2024
Health Care Report

Presented to the Ohio Retirement Study Council

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Ohio Public Employees Retirement System

OPERS

Ohio Public Employees Retirement System
2024 ORSC Health Care Report
(For period January 1, 2024-December 31, 2024)

Submitted to ORSC June 30, 2025

Year in Review-2024

As of year-end 2024, Ohio Public Employees Retirement System (OPERS) served approximately 1,324,000 members, including more than 221,000 retirees and beneficiaries. The System continues to work with approximately 3,700 public employers. With a net asset base of $120.8 billion, OPERS is the largest public pension system in Ohio and the 14th largest public pension system in the nation.

For more than half of our history, OPERS has provided access to health care coverage for eligible retirees. Although a health care program is neither mandated nor guaranteed, the Board, management, and staff understand its role as a significant component of a secure retirement. We strive to provide meaningful access to health care despite the increasing challenges posed by rising health care costs, a growing number of retirees, longer life expectancies and costly advances in medical care. Because of the current pension funding needs, OPERS currently must allocate all employer contributions of the Traditional Pension plan to fund the pension benefit—meaning no funding other than investment income is available for the health care program.

Despite the lack of funding from the employer contributions, the health care program remains strong. The investment earnings have exceeded the target goal with additional earnings that make up for the contributions. We continue to monitor the health care program. We work to provide transparent, easy-to-access and understandable communications and education to members so that modifications are understood and any impacts are mitigated. We know that modest changes can provide strong results. Changes implemented in 2022 continue to positively impact the fund in 2024.

Monthly Health Reimbursement Arrangement (HRA) allowances, based on years of service and the age when the individual retires and is first eligible for the HRA, are provided to eligible retirees via deposits into their HRA account. The base allowance is

determined by OPERS and was $1,200 per month for Pre-Medicare retirees and $350 per month for Medicare retirees in 2024. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when retired. Monthly allowances range between 51% and 90% of the base allowance for both pre-Medicare and Medicare retirees.

Retirees have access to the OPERS Connector, which is a relationship between OPERS and Via Benefits, a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector administers the HRA account and may assist retirees in selecting and enrolling in the appropriate health care plan.

OPERS Connector Education and Support

In recent years, we have adapted to the needs of our members and retirees by continuing to offer a hybrid approach in our counseling and educational efforts—both virtual and in-person. Customer service is critical, especially when changes have recently been implemented. OPERS has sustained efforts to ensure all eligible participants receiving a monthly HRA deposit from OPERS were successfully using their HRA account to receive reimbursements if they so desired. These efforts included interactive webinars and in-person educational sessions, print and online newsletters and personal outreach to retirees with little or no HRA activity. OPERS works constantly with Via Benefits, the OPERS Connector administrator, to refine and improve the HRA reimbursement experience for all eligible participants.

During 2024, OPERS offered health care education for both retirees and active members to equip them with an understanding of how Pre-Medicare and Medicare medical plans work so that they can make the best decisions from themselves and their family. OPERS is committed to continually assessing what type of health care education our population may need.

2024 Financial Highlights

In 2024, although global financial markets fluctuated, the economy proved to be more stable than anticipated. Through dedication and commitment to established asset-diversification policies, OPERS successfully navigated a complex investment environment. We ended with strong results for 2024. The Health Care portfolio

reported an investment gain of 10.00% in 2024, compared to a gain of 13.97% in 2023. The overall 115 Health Care Trust (115 Trust) net position balance increased to $13.2 billion in 2024 from $12.5 billion in 2023.

Funded Status

Health care coverage is not statutorily guaranteed and can only be funded if pension funding is adequate. That said, we understand the importance of meaningful access to health care for a successful retirement. OPERS continues its goal of ensuring financial stability of both the pension and health care funds and will continue to evaluate plan and product designs for sustainability.

