BOARD RETREAT RECAP

HEALTH CARE DISCUSSIONS TOP PRIORITY AT ANNUAL RETREAT

During the annual Board of Trustees Retreat on March 5-6, discussions took place concerning the retiree health care plan sponsored by OP&F and its funding. There remains a delicate balance between OP&F’s obligation to fund pensions and its desire to continue to provide a health care option for retirees.

With the current funding method and projected expenses, the health care fund should remain solvent for approximately the next 10 years. Funding for health care comes from three sources: investment returns, monthly contributions of those who are enrolled in health care; and a portion of the employer contributions to OP&F (Police employers contribute 19.5 percent of salaries to OP&F and fire employers 24 percent. One-half of one percent of these amounts are earmarked for health care funding).

As with pension funding, OP&F relies on investment returns to pay the largest portion of health care costs. Below are other health care funding-related discussions that took place at the retreat:

- OP&F’s independent actuary, Buck Consultants, confirmed that its analysis suggests a solvency period of 9-10 years based on current structure of the OP&F Health Care Stabilization Fund. Staff and Buck will continue to monitor and evaluate the Affordable Care Act and its implications on our retiree health care program, including a Supreme Court decision expected this summer.

- In order to address health care funding alternatives, the Board discussed extending its contract with UnitedHealthcare. With many unanswered questions surrounding the Affordable Care Act, the complications surrounding a search for a new health care administrator could make extending the current contract a prudent decision.

- If the Board decides to open up the health care administration for proposals, this process would need to begin as soon as the summer of 2015 (the current contract with UnitedHealthcare expires on Dec. 31, 2016).

- Also discussed was the possibility of contracting with a health care consultant to assist in formulating a strategy that will maintain and preserve health care funding. This possibility would be in addition to the professional advice currently available from actuarial and investment consultants already under contract.

- OP&F and UnitedHealthcare will continue to push cost containment while ongoing options continue to be reviewed. UnitedHealthcare has been asked to provide additional data, if possible, with regards to: Member usage of emergency room care compared to urgent care visits; overall percentage of medical versus prescription drug total claim costs; statistics and trends on specialty medications; bio-similar medications and increases in generic medication costs.

The Board of Trustees Retreat was once again valuable and allowed for in-depth discussions that the regular monthly meetings do not allow for. While no firm conclusions were made, the Board reaffirmed its commitment to retiree health care and to investigate all solutions to extend its long-term funding.
Dear Members,

Health care will be a significant expense in retirement. For our retirees I am stating the obvious, as they are facing rising costs whether or not they are enrolled in the plan sponsored by OP&F. For active members who likely have coverage through their municipality, health care costs may be relatively low, but what about the future?

At the annual Board of Trustees Retreat on March 5-6, a presentation from a representative of Nationwide Financial provided a poignant overview of the cost of health care in retirement.

SOME OF THE DATA PROVIDED TO THE BOARD

- Out-of-pocket health care costs for the average 65-year-old couple can reach $220,000 over 20 years in retirement.
- Medicare covers about one-half of retirees’ total health care expenses.
- Four out of five people cannot accurately estimate how much they expect to pay for health care in retirement.

These statistics can be startling and emphasize the need for retirement planning over and above just income replacement. The health care plan sponsored by OP&F is a quality plan for those who are not yet eligible for Medicare. For members at least 65 years old, the supplemental plan available through OP&F’s health care administrator is valuable to help cover what Medicare does not. These options can provide the coverage you need, but the cost can be significant.

Your OP&F pension is an excellent source of income, but more planning is necessary. Those who participate in the Deferred Retirement Option Plan also have an advantage and may want to consider these funds as a health care nest egg.

Much of the information provided to the Board is available online from Nationwide Financial Services (nationwidefinancial.com/healthcare). OP&F is not advocating any products from Nationwide and we do not contract with them for any services. However, we feel that the health care information on its websites can be valuable as our members prepare for retirement. We have added this link to the OP&F website under Plan 4 Your Retirement.

The good news is that your benefits from OP&F give you a great head start on a quality retirement. However, we want you to be pro-active in learning about the expense of health care.

OP&F will be continuing our efforts to constrain current program costs while looking at alternatives to preserve and maintain a health care fund that can supplement your costs of coverage for many years to come.

