



## CEM Ratings Show Dramatic Improvement

Employer Reporting received very good news with the most recent CEM annual survey. Read on...

### What is CEM?

CEM stands for cost-effective measurement, a trademark of an independent benchmarking service that specializes in pension systems—CEM Benchmarking, Inc. Each year, CEM establishes 250 questions, and uses those questions to survey pension systems. The survey explores how each pension system performs on service, the administration of benefits and the associated costs. The survey results are used to rank pension systems, and departments within systems, against industry averages and peer groups.

### How CEM measures data

The CEM survey reviews organizations' activities by closely examining costs, service levels to specific target groups (members, retirees, and employers), plan complexity, and volume of transactions against specific industry benchmarks. Then, to help determine if costs are reasonable, volume is analyzed using comparisons of economies-of-scale and cost-per-unit.

### Employer-specific information

The peer group for OPERS lists 13 large pension systems, including California Public Employees Retirement System, Oregon, Virginia and North Carolina. Within the peer group:

- OPERS has 3,259 employers, which is well above the peer median of 1,260 employers.
- OPERS reconciles data with 3,078 payroll offices—well above the peer

median of 1,113—but about equal to two other systems.

- The OPERS employer service cost is \$283 per collection point, well below the peer median of \$892.

### Overall rating for Employer Reporting

Employer Reporting scored 95 out of 100 for *Service to Employers*—significantly up from the last rating of 75 out of 100 scored in 2004. Interestingly, the 2005 rating compares very favorably to the peer-group average of 74, and a score of 67 for all participants. The *Service to Employers* category takes into account a variety of factors including:

- Number of employees dedicated to servicing employers,
- Access to and updating of manuals (see related article on page 8),
- Presentations targeted to employers,
- Communications, including Web site and newsletters,
- Monitoring employer satisfaction, and
- Reporting software.

### Summary scores for OPERS

In addition to the good news for Employer Reporting, OPERS scored very well on the 2005 CEM study:

- The total service score was 85, well above the peer median of 71.
- Total actual cost of \$55 per transaction was below the benchmark cost of \$71, due to OPERS' volume of transactions.
- The OPERS total volume of 853,500 active, inactive and retired members was above the peer median of 551,432.

- The OPERS total actual adjusted administration cost of \$55 was close to the peer median of \$54.

### Still room for improvement

These results are excellent and well above the 2004 ranking. However, we're looking to CEM to help determine what initiatives are needed going forward, and to look at systemic weaknesses. As with any organization, there's still room for improvement. Specifically, Employer Reporting will be looking at the areas of service-level agreements and implementing technology so economies-of-scale savings can be realized to deliver the service employers expect and deserve. Together, we'll continue to improve. ▲

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# Teeing Up 2007: Communications Initiatives on Tap

Employer Reporting is constantly seeking new and innovative ways to ensure the communications flow between employers and OPERS is two-way communication. To this end, starting with first quarter of 2007, we're adding something to all our training seminars—that something is called *Bounceback*.

## Your opinions, exactly as you choose to express them

In essence, *Bounceback* will be 15-30 minutes (time depending on employers—if you want to talk; we want to listen) at the end of every training session to serve as a focus group. Topics will be published in advance with the training agenda, so you'll know if the topics selected for each *Bounceback* session are of interest to you.

The *Bounceback* mini-focus groups will be entirely voluntary and, although your comments will be captured, and sometimes voted upon for consensus, the individual who states the opinion will not be recorded.

Just to let you know, we've tested the water on this and are very encouraged about the results. Employer Reporting conducted a series of pilot focus groups in 2006 that yielded important information—information that helped ensure smooth implementations for a variety of Employer Reporting initiatives.

As with any focus group, the point is to hear your thoughts and opinions, not to answer specific questions. Let's face it, employers usually have great ideas and frequently can steer us on the right

path for project implementations. And, sometimes, we simply need to hear what's keeping you awake at night. We want to hear from you, so we hope you'll choose to attend a *Bounceback* session after an OPERS employer training session as soon as possible.