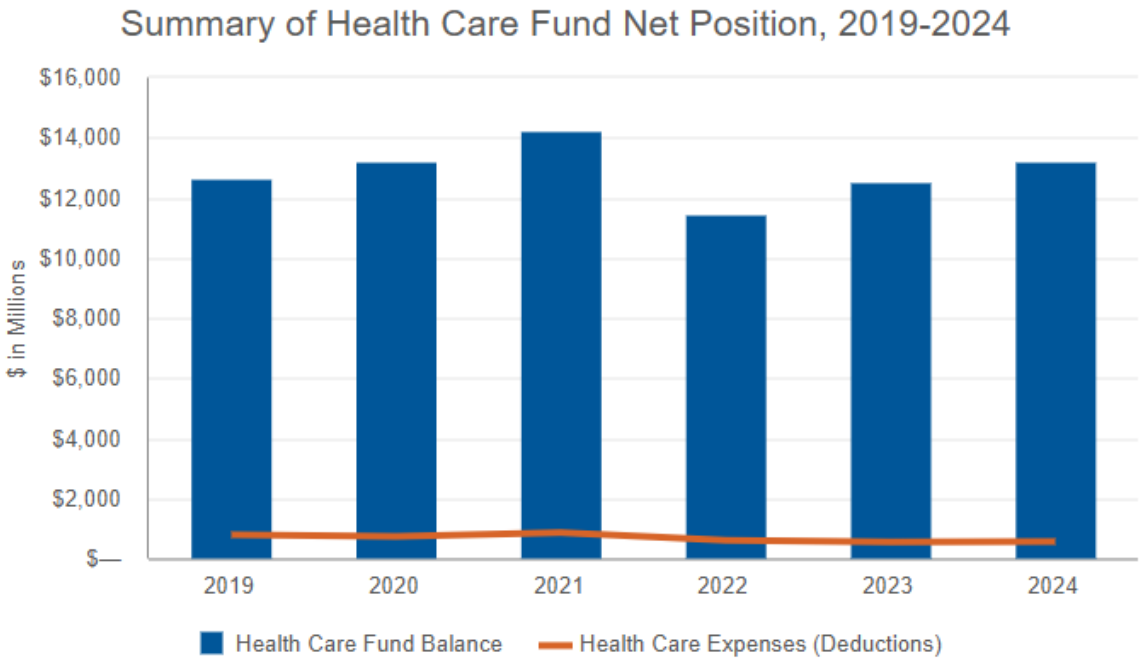
The employer contribution as a percent of covered payroll deposited for Combined Plan division and Member-Directed Plan health care programs in 2024 was 2.00% and 4.00%, respectively. No portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan.

The funding objective is to meet long-term pension benefit obligations and, to the extent possible, fund post-employment health care. As of December 31, 2023, the date of the latest health care actuarial valuation, the actuarial liability for health care was $10.8 billion and the System had accumulated assets of $12.8 billion for that obligation, an excess of $2.0 billion. This compares to the 2022 excess assets of $1.7 billion. The funded ratio improved to 118.6% in 2023, compared to 115.5% at the end of 2022.

Additional financial information pertaining to 2024 can be found beginning on page 4 and within Appendix C and Appendix D.

Financial Information

Additions	Deductions	Fund Balance	Solvency Period	Employer Allocation[1]
$1,270,332,030	$560,529,087	$13,240,305,677	25	0%



Health Care Fund Balance (as graphed above)		
	Health Care Fund Balance	**Health Care Expenses (Deductions)**
2019	$12,647,057,751	$785,846,596
2020	$13,227,419,100	$741,460,732
2021	$14,225,339,304	$868,573,891
2022	$11,465,339,238	$603,263,614
2023	$12,530,502,734	$556,419,591
2024	$13,240,305,677	$560,529,087

[1] The employer contribution as a percent of covered payroll deposited for Combined Plan division and Member-Directed Plan health care programs in 2024 was 2.0% and 4.0%, respectively. No portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan.

Average Annual Cost Per Participant Paid by OPERS

Pre-Medicare Recipients	Re-employed Recipients	Medicare Recipients
$9,961	$7,542	$3,584

Note: Above chart includes monthly HRA allowance and any applicable Medicare Part A reimbursements.

Pre-Medicare Recipients include OPERS benefit recipients who met OPERS health care eligibility requirements, had not yet reached age 65, did not qualify for any type of early Medicare eligibility and had opted into receiving a monthly HRA allowance.

Re-employed Recipients include OPERS benefit recipients who met OPERS health care program eligibility requirements and had returned to work in an OPERS-covered position.

Medicare Recipients include OPERS benefit recipients who met OPERS health care program eligibility requirements, were Medicare-eligible, were enrolled in Medicare Parts A and B and were enrolled in an individual medical plan through the OPERS Medicare Connector.

Population of Recipients Receiving the HRA Allowance

Age-and-Service	Disability	All Others (Survivors, Beneficiaries, etc.)*	Total Recipients	Percent Medicare	Percent Pre-Medicare
118,962	11,060	170	130,192	83.6%	16.4%

*Includes spouses / surviving spouses who are receiving the Medicare Part A reimbursement, not an HRA allowance.

OPERS Health Care Plans

Pre-Medicare

Eligible Pre-Medicare retirees selected an individual medical plan. OPERS provides funding in a Health Reimbursement Arrangement (HRA) account to those retirees who meet health care eligibility requirements. Retirees can receive reimbursement for plan premiums and other qualifying medical expenses. Pre-Medicare retirees also have the option to select the federally provided premium subsidy in lieu of the OPERS HRA allowance based on their individual financial situation.