Sincerely,

John J. Gallagher, Jr.
STIFLER APPOINTED TO OP&F BOARD BY TREASURER OF STATE

Karin Maloney Stifler was appointed as a member of the Ohio Police & Fire (OP&F) Board of Trustees on March 4, 2015, and will serve as the appointed investment expert member representing Ohio Treasurer of State Josh Mandel. Maloney Stifler will serve a four-year term that will expire in 2019.

A nationally recognized financial planning expert, Maloney Stifler is frequently invited to present and comment on personal finance issues. She has been quoted in numerous national publications and made guest appearances on radio and television. She also has written a financial column in the Cleveland Plain Dealer.

Additionally, she works with Bluecoats, Inc., a foundation dedicated to supporting families of police officers and firefighters in Northeast Ohio who have lost their lives in the line of duty. She also provides financial planning for active and former members of the U.S. military and has contributed to the Boy Scouts of America’s financial literacy efforts.

Maloney Stifler has a BA in international studies and economics from Miami University in Oxford, Ohio, and an MBA in finance from Northeastern University in Boston.

TRUSTEE ELECTIONS SET – CANDIDATES SET FOR ACTIVE POLICE, ACTIVE AND RETIRED FIRE SEATS

In early May, elections will take place to fill two spots on the OP&F Board of Trustees, an active police position and the retired fire position.

William Deighton, the longest serving current member of the Board, is again a candidate for the retired firefighter position. Deighton is a retired firefighter from the Cleveland Fire Department and became a member of the OP&F Board in 2003. Also running for the retired fire position is Charles Campbell, a retiree from the Columbus Division of Fire.

The election for an active police representative on the Board will be between George Sakellakis from Brook Park Police and Timothy Patton from Cleveland Police. The winner will serve a four year term on the Board.

Both of the active fire seats on the Board are also up for election this spring however the current trustees are unopposed so no election is needed. Current trustees Daniel Desmond (Toledo Fire) and Jeffrey Moore (West Chester Fire) successfully submitted nominating petitions and will be serving their first full terms as trustees. Desmond was appointed to the Board after the retirement of trustee Lawrence Petrick in February 2014 and Moore was appointed following the retirement of trustee David Wittner in October 2014. OP&F rules state that those appointed to the Board must run in the next scheduled election.

Ballots for the trustee elections will be mailed to eligible voting members in early May and the election results announced.
FREQUENTLY ASKED QUESTIONS
FROM OUR MEMBERS

In a continuing effort to educate our members on OP&F’s processes and procedures, the Member’s Report features answers to frequently asked questions received through the Customer Service department.

WHAT RESOURCES ARE AVAILABLE TO MEMBERS THROUGH THE OP&F WEBSITE?

There are many resources available to members and employers on the OP&F website at www.op-f.org. Member Self Serve Web is very popular. Members may create their own username and password and view their pension benefit statements, DROP account information, or change their address through a secure site.

MEMBERS MAY VIEW OR DOWNLOAD THE FOLLOWING ITEMS:

- OP&F member and employer forms
- Member Reports
- Members may view, download, or request on-line the following publications be mailed to them
  - Member Guidebooks
  - OP&F Publications (i.e. Popular Annual Report, Comprehensive Annual Financial Report (CAFR)

Retirement tools are also available to assist members as they near retirement. The tools include a benefit calculator with an annuity estimator and videos for each type of retirement benefit: normal service, service commuted, age/service, and DROP entry. Information on upcoming pre-retirement seminars is also posted on the website and members may register for the seminars on-line.

THE OP&F WEBSITE ALSO FEATURES THE FOLLOWING INFORMATION:

- OP&F news updates
- Board of Trustee information and Board meeting dates
- Frequently asked questions and answers
- HOST training video and participation forms
- Calendar of events
- Contact Us link to submit inquiries via e-mail

The information above is just a summary of the tools and resources available. We encourage you to visit the OP&F website at www.op-f.org to see all the tools and resources accessible at your fingertips today.
ANNOUNCING OP&F’S 2ND SPRING PHYSICAL ACTIVITY CHALLENGE!

OP&F is again sponsoring a Spring Physical Activity Challenge. The challenge encourages members to improve their health by engaging in active exercise for 30 minutes or more on most days of the week. Eligible members who complete the eight-week challenge will be entered into a drawing to win one of 20 $50 gift cards.