We recognize that time is everyone's most precious commodity, and we think you'll find this investment of your time will be worthwhile. Here's the first quarter *Bounceback* roster of topics:

- Online forms
- SSN security
- ECS updates—tell us why you're not on board
- Hot topic input—what's on employers' minds? ▲

## Facts-at-a-Glance: New publication launched

To keep employers informed about complex topics that are bigger than an operations-oriented *Employer Notice*, Employer Reporting has launched a new publication, *Facts-at-a-Glance*. Each publication is designed to give you easy-to-scan, factual information that breaks down information by topic or audience. Like *Employer Notices*, *Facts-at-a-Glance* will be published on an as-needed basis, no schedule is anticipated.

As with all Employer Reporting communications, the publication will be available electronically for employer entities signed

up for the Electronic Distribution of Employer Communications (EDEC) program—which also provides for easy access, organizational distribution and archive capability. The publication will also be produced as a paper-based edition for employers who have opted not to join EDEC. Finally, all *Facts-at-a-Glance* will also be posted on the OPERS Web site.

*Facts-at-a-Glance* was inaugurated in September with the *Facts-at-a-Glance: Other Post-employment Benefits (OPEB)* edition.

### Remittance Advice (E-3) and Account Summary



Each *Facts-at-a-Glance* will be topic-specific; you'll find the topic right here.

Inserted with this edition of the *Employer Outreach* newsletter is the second *Facts-at-a-Glance*, published on the topics of the *Employer Account Summary* and the *Employer Remittance Advice* documents. You can also find this important *Facts-at-a-Glance* via the Web site at [www.opers.org](http://www.opers.org).

## Health Care Update

# Preserving Retiree Health Care Coverage

As both a pension system and a public employer, OPERS is proactively working to preserve retiree health care coverage that is of vital importance to OPERS retirees' financial security and quality of life. We also recognize the value of this coverage to you as an employer in attracting and retaining the best and brightest employees. There has been good progress made regarding health care solvency, and a variety of new initiatives have been slated. However, more needs to be done for OPERS to continually maintain the Retirement Board target solvency period of 15-25 years. Here's an update on OPERS activities to preserve retiree health care coverage and a call to action for all employers.

### Positive first year results

Recently, OPERS announced that active management of the Health Care program and strong investment returns in 2005 resulted in a net increase of \$200 million to the \$12 billion retiree Health Care fund—enough to extend the fund's solvency for two years.

### Action Requested—employers can help...

Streator has stated, "According to actuarial estimates, health care is pre-funded through 2024 and a collaborative effort is needed to extend these funds for the baby boomer retirement surge and future generations."

All employers are encouraged to get involved in the effort to strengthen the solvency of the OPERS' Health Care fund by pursuing the following efforts:

- **Focus on wellness.**

Healthy employees tend to make healthy retirees. By introducing wellness and prevention programs to the employee population, employers are in a position to positively and proactively influence healthy behaviors. Programs that provide smoking cessation, exercise options, and nutrition information can help produce healthy lifestyles that mitigate the risk of certain diseases, thereby reducing unnecessary medical expenses. Healthy employees have better work attendance, and lower health care costs both while employed and in retirement.

According to Scott Streator, director of Health Care, "OPERS is the largest non-federal purchaser of health care in Ohio, and we are leveraging our purchasing power to stretch the health care dollar." Cost saving measures that have already or will bolster the health care fund's solvency include:

- A \$40 million savings was garnered in 2005 by working with physicians and retirees to encourage the choice of generic drugs and lower-cost pharmaceuticals. This initiative is especially significant because approximately 40 percent of OPERS' annual health care expenses are for retirees' prescription drugs.
- OPERS has contracted with LifeMasters Supported SelfCare, Inc., to provide disease management services aimed at helping retirees stay healthy and to help manage chronic diseases.
- OPERS is in the formative stages of exploring a prescription drug purchasing pool that public employers

and perhaps others could voluntarily use. The pool would provide group purchasing power that could result in significant discounts and cost saving strategies—while still allowing employers to have separate and independent administration of contracts.