Medicare-eligible Retirees

Eligible Medicare retirees selected an individual medical or prescription drug plan (or both) through the OPERS Medicare Connector. They were also eligible for a monthly HRA allowance to be used for reimbursement of qualifying medical expenses.

Re-Employed Retirees

A re-employed retiree is one who retired and then returned to work with an OPERS employer. As long as they met age and service requirements and either opted into the Pre-Medicare HRA or enrolled into a medical plan through the Medicare Connector, re-employed retirees were able to receive monthly HRA deposits into an Accumulated HRA. Re-employed retirees aren't able to seek reimbursement for expenses incurred while re-employed; however, upon terminating their re-employment, the balance in their Accumulated HRA is transitioned to a Primary HRA so that it may be used.

Reimbursable Medical Expenses

The HRA allowance can be used to reimburse the cost of any of the following:
- Post-tax medical plan premiums,
- Medicare Part B premium,
- Vision and dental premiums,
- Deductibles, co-insurance and other out-of-pocket medical expenses,
- Qualifying medical expenses for a spouse or child, and
- Future qualifying medical expenses, including premium increases as the member ages.

A look ahead

OPERS cannot control many aspects of the business of pensions, including market volatility and the global economies. All member and employer contributions of the Traditional Pension Plan are currently required to strengthen pension funding. Thus, until the pension funding improves, no employer contributions from the Traditional Pension Plan will be allocated to health care for the foreseeable future. However, OPERS is diligent in making responsible decisions for the actions we can control and anticipating challenges beyond our control. We have taken significant action in recent years to preserve the health care fund through incremental health care plan design changes to lengthen the solvency of that fund. In addition to the changes already made, OPERS is committed to periodically evaluating aspects of the health care program and adjusting as needed based on funding availability.

In March 2024, the OPERS Board of Trustees approved an increase in the Health Reimbursement Arrangement (HRA) base allowance for Medicare retirees. The Board also voted to maintain the Pre-Medicare allowance at the current level. The 2024 base allowance of $350 per month for Medicare retirees was increased to $400 beginning in 2025 and is expected to remain at that level through 2030. The base allowance for Pre-Medicare retirees was $1,200 per month in 2024 and was scheduled to reduce to $1,000 per month in 2025. Instead, the Pre-Medicare base allowance is expected to remain at $1,200 per month through 2030.

While these allowance levels are currently expected to continue through 2030, OPERS will continue to monitor the HRA allowance relative to health care costs and funding. Future changes in the HRA allowance level could be considered earlier than 2031 depending on costs and funding levels.

The OPERS Board, management and staff acknowledge that access to meaningful health care is an important component of a secure retirement to members. Our tradition of working to preserve the health care fund through incremental changes designed to lengthen the solvency of that fund will continue.

Supplementary Statutory Requirements

Pursuant to Sections 145.58 and 145.584 of the Ohio Revised Code (ORC), the OPERS Board of Trustees (Board) is required to prepare annually a report giving a full accounting of the revenues and costs relating to the provision of health coverage. The report must be as of December 31. Section 10 of ORC 145.22 (E) requires OPERS to submit the report by June 30 of the following year to the Ohio Retirement Study Council, director of Budget and Management, and the standing committees of the Ohio House of Representatives and Ohio Senate.

The following information fulfills the requirements of OPERS as outlined in ORC Section 145.22(E). The requirements and the System's responses follow:

(1) A description of the statutory authority for the benefits provided:

Appendices A and B are copies of ORC Section 145.58 (group hospitalization coverage; ineligible individuals; service credit; alternate use of Health Maintenance Organization) and ORC Section 145.584 (Medicare-equivalent benefits for members ineligible for Medicare), as they existed during 2023. Both sections were amended by Substitute Senate Bill 343, effective January 7, 2013 and Senate Bill 42, effective March 23, 2015.

(2) A summary of coverage for 2024:

The following is an outline of OPERS health care coverage in 2024:

OPERS Pre-Medicare Connector Health Reimbursement Arrangement (HRA)

OPERS offers a health care model in which eligible benefit recipients could receive a monthly Health Reimbursement Arrangement (HRA) allowance. Pre-Medicare benefit recipients who met health care eligibility requirements had the option to opt-in to the HRA. Upon opting into the HRA, benefit recipients received a monthly allowance that could be used for reimbursement of qualifying medical expenses such as medical, vision, and dental premiums; deductibles; co-insurance; and any qualifying medical expenses incurred by a spouse or child.