Members record their daily physical activity over an eight-week period on an activity log. At the end of the eight-week challenge, members simply complete, sign and return by mail the Physical Activity Challenge Completion Form. All members and dependents that are enrolled in any of the UnitedHealthcare or AARP health care plans sponsored by OP&F are eligible to participate. All participants are encouraged to participate, but only one submission per family member and one prize per household is allowed.

WHY JOIN THE CHALLENGE?

Exercise can help people lose weight, increase energy and improve their outlook. But, here’s an added bonus: studies show that those who exercise also are physically younger. Who couldn’t appreciate that?

A FEW IMPORTANT TIPS TO GET YOU STARTED SAFELY:

- Consult with your physician for medical clearance before starting an exercise program. Every person is different and we each have different limitations.
- Choose something that you enjoy. This will increase the likelihood that you’ll stick with it and will be something you look forward to, instead of it being a chore.
- Make stretching a regular part of your regimen. This can help prevent muscle pulls and other injuries and should be done before and after a workout.
- Start slow and focus on short-term goals.

WHOLE BODY BENEFITS OF EXERCISE:

- Improves your sleep. It can help you fall asleep more quickly and sleep more deeply.
- Good for the brain. Helps keep the brain active which can help prevent memory loss, cognitive decline and dementia.
- Helps boost mood and self-confidence. Endorphins produced can help reduce feelings of sadness and depression and naturally helps you feel more self confident and sure of yourself.

If you are unable to participate in the Physical Activity Challenge you may complete an alternative activity and still be entered into the drawing in July to win one of 20 $50 gift cards. Contact UHC to discuss how to complete the alternative activity at 1-888-832-0964. The Physical Activity Challenge begins Monday, May 4, and ends Sunday, June 28. The brochure containing more details about the challenge and activity log will be mailed in mid April so be on the lookout. Join us in welcoming spring with this healthy challenge!

MEMBER CONTRIBUTION RATES TO INCREASE IN JULY

Active member contribution rates to OP&F will increase from 11.5 percent to 12.25 percent on July 2 as a part of the scheduled increases put in place by pension reform legislation in 2012. July’s change is the final scheduled increase in member contributions. These employee contribution increases are part of sweeping pension reform legislation that have reduced OP&F’s unfunded accrued liability by $3.2 billion.

In July 2013, member contributions increased for the first time since 1988 when rates went from 10 percent to 10.75 percent. This was the final increase put in place by pension reform legislation in 2012.

The employer contribution rates remain unchanged. The rate for police employers is 19.5 percent of salary, while the fire employer rate is 24 percent.
**GROUP DECREASING TERM LIFE INSURANCE PLAN AVAILABLE TO OP&F MEMBERS**

The third annual open enrollment for the NCPERS Family Protection Plus group voluntary life insurance plan will be this fall for active OP&F members. The plan is sponsored by the National Conference on Public Employee Retirement Systems and administered by the Prudential Insurance Company of America.

This plan is designed especially for public safety employees and offers a supplementary survivor’s benefit to augment your retirement benefits. The FPP plan provides life insurance and accidental death and dismemberment insurance for the member and life insurance for eligible dependents for $17 a month.

The Plan is available for active members and coverage is in effect 24 hours a day, seven days a week, on or off the job. There is no physical required, no health questions to answer, and the premiums do not increase with age. As long as the premium is paid each month, participants may keep the coverage throughout their retirement. Additional information regarding this important benefit will be communicated throughout the year.

For accidental death and dismemberment insurance this policy provides accident insurance only. It does not provide basic hospital, basic medical, or major medical insurance as defined by the New York Department of Financial Services. Additionally, this policy does not provide coverage for sickness.