- In 2007, OPERS plans to launch a program offering financial incentives to retirees who take active steps toward meeting measurable wellness goals, such as a healthy body weight and non-usage of tobacco. The goal is to reduce risk factors associated with costly and debilitating diseases such as heart disease and diabetes. By making a personal commitment to healthy lifestyles, retirees can reduce unnecessary medical expenses that will provide savings to their individual expenses, while also stretching the \$12 billion Health Care fund further into the future. It's anticipated that such a wellness initiative could result in a \$10 million savings in medical claims in the first two years.

- **Get involved.**

In 2007, OPERS will launch a state-wide employer health care committee. The committee will help provide structure to the collaborative purchasing effort, review best practices and help identify cost saving initiatives of interest to all employers. Your participation could help ensure the success of this initiative.

- **Learn more.**

While still in the formative stages, the purchasing pool and disease prevention initiatives demonstrate how OPERS can work collaboratively with employers. Learn more about program offerings and take advantage of your established medical plan coverage that may include disease prevention incentives.

Employers can contact their Employer Outreach representative with ideas or concerns regarding wellness programs and prevention initiatives. ▲

# Protecting Social Security Numbers is Top Priority

Secure transfer of information is always a priority—it's especially a priority when the information holds Social Security numbers (SSN). As you know, OPERS tracks retirement reporting and payment by your employees' Social Security numbers—that's why we're paying so much attention to the security issue.

OPERS has an initiative to review use of, and propose the most practical solutions for, SSN protection. The preliminary research for the initiative gave us a few surprises: for example, we found information sent via the U.S. mail is more at-risk than information sent via the Internet. Analysis showed that encrypted information transferred via the Internet, with a total transfer time of 10 seconds, is more secure than non-encrypted information sent via U.S. mail, with a total transfer time of 48 hours to five days.

## Options under consideration

Currently, OPERS is reviewing a variety of options to address SSN protection. Options under review include, but are not limited to:

- Eliminating use of SSNs and creating an employee/retiree ID-by-assigned-number system. This is an option that's under review but, as you can appreciate, when working with more than 650,000 individual accounts a changeover to a new system would be an enormous undertaking, take a significant amount of time and would require employers to make a changeover for all employer reporting functions. In addition to the security issue, accuracy must be ensured for each account—past, present and future.
- Keeping the SSN, but requiring that all information be transmitted electronically to reduce risk. Although favored by employers in a recent survey (see sidebar on this page), this option also has drawbacks. Currently, although the vast majority of employees are reported via ECS, not all employers have converted to electronic reporting.

OPERS is reviewing the fiscal feasibility of the two top options (above), and other options. Security is our main focus; prudent financial stewardship is also a priority. Whatever security systems are selected,

we need to anticipate future needs and trends and make sure the safeguards implemented today will still be effective in the future. ▲

In October, a representative sample of employers was asked to participate in a brief telephone survey regarding the issue of protecting employee Social Security numbers. We chose to handle this via a telephone survey to ensure we elicited the information that we needed and you wanted to share. Here are highlights of the responses:

### Who participated?

Large employers:	24 %
Medium:	25 %
Small:	51 %

### About protecting SSNs:

80% of all surveyed were concerned about SSN security;  
20% were not concerned

### Who uses SSNs for ID at work?

23% used SSNs for work IDs and processing of paperwork;  
77% said they didn't

### How is employee information processed, if SSNs are not used?

Assign employee number:	35%
Name only:	33%
Last four/five digits of SSN:	4%

### Who has access to SSN?

96% of employers limited SSN access to specific, limited departments.

### About best practices:

#### Employers with precautions in place?

67% had some precautions in place;  
30% had none in place  
3% simply didn't know

#### Which option is preferred for security of SSNs?

72% chose electronic transmission of employee information with encryption standards in place;  
27% chose for SSNs to be eliminated completely, replaced by assigned employee numbers  
1% chose last four digits/with name combination to identify employees

### About the survey technique:

90% liked the idea of a quick phone survey;  
8% preferred written

See next page for Tips...