The amount of the HRA monthly allowance depends on age at retirement and years of qualifying service. HRA balances roll over from month-to-month, year-to-year, and when the Pre-Medicare retiree becomes Medicare-eligible.

The Internal Revenue Service defines qualifying medical expenses. Reimbursements of qualifying medical expenses are not taxable income and are not reported on any tax form.

The Pre-Medicare Connector is administered by a vendor selected by OPERS. Pre-Medicare benefit recipients have the option to work with the vendor to enroll into an individual or family medical plan; however, working with the vendor is not a requirement to receive the monthly HRA allowance.

OPERS Medicare Connector Health Reimbursement Arrangement (HRA)

OPERS supported a health care model in which benefit recipients could receive a monthly Health Reimbursement Arrangement (HRA) allowance. During 2024, Medicare-eligible benefit recipients selected an individual medical or prescription drug plan (or both) through the OPERS Medicare Connector. The Connector is administered by a vendor selected by OPERS. Upon enrolling into a medical plan with the vendor, benefit recipients received a monthly Health Reimbursement Arrangement (HRA) allowance that could be used for reimbursement of qualifying medical expenses such as medical, vision, and dental premiums; deductibles; co-insurance; and any qualifying medical expenses incurred by a spouse or child.

The amount of the HRA monthly allowance depends on age and years of qualifying service. HRA balances roll over from month-to-month and year-to-year.

Medicare Part A Reimbursement

Ohio law allows OPERS to provide premium reimbursement to those who are not eligible for premium-free Medicare Part A. Medicare-eligible OPERS retirees are required to enroll in, and pay, the monthly premium for Medicare Part A coverage through the Centers for Medicare and Medicaid Services. OPERS provides a 100% monthly reimbursement for the Medicare Part A premium cost to eligible retirees and provides a 50% Medicare Part A premium reimbursement to eligible spouses.

The Dental Plan

During 2024, voluntary dental coverage was available to all OPERS benefit recipients, and their eligible dependents, regardless of their participation in OPERS health care. The dental plan, administered by MetLife, is intended to help defray the costs of dental care, including oral examinations, diagnostic services and extractions, as well as crowns, bridges and dentures. If a retiree chooses coverage under the dental plan, a premium payment is deducted from each monthly benefit payment. OPERS does not subsidize this plan.

The Vision Plan

During 2024, voluntary vision coverage was offered to all OPERS benefit recipients and their eligible dependents, regardless of their participation in OPERS health care. The vision plan, also

administered by MetLife, covers services provided by ophthalmologists, optometrists or opticians for examinations, frames and lenses. A premium payment is deducted from each monthly benefit payment for those recipients who choose to participate. OPERS does not subsidize this plan.

Member-Directed Retiree Medical Account (RMA)

Upon termination from OPERS-covered employment and a distribution from the Member-Directed Plan (refunded or pensioned), a participant may use the vested funds in their Member-Directed RMA to receive reimbursements for any qualifying medical expenses they or their qualifying dependents may incur.

Vesting requirements for the Member-Directed RMA have changed over the life of the plan. The Member-Directed RMA originally required 10 years of participation to fully vest in the contributions and interest earned on the account. Effective January 1, 2009, participants were required to participate for a five-year period to become fully vested. Effective July 1, 2015, new participants to the Member-Directed RMA are required to participate for 15 years to become fully vested.

(1) A summary of the eligibility requirements for the benefits:

Eligibility requirements for 2024 OPERS health care plans included the following:

Age-and-Service Retirement

All OPERS members are in one of three retirement groups: Group A, Group B or Group C. The retirement group determines pension eligibility and benefit calculation. The member's group also affects when members will be eligible for health care coverage through OPERS.

Effective with January 1, 2022, benefit effective dates and after, members retiring from the Traditional Pension or Combined Plan are required to meet one of the below criteria:

- Age 65 or older
    - Minimum of 20 years of Qualified Health care Service Credit
- Age 60 - 64
    - Retirement Group A – Have 30 years of Pension Service Credit with at least 20 years of Qualified Health Care Service Credit or

  - Retirement Group B – Have 31 years of Pension Service Credit with at least 20 years of Qualified Health Care Service Credit or
  - Retirement Group C – Have 32 years of Pension Service Credit with at least 20 years of Qualified Health Care Service Credit.