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**Facts & Figures**

**2015 BUDGET REVENUES AND EXPENSES BY CATEGORY**

<table>
<thead>
<tr>
<th>2015 Total Plan Assets Budget Revenues by Category (in thousands)</th>
<th>2015 Total Plan Assets Budget Expenses by Category (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investments: 61.5%, $1,199,550</td>
<td>1. Pension Benefits: 65.1%, $956,548</td>
</tr>
<tr>
<td>2. Employer: 22.3%, $434,980</td>
<td>2. DROP: 15.0%, $220,944</td>
</tr>
<tr>
<td>3. Member: 11.3%, $220,039</td>
<td>3. Health Care: 14.6%, $215,346</td>
</tr>
<tr>
<td>5. Other Income: 1.0%, $20,000</td>
<td>5. Refunds: 0.8%, $12,127</td>
</tr>
<tr>
<td>6. Employers’ Interest: 0.1%, $1,020</td>
<td>6. Capital Depreciation Expenses: 0.1%, $1,800</td>
</tr>
<tr>
<td>7. State Subsidy: 0.0%, $470</td>
<td>7. Other Expenses: 0.0%, $100</td>
</tr>
</tbody>
</table>

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**SUSPECT DISABILITY FRAUD? CALL 844-FRAUD HOTLINE (844-372-8345)**

A toll free number is available for members or the general public to report suspected disability benefit fraud. Substantiated allegations may result in the termination of benefits and referral to the proper authorities for prosecution. Receiving a disability benefit from OP&F does not mean an individual is prohibited from other employment; however they are prohibited from working in a police or firefighting position.
**GETTING REGISTERED ON MYUHC.COM CAN BE JUST A FEW CLICKS AWAY**

The website myuhc.com is for UnitedHealthcare members and is a valuable tool. This set of online resources may help members manage plan benefits, get more out of the health care plan and may help improve overall wellness.

- View claims activity and estimate out-of-pocket costs
- Look up benefits to find out what’s covered, and check on co-pays
- Find a doctor based on a medical condition or the procedure that is needed
- Refill a prescription in just a few clicks or find less costly alternative medications to discuss with a physician
- Check an account balance to see if deductibles have been met
- Locate dental and vision providers and review claims or estimate costs
- Chat with a live nurse 24 hours a day

**Registration is easy**

1. To register, go to www.myuhc.com and click on the Register Now button.

2. Enter the name, date of birth and account numbers from the member’s health plan identification card then click Next Step.

3. If the member does not have a health plan identification card, click No ID card to register using a Social Security number and date of birth.

4. Next, you create a user name and password, and then click Next Step.

5. Here, the member will enter an email address and phone numbers, and choose security questions.

6. Review and agree to the website policies and keep the email opt-in checked to receive relevant news and wellness information. By registering, if applicable, health statements, explanation of benefits, claim letters, regulatory notices and other important information will be received electronically. In order to receive free communications by mail at any time, just change the mailing preferences.

7. When done, click Submit.

That’s all it takes. From here, members can click Continue to My Account and start using UHC’s powerful online tools.

**Other MyUHC Helpful Info**

**Health Statements/EOBs**
At myuhc.com members can choose how to receive health and account statements. If keeping paper records is preferred, UHC can continue to mail statements. If looking to cut down on clutter and go green, adjust the account settings to only view statements online. These can be changed in the future by adjusting the setting to Receive Paper Statements.

**Pharmacy**
Everything needed to make the most of the pharmacy plan is right here, online. Twenty-four hours a day, members can order prescription refills, check order status, view claims and account balances, learn more about medications, review plan benefits and locate pharmacies.

**View Claims**
The online Medical Claim Summary is an up-to-date report of a member’s claims for the entire family. At a glance, members can see which claims have already been paid and which still need to be settled. This includes medical, prescription, dental, vision, and mental health claims as well.
Toll Free: 1-888–864–8363
General Information: (614) 228–2975
Fax: (614) 628–1777
TTY: (614) 221–3846
E–mail: questions@op–f.org
Business Hours: Monday–Friday, 8 a.m.–4:30 p.m. EST

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**Prudence • Integrity • Empathy**
*Securing the future for Ohio's Police and Firefighters*
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**Important Dates:**

**April 28-29**
Board of Trustees meetings

**May 19-20**
Board of Trustees meetings

**May 25**
OP&F offices closed in observance of Memorial Day

**June 23-24**
Board of Trustees meetings

**July 3**
OP&F offices closed in observance of Independence Day

**Notify OP&F of any address changes**
Members can update their information online from the secure Member Self Serve, or with the Change of Address form available at op–f.org. Members may also email questions@op-f.org with new address and contact information or call Customer Service at 1-888-864-8363.