The OP&F Board of Trustees unanimously approved the implementation date and framework for a new health care model during its meeting Tuesday, March 27. After reviewing and discussing several scenarios, the Board selected a model that would provide stipends to eligible retirees at an amount that would keep the health care fund solvent for 15 years. The new plan will be implemented Jan. 1, 2019.

Stipend amounts are outlined in the chart below. OP&F’s health care partner, Aon, has already been working with OP&F staff in anticipation of the new plan design, which will allow OP&F retirees to use the monthly stipend amount to select a health care plan that best fits the specific needs of their family.

In mid-June, Aon anticipates mailing detailed information to retirees on the new health care plan model. Concurrently, Aon will also launch a dedicated website for OP&F members and have a toll free phone number available to answer any questions members may have. The OP&F website will have a link on its homepage to the new Aon page set up for OP&F members.

Eligibility rules and options for enrolling in the new health care plan model are being developed. However, OP&F anticipates that these should be similar to the eligibility rules in place for the sponsored retiree health care plan design currently in place. Eligibility rules for the current retiree health care plan are listed on Page 9 of the Member’s Guide to Health Care, located on OP&F’s website on the health care page. Still under consideration by the Board of Trustees is the option to enroll in the health care plan after three years of retirement and whether any remaining stipend balance will be allowed to roll-over to the following year. The Board expects to discuss and make these decisions in the coming months.

With these decisions now made, Aon and OP&F can move forward with a plan to notify retirees of the process of selecting a health care plan for 2019.

### Medicare status

<table>
<thead>
<tr>
<th></th>
<th>Retiree</th>
<th>Spouse</th>
<th>Monthly Medical/Rx member stipend</th>
<th>Monthly Medicare Part B reimbursement*</th>
<th>Total OP&amp;F monthly support for health care</th>
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<tr>
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<td>$107.00</td>
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</tbody>
</table>

*The OP&F Medicare Part B reimbursement is an ongoing benefit that has been in place for many years, but should be included in the support provided for health care coverage. The Med B reimbursement is added to a member’s monthly pension benefit.

HEALTH CARE RELATED ARTICLES INSIDE THIS ISSUE:

OP&F WORKING TO DETERMINE STATUS OF TAX EXCLUSION WITH IMPLEMENTATION OF NEW HEALTH CARE PLAN ................................................................. 3

OP&F’S NEW RETIREE HEALTH CARE MODEL: HOW WILL THE STIPEND WORK? ................................................................. 4
MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear Members,

As you can see from several articles in this edition of the Member’s Report, we have made a significant decision on the future of our retiree health care plan and are now working toward implementing this new model on Jan. 1, 2019.

Change is always difficult and uncomfortable, and this is a major change in how we support our retirees in securing a meaningful health care plan. However, we are partnering with a firm that is experienced in these types of transitions and we are confident they will be a valuable resource to personally assist each retiree in choosing the best health care option for their circumstances. Aon is an industry leader and knows the health care marketplace – for those who are on Medicare as well as those who have yet to become eligible for Medicare.

It will be a busy summer and fall as OP&F staff works closely with Aon to develop materials and resources designed specifically for our members to make their health care decisions during the open enrollment period later this year. In late May or early June, retirees should look for a mailing from Aon (co-branded with OP&F’s logo) that will have some of these materials. Around the same time, Aon will roll out a website and toll-free number just for OP&F members.

Our goal is to make this transition a positive experience and result in a quality health care choice at the most affordable price. The OP&F Board of Trustees has investigated, debated and considered a wide variety of options to extend the funding available for retiree health care. That work has resulted in a strategy that should keep health care funding solvent for at least 15 years. Of course, we will continue to monitor and make choices going forward that are in the best interests to our entire membership.

Thank you for your patience as we work toward our new health care model implementation in January.

Sincerely,

John J. Gallagher, Jr.
Executive Director

INVESTMENT RETURNS EXCEED TARGETS IN 2017

According to a year-end report from OP&F’s general investment consultant, Wilshire Associates, the system’s investment portfolio had a net return of 13.68 percent for calendar year 2017, topping the assumed rate of 8.0 percent. OP&F ended the year with a portfolio value of $15.755 billion.
LEGISLATION PASSED TO RE-STAGGER FIRE TRUSTEE TERMS

Recent legislation will restore staggered terms of office for firefighter trustees on the Board of OP&F. Substitute Senate Bill Number 144, which will be effective June 1.

Due to resignations and retirements of firefighter trustees in 2014, appointments to those positions were made within the same year, placing the two trustees on the same election schedule.

OP&F sought legislation to change the schedule and avoid the confusion of electing two firefighter members in one election. Staggered terms allow for more continuity on the Board and puts the firefighter trustees on a similar election cycle as the police trustees and retiree trustees.

The terms of trustees Jeffrey Moore (West Chester Fire) and Daniel Desmond (Toledo Fire) were originally set to expire in 2019. With the passage of the new legislation, Desmond’s term will be extended to June 2020, while Moore’s term will expire as originally scheduled in June 2019. Both will be eligible for re-election at the time their terms expire.

OP&F WORKING TO DETERMINE STATUS OF TAX EXCLUSION WITH IMPLEMENTATION OF NEW HEALTH CARE PLAN

Many members have asked about continued availability of the $3,000 gross income exclusion for retired public safety officers once the new health care plan model is implemented in 2019. Since 2007, the Internal Revenue Service (IRS) has allowed an annual exclusion of up to $3,000 to retired public safety officers for use toward health care insurance.

OP&F continues to work to provide members with a definitive answer. IRS wording states that the gross income exclusion is for “certain distributions paid from an eligible governmental plan that are used to pay qualified health insurance premiums of an eligible retired public safety officer or his or her spouse or dependents.” OP&F believes a case to be made that the Health Retirement Account that OP&F is implementing constitutes “a qualified plan.”