- Age 59 or younger
  - Retirement Group A – Have 30 years of Qualified Health Care Service Credit or
  - Retirement Group B – Have 32 years of Qualified Health Care Service Credit at any age or 31 years of Qualified Health Care Service Credit and be age 52 or
  - Retirement Group C – Have 32 years of Qualified Health Care Service Credit and be age 55.
- Members receiving a Benefit Payment prior to reaching age 65 will be eligible as of their Benefit Effective Date or become eligible when they turn age 60 or age 65 depending on their Service Credit as of their Benefit Effective Date (see criteria above).

For retirement benefits effective on and after January 1, 2014, OPERS limited the types of service credit counted toward health care eligibility to the following:

- Contributing service
- Service transfers from other Ohio retirement systems
- Service purchased under USERRA (military service that interrupts public service)
- Restored service credit
- Unreported service

As of January 1, 2014, contributing service credit for health care accumulated only if the member's earnable salary was at least $1,000 per month. Partial health care credit was not granted for months in which earnable salary was less than $1,000. Credit earned prior to January 2014 is not affected by this requirement.

Disability Benefit Recipients

Recipients of disability benefits prior to January 1, 2014, have continued access to health care coverage while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same way as an age-and-service

benefit recipient. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used.

Recipients with an initial disability effective date on or after January 1, 2014, will receive a monthly HRA allowance during the first five years of disability benefits. After five years, the recipient must meet health care age and qualifying service requirements that were in effect on their disability effective date or be enrolled in Medicare through Social Security due to disability. If enrolled, the allowance will be determined in the same way as an age-and-service benefit recipient.

Eligible Dependents

In accordance with Ohio Administrative Code 145-4-25 and Section 152 of the Internal Revenue Code (IRC), benefit recipients receiving a monthly age-and-service or disability benefit may enroll their legal spouse and any eligible children under the age of 26 into the Dental and/or Vision plans.

- The benefit recipient's eligible children are a biological or legally adopted child or minor grandchild if the grandchild is born to an unmarried, un-emancipated minor child and the benefit recipient is ordered by the court to provide coverage pursuant to Ohio Revised Code Section 3109.19.
- For a child to be eligible for coverage, the child must be under the age of 26 (regardless of enrollment as a full-time student or marital status).

Surviving spouses of a deceased benefit recipient or disability recipient may only enroll those dependents that would have been eligible dependents of the deceased benefit recipient or disability recipient as defined on this page.

Member-Directed Retiree Medical Account (RMA)

Member-Directed Plan participants also participate in the Member-Directed RMA. Upon separation and refund or retirement, the participant may use the vested funds in their Member-Directed RMA to reimburse qualified health care expenses. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20% for each year of participation until the member is fully vested at the end of five years. For members establishing accounts on or after July 1, 2015, the member is fully vested after 15 years at a rate of 10% for each year starting in the sixth year of participation. The account earns a fixed annual interest rate established by the Board. Interest on the RMA accrues only if the investment portfolio containing the RMA assets earns a return greater than zero in the prior year.

(2) A statement of the number of participants eligible for the benefits:

As of December 31, 2024, there were 158,744 OPERS Pre-Medicare and Medicare benefit recipients eligible to receive a monthly HRA allowance.

(5) A description of the accounting, asset valuation, and funding method used to provide the benefits:

OPERS financial statements are prepared using the economic resources measurement focus and accrual basis of accounting under which deductions are recorded when the expense is incurred, and revenues are recognized when earned. Health care payments are considered an expense and recognized as a liability when a present obligation exists and a condition that requires the event creating the liability has taken place. Therefore, health care expenses are recognized when the benefits are currently due and payable in accordance with the benefit terms. Health care expenses contain estimates on claims which have been incurred at year-end, but which have not yet been reported to the System as of fiscal year end, based on information received from health care vendors and other sources.

Investment purchases and sales are recorded as of their trade date. Investments are generally reported at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than in a forced or liquidation sale. All investments, with the exception of real estate, private equity, risk parity and private credit, are valued based on closing market prices or broker quotes. Securities not having a quoted market price have been valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of some real estate investments, private equity, risk parity and private credit is based on a net asset value, which is established by the fund's third-party administrator.

Employer contributions and investment earnings can be used to fund health care expenses. No portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan division and Member-Directed Plan health care programs in 2024 was 2.00% and 4.00%, respectively.

The funded status of health care as of December 31, 2023, the most recent actuarial valuation, was 118.6%. The funding progress of health care is measured in terms of solvency years, or the number of years funds are projected to be available to pay health care expenses under the current plan design before health care would be reduced to a pay-as-you-go basis. The fund is expected to become insolvent after approximately 25 years as of the December 31, 2023 valuation.