## Info to Go

# Year-end Reminders

It's hard to remember things year-to-year, especially if an event only happens once each year. Following are some important year-end retirement reporting reminders that reviewing now will save you time in the new year...

- **Use ink when filling out any paper forms for OPERS:**

Using pencil or pale ink results in poor copies and even poorer fax resolution when sent to OPERS.

- **Elected officials paid on each pay date throughout the year:**

OPERS is not concerned with when employees get paid; we need to capture when employees earn their salary. Remember, employers need to report earnings on the appropriate month's report, even if your employee is paid early. This is especially important this year because of the increase in the contribution amount. If you have a payroll system where paying an elected official is required within the calendar year, you must ensure your retirement reports are accurate in terms of when the money

was actually earned. This seems to be an issue especially with elected officials who have a specific term of office; so you may need to report elected officials on a separate additional regular report.

**Payments through the end of the year:**

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. 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. ▲

### And don't forget:

Beginning January 2007, changes to the health care program go into effect. This means the phase-in period for those employees first eligible to retire with a health care benefit begins as well. Employers faced with retiree questions should direct retirees to the Member Services Center at 1-800-222-7377, or to the OPERS Web site: [www.opers.org](http://www.opers.org).

Remember when talking to prospective and current employees to reinforce the information that although health care is not mandated by law, the OPERS Retirement Board is actively working to preserve access to meaningful health care coverage for future generations of retirees, to the extent that such benefits are fiscally prudent.

## Tips to help protect your identity

Protecting your identity just makes good sense—whether you're at home or at work, the more you know, the more you can do.

### Here are some tips:

**When working with OPERS:**

- We will never share any confidential employee information with any contacts outside the System without the employee's written consent.
- When asking you for confidential information about your employees (such as PHR or address information), we will send the request in a secure manner (PGP encrypted file or tamper-evident envelopes). ▲

## Inside OPERS

# Christopher DeRose Named to Top Job



*Christopher DeRose*

After an extensive nationwide search, Christopher M. DeRose became OPERS' executive director, effective October 30.

DeRose most recently served as director and chief executive officer of the Michigan Retirement Systems, a position he's held since July 1997. During his tenure, he had direct responsibility for all functional areas including benefits administration, finance, operations, organizational administration

and information technology. The Michigan system is slightly smaller than OPERS, with \$59 billion in assets, more than 540,000 members and 200,000 retirees. OPERS has assets of approximately \$73 billion and serves more than 700,000 members, distributing \$3.7 billion annually in pension and health benefits to 200,000 retirees and beneficiaries.

### **Career snapshot**

DeRose is uniquely qualified for the OPERS position. He has served on investment advisory committees and has had extensive legislative experience with emphasis on pension issues and health policy. In Michigan, DeRose served as deputy director for management services, a 1,100-employee agency charged with providing financial management, purchasing, information technology and other services to Michigan state government. He also served as Michigan's deputy director for budget and legislation.

Regarding the move to Ohio, DeRose states, "I'm very pleased to serve as the next executive director of one of the finest

public retirement systems in the country. Building on the great work of Laurie Hacking, I think OPERS is well positioned to take on the challenges we face. I look forward to working with the Retirement Board and staff in service to members and retirees."

### **Education and professional affiliations**

Both his education and professional accomplishments are impressive. DeRose holds a master's degree in public administration from Western Michigan University, a bachelor's degree with a dual major in political science and public policy from Kalamazoo College, and he has earned additional certification from Harvard University's Kennedy School of Government.