OP&F is conferring with both the IRS and Treasury department and hope to have additional guidance soon. When available, OP&F will communicate additional information to members. Members must also seek the advice of professional tax advisors.
Now that the stipend levels have been set for the new health care model, members are curious on how the plan will work.

The Board of Trustees will determine eligibility requirements for the OP&F health care stipend for retirees. OP&F’s health care partner, Aon, will be sending introductory letters to retirees in mid-June that will confirm your eligibility.

The eligibility for a stipend generally follows the same rules that govern the eligibility for OP&F’s current health care plan. With very few exceptions, if a member or their spouse are eligible for the current OP&F health care subsidy, the member likely will be eligible for a stipend. These details will be spelled out in the new health care plan materials now being produced and will be mailed in June. Also look for this information on OP&F’s website.

Aon will be assisting participants with the selection of a health care plan that best fits their needs. This assistance is for all retirees – whether they are enrolled in Medicare or not. The assistance in choosing a health care plan is also available for those who do not qualify for a stipend.

In addition to written materials that will be mailed, Aon is developing a customized website for OP&F members where information will be available. Also, statewide meetings will take place in the fall that will fully describe the process for selection and enrollment in a health care plan. Finally, you will schedule an individual call with a trained Aon representative to thoroughly examine and review the health care plans available and assist you in the selection and enrollment in that plan. These calls will be scheduled during the open enrollment period later in the year.

The stipend amount will not be added to a member’s monthly OP&F benefit. Instead, the stipend amount will be deposited to a member’s health reimbursement account as a way for you to be reimbursed for certain health care costs that you and your eligible dependents pay out of pocket such as premiums for coverage and other eligible health expenses.

Again, details of the new health care plan are still being finalized, but will be made available to members as soon as possible. OP&F has a dedicated page on its website with the latest news on the transition to the new health care plan. On our homepage (op-f.org) look for the Quick Links list and go to 2019 Retiree Health Care Transition.
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, a Deferred Retirement Option Plan (DROP) 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; and
- 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.

OP&F SEEKING INPUT ON WEBSITE RE-DESIGN

Visitors to the OP&F website will see a link on the homepage to a survey in preparation for a redesign project of the site. OP&F is seeking input on the most visited pages on the website, the ease of finding certain pages and information and other input to be used during a re-design of the site currently underway. The newly designed website is tentatively scheduled to be available either late 2018 or early next year.

The link to the survey is located on the lower right side of the OP&F homepage. The survey will be available for approximately six weeks.

The re-design is intended to make the website (www-op-f.org) more responsive and easy to use on a variety of different devices (phones or tablets).
HOW DO I SET UP DIRECT DEPOSIT?

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 Unit.

Whether you are setting up direct deposit for the first time, or changing banking information, it is easy to manage direct deposit with OP&F. For your convenience, the Direct Deposit Application is available on the OP&F Web site at www.op-f.org. Just complete the application and mail to OP&F at 140 E. Town Street, Columbus, OH 43215 or fax to (614) 628-1777. You may also contact OP&F Customer Service at 1-(888) 864-8363 and request an application be mailed to you.

Verification of your account information is required. Please include a voided check with your Direct Deposit Application. If you do not have a check, a letter from your banking institution that includes your routing and account number is sufficient.

If OP&F receives your new account information before the 15th of the month, the change will be effective the following month. OP&F recommends that you keep your current bank account open until you have verified that your benefit has been deposited into your new account.

FACTS & FIGURES

CHART: 2009–2018 EMPLOYER AND MEMBER CONTRIBUTIONS RECEIVED VERSUS PENSION BENEFITS PAID
Pre-Retirement Seminars Moving from Traditional September Dates This Year

Due to the scheduling of health care plan meetings, OP&F’s Pre-Retirement Seminars will be moving to August dates this year. OP&F is currently working to book dates and locations. Updates will be posted online at op-f.org and details will be in the summer edition of the Member’s Report newsletter.

OP&F again expects to host six Pre-Retirement Seminars around Ohio to assist members who are approaching retirement eligibility or considering enrolling in the Deferred Retirement Option Plan (DROP). Active members who are eligible for retirement or DROP within the next five years will be mailed an invitation with additional seminar information. Members may also go online to RSVP to the seminars at www.op-f.org.

OP&F’s health care partner, Aon, is scheduling meetings in September to educate members on the new health care plan model being implemented on Jan. 1, 2019, necessitating a schedule change for the Pre-Retirement Seminars.

Quarterly Computer Tips

No matter how securely you use technology, you may eventually become hacked or “compromised.”

I’ve Been Hacked...Now What?!
- Change your passwords.
- Follow the directions of your anti-virus software.
- Rebuild/reinstall the operating system.
- Report the incident to local law enforcement, if you feel threatened.
- Always, backup your computer. Quite often, recovering your data from backup is the only way you can recover from being hacked.
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
Monday-Fridays 8 am-4:30 pm EST

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PRUDENCE • INTEGRITY • EMPATHY
Securing the future for Ohio’s Police and Firefighters

IMPORTANT DATES
May 22-23 ..........Board of Trustees meetings
May 28 ...............OP&F offices closed in observance of Memorial Day
June 19-20 ...........Board of Trustees meetings
July 4 ..................OP&F offices closed in observance of Independence Day

DO WE HAVE YOUR EMAIL ADDRESS?
If your email address is not on file, please send it to us at questions@op-f.org, or contact OP&F Customer Service at 1-888-864-8363. Members can also update their information securely online from the secure Member Self Serve web portal.

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

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