The Board approved changes to the OPERS health care plans in 2012. The ultimate goal of the health care changes was to fund the health care expenditures from the health care income. Additionally, the Board established a health care stabilization fund to hold excess income if income exceeds expenditures. The balance of the stabilization fund will supplement income to the health care core (operating) fund when employer contributions, investment income or disbursements do not meet targets. The stabilization fund is an accounting function only and not listed separately in the financial statements. This stabilization fund is included in the health care results provided throughout this report. Health care valuations are prepared using total health care fund assets.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and Pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes were effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing the OPERS-sponsored self-insured medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year:

Please see Appendix C, "Statements of Fiduciary Net Position - Health Care."

(7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year:

Please see Appendix D, "Statements of Changes in Fiduciary Net Position - Health Care."

(8) For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits:

Please see Appendix C, "Statements of Fiduciary Net Position - Health Care" and, Appendix D, "Statements of Changes in Fiduciary Net Position - Health Care."

(9) A description of any significant changes that affect the comparability of the report required under this division:

Effective January 1, 2022, the pre-Medicare group health plan was eliminated. Instead, eligible retirees received an HRA allowance for the reimbursement of health care coverage premiums and other qualified medical expenses.

(10) A statement of the amount paid under division (C) of section 145.58 of the Revised Code:

OPERS discontinued reimbursement of Medicare Part B premiums as of December 31, 2016. However, in accordance with section 145.584 of the Revised Code, OPERS reimburses retirees who do not have premium-free Medicare Part A for their Part A premiums as well as any applicable surcharges (late-enrollment fees).

Appendix A – Ohio Revised Code Sec. 145.58

(A) The public employees retirement board shall adopt rules establishing eligibility for any coverage provided under this section. The rules shall base eligibility on years and types of service credit earned by members. Eligibility determinations shall be made in accordance with the rules, except that an individual who, as a result of making a false statement in an attempt to secure a benefit under this section, is convicted of violating section 2921.13 of the Revised Code is ineligible for coverage.

(B) The board may enter into agreements with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or surgical coverage, or any combination thereof, for eligible individuals receiving age and service retirement or a disability or survivor benefit subscribing to the plan, or for PERS retirants employed under section 145.38 of the Revised Code, for coverage in accordance with division (D)(2) of section 145.38 of the Revised Code. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible individual's spouse and dependent children and for any of the eligible individual's sponsored dependents as the board determines appropriate. If all or any portion of the policy or contract premium is to be paid by any individual receiving age and service retirement or a disability or survivor benefit, the individual shall, by written authorization, instruct the board to deduct the premium agreed to be paid by the individual to the company, corporation, or agency.

The board may contract for coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds of the public employees retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by sections 145.48 and 145.51 of the Revised Code. The board may by rule provide coverage to individuals who are not eligible under the rules adopted under division (A) of this section if the coverage is provided at no cost to the retirement system. The board shall not pay or reimburse the cost for coverage under this section or section 145.584 of the Revised Code for any such individual.

The board may provide for self-insurance of risk or level of risk as set forth in the contract with the companies, corporations, or agencies, and may provide through the self-insurance method specific coverage as authorized by rules of the board.

(C) The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service retirement, or a disability or

survivor benefit under the public employees retirement system who is eligible for coverage under part B of the Medicare program established under Title XVIII of "The Social Security Act Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 1395j, as amended, an amount determined by the board for such coverage, except that the board shall make no such payment to any individual who is not eligible for coverage under the rules adopted under division (A) of this section or pay an amount that exceeds the amount paid by the recipient for the coverage.

At the request of the board, the recipient shall certify to the retirement system the amount paid by the recipient for coverage described in this division.

(D) The board shall establish by rule requirements for the coordination of any coverage or payment provided under this section or section 145.584 of the Revised Code with any similar coverage or payment made available to the same individual by the Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

(E) The board shall make all other necessary rules pursuant to the purpose and intent of this section.

Amended by 130th General Assembly File No. TBD, SB 42, §1, eff. 3/23/2015.

Amended by 129th General Assembly File No.148, SB 343, §1, eff. 1/7/2013.

Effective Date: 10-01-2002; 2008 SB267 03-24-2009

Appendix B – Ohio Revised Code Sec. 145.584

(A) Except as otherwise provided in division (B) of this section, the board of the public employees retirement system shall make available to each retirant or disability benefit recipient receiving a monthly allowance or benefit on or after January 1, 1968, who has attained the age of sixty-five years, and who is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program without payment of premiums, one of the following:

(1) Hospital insurance coverage substantially equivalent to the federal hospital insurance benefits, Social Security Amendments of 1965, 79 Stat. 291, 42 U.S.C.A. 1395c, as amended;

(2) An amount, determined by the board, to reimburse the retirant or disability benefit recipient for payment of premiums for federal hospital insurance benefits described in this division, which amount shall not exceed the premiums paid.