An active contributor to the Public Sector Health Care Roundtable, he serves as both a member of the board of directors and chairman of the Legislative Committee. In addition, DeRose serves on the Legislative Committee of the National Council on Teacher Retirement. ▲

## Employer Honor Roll

### **EDEC Honor Roll**

Throughout 2006, the *Employer Outreach* honor roll has featured employers who have signed up for electronic delivery via EDEC. Here's a list of employers who have signed up for electronic delivery as of October 1, 2006:

Amos Memorial Public Library  
City of Columbiana, Columbiana County  
City of Dover  
City of Dublin  
City of Sidney  
Cuyahoga County Community College  
Delaware County District Public Library  
Geauga Metropolitan Housing Authority  
Mahoning Valley Sanitary District

Northeast Area Wide Coordinating Agency  
Pataskala Public Library  
Portage Area Regional Transit Authority  
Portage County District Library  
Porter Public Library  
Regional Income Tax Agency  
South Central Ambulance District  
St Mary's Public Library  
Village of Ft. Loramie, Shelby County

Village of Mayfield, Cuyahoga County  
Village of New Richmond, Clermont County  
Village of Ottawa, Putnam County  
Village of Plain City, Madison County  
Village of Silver Lake, Summit County  
Village of Williamsburg, Clermont County  
Washington County Public Library  
Wayne County  
Wood County

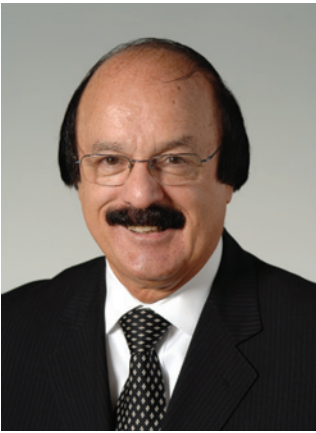
## Retirement Board Election

# Profiles: 2006 Retirement Board Members

The OPERS Retirement Board is representative of all members and retirees and works to strengthen the System's funded status for pensions and extend the long-term solvency of the retiree health care program. The Retirement Board is ultimately responsible for the administration and management of all OPERS activities, including oversight of investment activities.

Currently, there are 11 Retirement Board members; seven of the 11 members are elected by the groups they represent. Three individuals with investment expertise are appointed by Ohio's governor, treasurer and jointly by the Ohio Senate and House. The Retirement Board is completed with the director of the Ohio Department of Administrative Services.

Here are the individuals elected and reelected in 2006 to serve terms beginning January 2007:



*Ronald C. Alexander*

Ronald C. Alexander lives in Fairfield County. A 12-year veteran of the Retirement Board, Mr. Alexander has served as the chairman for the past two years. During his tenure, Mr. Alexander has worked diligently to strengthen the System and its assets, while making enhancements for members a priority. Mr. Alexander represents state employees.



*Sharon Downs*

Residing in Pickaway County, Ms. Downs represents retirees. Ms. Downs has served on the Retirement Board since 1991 and in that time has contributed significantly to the System. A retiree from the state of Ohio in the area of human resources, she has served as both chairwoman and vice chair of the Retirement Board during her tenure. A tireless worker to ensure the stability of the System, Ms. Downs also serves as chair of the Retirement Board's Human Resources Committee.



*Ken Thomas*

An OPERS Retirement Board member since 1993, Mr. Thomas has been a strong advocate for sustaining health care coverage for retirees. On the Retirement Board he has served as chairman of both the Retirement Board and the Investment Committee. A resident of Montgomery County, Mr. Thomas represents municipal employees.

*Kimberly Ann  
Russell*

(photo not available  
at time of publication)

Kimberly Ann Russell resides in Athens County. Effective January 2007, she will be representing the non-teaching college/university employees on the OPERS Retirement Board. Ms. Russell has been a university employee for 18 years. In her election materials, Ms. Russell noted the dedication of the Retirement Board and her commitment to working with the group to continue efforts aimed at protecting health care coverage for retirees, and preserving the strength of the public pension system.





# Mailbox

## Q: If everything's going electronic, why do we still receive paper-based manuals?

No one wants to move to all electronic distribution more than the Employer Reporting group. If you'll recall, we introduced the Electronic Distribution of Employer Communications (EDEC) program this year with a pilot program in the first quarter; signup is now available to all employers.

