And, of course, if any contribution reports are outstanding for 2007, to get those in as well.)

Why the sense of urgency? It may make a significant difference to your employees because annual statements will be printed early February 2008—if Employer Reporting doesn't have a complete year of contributions reported for an employee, the employee's service credit, as well as the retirement projection, will be inaccurate. Complete demographic and confirmation information will reduce the number of questions employees bring to you when the *Annual Statements* are published.

Ohio Public Employees Retirement System
Personal Statement of estimated benefits
 for **John A. Doe**

John A. Doe
 1234 Avenue
 Anytown, USA 12345-6432

Your benefits as of December 31, 2007
 This information is accurate as of December 31, 2007

Traditional Pension Plan

Contributions (see pages 4 and 6 for a full page-by-page listing)	
Contributions made during 2007	\$4,200.00
Contributions as of December 31, 2007	\$30,600.00
Additional Account	\$2,200.00
Total	\$37,000.00

Age: 45 Males: 100% (if disabled explanation) \$75,000.00
 Yes: 0 No: 100% (if disabled explanation) \$75,000.00

Years of Credit (see page 6 for a service credit breakdown)
 Service Credit earned and/or purchased during 2007 1,000 years
 Full-time employment 17,000 years

Retirement Statement
 Your estimated annual pension at January 01, 2014 \$12,700
 This is the earliest rate you qualify for a pension based on your continuous full-time employment.

Health Care Coverage
 When applying for age and service retirement, OPERS members currently must have at least 10 years of Ohio service credit to the plan to participate in one of the OPERS health care plans. Your eligibility for health care coverage will be determined at the time you apply for retirement.

Please retain this statement for your records

Employer Honor Roll

EDEC from September - November 2007

Here's a list of employers who signed up for the Electronic Distribution of Employer Communications (EDEC) program. We urge you to make sure your organization is on this list...perhaps as soon as the next quarter?

Inspector General
 Insurance Department
 Ohio Schools Facility Commission
 Etech Ohio Commission
 Dept of Administrative Services
 Board of Tax Appeals
 Parole and Community Services
 Cambridge Developmental Center
 Judicial Conference
 Dayton Correctional Institution
 Delaware County
 Marion County
 City of Lorain
 City of Steubenville
 Cuyahoga Metropolitan Housing Authority
 Village of Cadiz
 Village of Latty, Paulding County
 Newark Public Library
 St Paris Public Library
 Community Library
 Greene County Public Library
 Lakengren Water Authority
 Ayersville Water and Sewer District
 Cleveland Metro Parks System
 Van Wert County Regional Airport Authority
 Southeast Ohio EMS District
 West Central Ohio Network

Earnhart Hill Water and Sewer Dist
 Deer Park - Silverton Joint Fire Dist
 Ohio Rural Water Association
 Port of Greater Cincinnati Development
 Central Joint Fire-EMS Dist
 Ashland Area Council for Economic Development
 Bloomingburg Joint Cemetary Association
 Colebrook Twp
 Williamsfield Twp
 Alexander Twp, Athens County
 Athens Twp
 Moulton Twp
 Mad River Twp
 Union Twp
 Monroe Twp
 Adams Twp
 Unity Twp
 Lykens Twp
 Twin Twp
 Madison Twp
 Hambden Twp
 Bath Twp
 Fairfield Twp, Highland County
 Liberty Twp
 Clark Twp
 New Haven Twp

Hamilton Twp
 Newberry Twp
 Freedom Twp
 Copley Twp, Summit County
 Taylor Twp, Union County
 Natural Resources Administration
 Natural Resources Wildlife Auditor of State
 Public Utilities Commission
 Transportation Research Center Inc
 City of Delaware
 City of Independence
 City of Reading
 Village of Canfield Mahoning County
 Corrections Commission of Northwest Ohio
 Southeastern Ohio Regional Jail
 American Twp
 Rush Twp
 Farmer Twp, Defiance County
 Supreme Court
 Coshoccon County
 Hamilton County
 City of Ashland
 City of Kettering
 City of Solon
 Village of Belle Center, Logan County
 Village of Carrollton, Carroll County
 Village of Grafton, Lorain County

Village of Greenwich, Huron County
 Village of Holland, Lucas County
 Village of Milford Center, Union County
 Village of Miberva, Stark County
 Village of North Baltimore, Wood County
 Village of Ottawa Hills, Lucas County
 Village of Roaming Shores, Ashtabula County
 Village of South Vienna, Clark County
 Village of Venedocia, Van Wert County
 Barberton Public Library
 Geauga County Public Library
 Home Public Library
 London Public Library
 Rock Creek Public Library
 Stow-Munroe Falls Public Library
 Coshoccon Port Authority
 Union County Memorial Hospital
 Stark-Tuscarawas-Wayne Joint Solid Waste
 Williamsburg Twp, Clermont County
 Jackson Twp, Franklin County
 Prairie Twp, Franklin County
 Colerain Twp, Hamilton County
 Delhi Twp, Hamilton County
 London Twp, Seneca County
 Hartford Twp, Trumbull County
 Ridge Twp, Van Wert County



Mailbox

Q: How can I make sure communications get to all of my employer contacts? As a multiple-site public employer, it's cumbersome to have everything sent to one location, processed and then forwarded on at a later date.

Employers now have the opportunity to provide different addresses for different employer contacts. To help employers get updated contacts accurately listed, all employers will soon receive a letter that requests detailed contact information. By the first quarter of 2008, you'll notice that employer communications will be sent to the contacts you've listed. However, please remember that specialized contact also requires specialized attention; to keep everything current, please make sure you update your list regularly—at least quarterly.

Q: How can newly elected fiscal officers become informed of OPERS policies and procedures?

Employer Outreach has many options to help any newly elected officials such as new fiscal officers. We sponsor a variety of seminars and we are always available to assist you with one-on-one training. You're encouraged to contact your Employer Outreach customer service representative to set up an on-site training, or just to get things going over the phone.

Q: How many public employees are currently reported via ECS?

We're pleased to report that 97% of all of Ohio's public employees are reported using ECS, the electronic reporting application that offers security and ease to employers when submitting contribution reports, payments or forms.

More employers sign up every week—a cause for the ring-the-bell celebration. Pictured here, Employer Outreach employee, Lisa Rundag, announces another ECS signup.



This newsletter is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact the Employer Outreach Office at 888-400-0965, or seek legal advice from your attorney.



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