This coverage or amount shall also be made available to the spouse, widow, or widower of such retirant or disability benefit recipient provided such spouse, widow, or widower has attained age sixty-five and is not eligible to receive hospital insurance benefits under the federal old age, survivors, and disability insurance program without payment of premiums. The widow or widower of a retirant or disability benefit recipient shall be eligible for such coverage or amount only if he or she is the recipient of a monthly allowance or benefit from this system. A portion of the cost of the premium or amount for the spouse may be paid from the appropriate funds of the system. The remainder of the cost shall be paid by the recipient of the allowance or benefit.

The cost of such coverage or amount, paid from the funds of the system, shall be included in the employer's rate provided by section 145.48 of the Revised Code. The retirement board is authorized to make all necessary rules pursuant to the purpose and intent of this section, and may contract for such coverage as provided in section 145.58 of the Revised Code.

At the request of the board, the recipient of reimbursement under this section shall certify to the retirement system the premium paid for the federal insurance benefits described in division (A) of this section. Payment of the amount described in division (A)(2) of this section shall begin for the first month that the recipient is participating in both the federal hospital insurance benefits and a health care arrangement offered by the system.

(B) The board need not make the hospital insurance coverage or amount described in division (A) of this section available to any person for whom it is prohibited by section 145.58 of the Revised Code from paying or reimbursing the premium cost of such insurance.

Amended by 130th General Assembly File No. TBD, SB 42, §1, eff. 3/23/2015.

Renumbered from § 145.325 and amended by 129th General Assembly File No.148, SB 343, §1, eff. 1/7/2013.

Appendix C – Statements of Fiduciary Net Position – Health Care

	2024	2023	2022	2021	2020	2019
115 Health Care Trust						
Assets						
Cash and Cash Equivalents	**$633,478,142**	**$621,974,408**	**$599,117,458**	**$601,259,856**	**$1,027,292,218**	**$818,204,587**
Receivables						
Members and Employers	2,983,226	4,089,365	3,648,553	3,073,969	1,911,304	1,892,495
Vendor and Other	1,300,458	895,527	760,750	13,324,552	17,761,491	12,585,164
Investment Sales Proceeds	118,003,312	14,477,670	5,777,133	27,052,473	31,752,833	52,212,702
Accrued Interest and Dividends	72,785,838	55,094,640	51,436,232	39,152,066	45,461,914	46,169,385
Total Receivables	**195,072,834**	**74,557,202**	**61,622,668**	**82,603,060**	**96,887,542**	**112,859,746**
Investments						
Fixed Income	5,287,425,840	4,715,637,004	4,489,603,482	4,990,704,874	4,895,416,249	4,855,122,000
Domestic Equities	4,008,002,342	3,956,551,242	3,505,476,720	4,955,808,406	3,518,558,498	3,183,847,864
International Equities	3,168,642,052	3,138,499,344	2,755,333,550	3,430,623,707	3,079,326,933	2,674,811,901
Risk Parity	113,857,218	186,462,858	208,064,227	302,208,248		
Other Investments	3,006,198	(6,491,179)	4,307,527	27,222,822	726,811,028	1,237,576,242
Total Investments	**12,580,933,650**	**11,990,659,269**	**10,962,785,506**	**13,706,568,057**	**12,220,112,708**	**11,951,358,007**
Collateral on Loaned Securities	**2,086,535,019**	**1,815,590,797**	**1,883,181,055**	**1,473,586,654**	**53,244,143**	
Capital Assets						
Land	942,728	942,728	942,728	942,728	942,728	942,728
Building and Building Improvements	27,767,743	27,824,419	27,835,927	27,877,452	27,894,673	27,971,184
Furniture and Equipment	46,697,281	48,145,172	43,454,909	39,229,340	32,258,995	34,246,182
Intangible Right-to-use Assets	3,742,818	3,727,169	3,277,868	2,641,732	2,521,393	
Total Capital Assets	79,150,570	80,639,488	75,511,432	70,691,252	63,617,789	63,160,094
Accumulated Depreciation and Amortization	(45,659,346)	(45,501,616)	(43,547,513)	(43,023,677)	(40,619,545)	(41,103,250)
Net Capital Assets	**33,491,224**	**35,137,872**	**31,963,919**	**27,667,575**	**22,998,244**	**22,056,844**
TOTAL ASSETS	**15,529,510,869**	**14,537,919,548**	**13,538,670,606**	**15,891,685,202**	**13,420,534,855**	**12,904,479,184**
Liabilities						
Benefits Payable	172,553,687	153,334,201	146,568,144	178,969,160	107,300,342	115,181,776
Investment Commitments Payable	32,811,364	39,524,137	43,428,618	12,158,010	32,561,762	142,043,307
Accounts Payable and Other Liabilities[1]		12,232	13,947	1,316,692	22,848	196,350
Obligations Under Securities Lending	2,083,840,141	1,814,546,244	1,883,320,659	1,473,902,036	53,230,803	
TOTAL LIABILITIES	**2,289,205,192**	**2,007,416,814**	**2,073,331,368**	**1,666,345,898**	**193,115,755**	**257,421,433**
Net Position Restricted for OPEB	**$13,240,305,677**	**$12,530,502,734**	**$11,465,339,238**	**$14,225,339,304**	**$13,227,419,100**	**$12,647,057,751**