Our ultimate goal is to move to an all-electronic format because studies show electronic distribution:

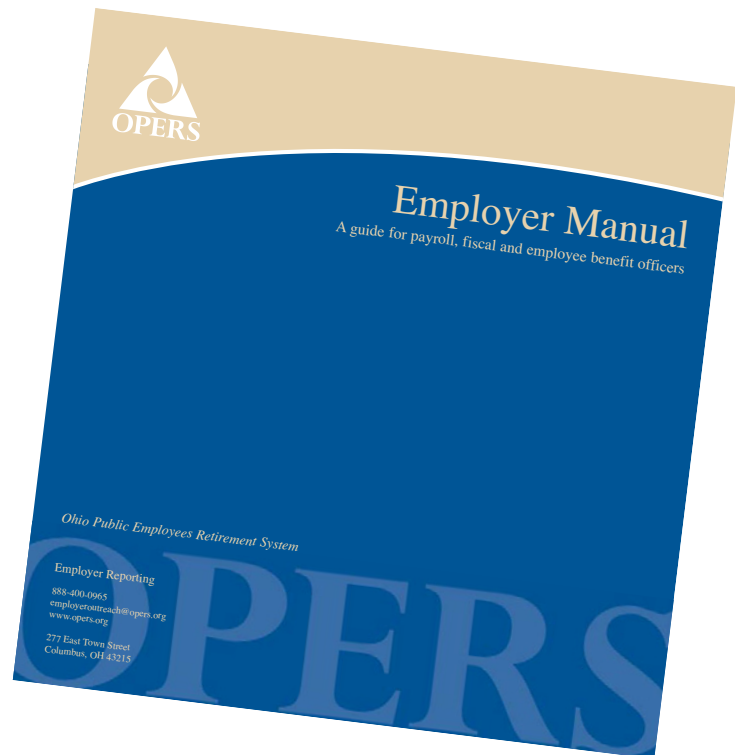
- Delivers information quicker to more contacts,
- Can be cost-efficient,
- Accommodates changes and updates in a cost-effective manner, and
- Provides for better and more complete archiving.

Employer feedback information let us know that the paper manual is very useful for training and reference. Additionally, approximately 75% of all employers would prefer to keep the manual in its current paper format. In an effort to provide you with a viable tool, in the preferred format,

we are continuing through the revision cycle of the *Employer Manual* with a paper distribution system. We anticipate the entire revision to the manual will be completed in 2007. At that time, we'll make the decision whether to stay with paper, or make the

upgrades available via the Internet on the OPERS Web site.

In case you're interested, here's what the revised cover will look like...it will come with your next chapter to insert in the sleeve:



*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.*



## RETIREMENT Board

**Ronald C. Alexander, Chair**  
Representative for State Employees

**Sharon M. Downs, Vice Chair**  
Representative for Retirees

**Ken Thomas**  
Representative for Municipal Employees

**Charlie Adkins**  
Representative for Non-teaching  
College/University Employees

**John W. Maurer**  
Representative for Retirees

**Cynthia L. Sledz**  
Representative for Miscellaneous Employees

**Helen Youngblood**  
Representative for County Employees

**Carol Nolan Drake**  
Director, Department  
of Administrative Services

**Robert C. Smith**  
Governor Appointed Investment Expert

**James R. Tilling**  
General Assembly Appointed Investment Expert

**Warren W. Tyler**  
Treasurer Appointed Investment Expert

**Christopher M. DeRose**  
Executive Director





# LEGISLATIVE *Agenda*

This *Legislative Agenda* is designed to provide employers with an overview of state and federal legislation with potential impact to OPERS. Because this publication reviews information from an employer's perspective, only the provisions that affect employers will be reviewed in the *Legislative Agenda*. Additional information on the provisions impacting OPERS members and retirees can be found on the OPERS Web site, [www.opers.org](http://www.opers.org).

## House Bill 272 Update

Substitute House Bill 272 (Rep. Michelle Schneider, R-Cincinnati) contains a number of provisions designed to improve the System's funded status and provide additional savings opportunities for members. With constituency input, the bill has undergone a variety of revisions. The provisions that remain in the bill are important changes that will benefit OPERS and its members.