[1]**Undistributed deposits were reclassified into this line item for all years presented.**

Source: 2019-2024 Annual Comprehensive Financial Reports

Appendix D
Statements of Changes in Fiduciary Net Position – Health Care

	2024	2023	2022	2021	2020	2019
115 Health Care Trust						
Additions						
Employer Contributions	$36,372,056	$33,833,553	$29,899,481	$25,631,727	$24,489,938	$24,318,141
Contract and Other Receipts	236,772	394,904	1,655,731	235,362	513,509	540,809
Other Income, net	—	—	—	35,954	430,729	1,724
Total Non-investment Additions	**36,608,828**	**34,228,457**	**31,555,212**	**25,903,043**	**25,434,176**	**24,860,674**
Income/(Loss) From Investing Activities						
Net Increase/(Decrease) in the Fair Value of Investments	847,235,999	1,250,377,892	(2,486,728,932)	1,558,420,836	1,098,039,399	1,600,900,770
Bond Interest	232,882,733	195,812,963	137,805,771	146,678,770	136,102,586	162,002,938
Dividends	165,779,423	154,362,539	159,983,217	145,288,202	92,781,749	428,602,794
Other Investment Income/(Loss)[1]	—	(1,114,926)	13,897,764	1,858,827	(877,624)	2,399,977
External Asset Management Fees	(14,167,118)	(12,198,065)	(11,791,604)	(11,143,188)	(24,247,532)	(33,296,008)
Net Investment Income/(Loss)	**1,231,731,037**	**1,587,240,403**	**(2,186,833,784)**	**1,841,103,447**	**1,301,798,578**	**2,160,610,471**
From Securities Lending Activity						
Securities Lending Income	97,522,248	81,278,848	28,913,059	6,516,945		
Securities Lending Expenses	(90,766,149)	(76,378,502)	(24,856,640)	(766,175)		
Net Securities Lending Income	6,756,099	4,900,346	4,056,419	5,750,770	222,729	
Unrealized Gains/(Loss)	1,650,323	1,184,158	175,778	(328,074)		
Net Income from Securities Lending	**8,406,422**	**6,084,504**	**4,232,197**	**5,422,696**	**235,421**	
Investment Administrative Expenses	(6,414,257)	(5,970,277)	(5,690,077)	(5,935,091)	(5,646,094)	(5,552,500)
Net Income/(Loss) from Investing Activity	**1,233,723,202**	**1,587,354,630**	**(2,188,291,664)**	**1,840,591,052**	**1,296,387,905**	**2,155,057,971**
TOTAL ADDITIONS	**1,270,332,030**	**1,621,583,087**	**(2,156,736,452)**	**1,866,494,095**	**1,321,822,081**	**2,179,918,645**
Deductions						
Health Care Expenses	546,121,726	544,959,559	591,090,699	853,113,419	725,265,912	767,888,929
Administrative Expenses	14,407,361	11,460,032	12,172,915	15,460,472	16,194,820	17,957,667
TOTAL DEDUCTIONS	**560,529,087**	**556,419,591**	**603,263,614**	**868,573,891**	**741,460,732**	**785,846,596**
Net Increase/(Decrease)	709,802,943	1,065,163,496	(2,760,000,066)	997,920,204	580,361,349	1,394,072,049
Net Position Restricted for OPEB						
Balance, Beginning of Year	12,530,502,734	11,465,339,238	14,225,339,304	13,227,419,100	12,647,057,751	11,252,985,702
Balance, End of Year	**$13,240,305,677**	**$12,530,502,734**	**$11,465,339,238**	**$14,225,339,304**	**$13,227,419,100**	**$12,647,057,751**

Source: 2019-2024 Annual Comprehensive Financial Reports

[1]International Income/(Loss) was reclassified into Other Investment Income/(Loss) for all years presented.