Although 90% of all employers already remit employer contributions on a monthly basis, this bill would require the remittance of employer contributions on a monthly (rather than quarterly) basis. For the few remaining public employers who remit quarterly, certain provisions are included in the bill to assist them with the financial impact of transitioning to monthly remittance.

Also of interest to employers, the bill provides for members, your employees, to have the option of using payroll deduction for the Additional Annuity program. Finally, the bill gives OPERS the authority to establish a voluntary medical savings account in which your employees may elect to contribute, in addition to their regular employee contributions, additional deposits that will be available to pay qualified medical expenses after retirement.

Substitute House Bill 272 was voted out of the House Financial Institutions, Real Estate & Securities committee on November 30 and the bill received unanimous support from the House of Representatives. The bill is now headed to the Senate for consideration. If no action is taken in the Senate before the end of this year, OPERS plans to introduce similar legislation in the next General Assembly.

### **OPERS' position:**

Protecting the System's funded status for pensions and extending the long-term solvency of the retiree health care program are, and will continue to be, two of the Retirement Board's highest priorities. Substitute House Bill 272 supports these priorities and OPERS' advocacy efforts for the passage of the bill will continue.

## Looking Forward: Advocacy Efforts for 2007

As stated before, protecting—or enhancing—the System's funded status for pensions and extending the long-term solvency of the retiree health care program are, and will continue to be, two of OPERS' highest priorities. Advocacy efforts will continue for any legislation at either the state or federal level that supports those priorities.

It's anticipated that preserving the retiree health care benefit will be a strong focus in the coming year. While neither

mandated nor guaranteed, OPERS has long recognized that health care benefits are important to maintain a retiree's financial stability and quality of life. As such, OPERS has a tradition of supporting legislation that enhances the System's ability to fund health care benefits. That tradition will continue in 2007 with advocacy efforts and proactive participation in advocacy groups such as the national Health Care Round Table.

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## Pension Protection Act of 2006 Signed into Law

The Pension Protection Act of 2006 is important for both pension systems and members—but has a less-direct impact on employers. However, due to coverage and public interest in the pension protection issue, we anticipate that employers—an important resource for employees and retirees—could be asked for information on the Act. It's our goal to ensure employers have the information they need to continue to answer these questions.

Although the provisions in the 2006 Pension Protection Act are primarily focused on private sector pension funds, after extensive advocacy efforts, some provisions that impact public pension systems were included.

### Overview of the Act's provisions impacting public pension systems:

The different provisions of this law become effective at different times; here's an overview of the provisions that will have an impact on public pension systems.

- The Act made permanent rules allowing the transfer of money between retirement plans (provisions were formally going to expire in 2010).
- Certain types of service credit purchases were clarified—specifically pension systems are allowed—not required—under certain circumstances to permit service credit purchases for periods of time for which there was no service performed.

- The law clarifies that funds transferred by a trustee-to-trustee transfer are subject to the distribution rules of the receiving plan.
- The law allows public safety officer retirees (but not all public sector employees) to pay for health or long-term care insurance on a pre-tax basis up to a cap of \$3,000.

In addition, of note is the provision that, for private-sector pension plans, the Act closes loopholes that formerly allowed companies to skip contributions to pension plans.

### OPERS' position:

OPERS has a tradition of, and will continue to support, federal and state legislation that strengthens public pension systems and, to the extent possible within a prudent financial framework, enhances benefits for members or retirees. OPERS, in conjunction with other public pension systems in Ohio, including the State Highway Patrol Retirement System, School Employees Retirement System, State Teachers Retirement System, and the Ohio Police and Fire Pension Fund, advocated this legislation.

Employers who want to read the Pension Protection Act of 2006 in its entirety can find the document online at [www.thomas.loc.gov](http://www.thomas.loc.gov). Simply search for H.R. 4 and follow the prompts.

The information in this *Legislative Agenda* for OPERS' reporting employers is designed to give you an overview on legislative activities. More detailed information is available by contacting Tom Sherman, OPERS' government relations officer at 614-222-2924; or you can visit the Web site at [www.opers.org](http://www.opers.org).