REPORT SHOWS OP&F PENSION FUNDING REMAINS WITHIN STATE STANDARDS

During the October 2018 Board of Trustees meeting, OP&F’s actuarial consultant delivered the annual valuation report that included the system’s funding status as of Jan. 1, 2018. The funding report indicated that the pension funding period remains the same as last year, 28 years. OP&F continues to be compliant with Ohio’s requirement of a funding period of 30 years or less. A funding period is the amount of time it is estimated to pay off all unfunded obligations.

The report also showed a slight improvement in the funded ratio from 2017, at 69.9 (compared to 69.8 last year). The funded ratio indicates the percentage of funds available to pay off all pension obligations of the system.

A larger improvement was seen in the actuarial valuation for the retiree health care trust. As of Jan. 1, 2018, OP&F’s health care fund is projected to remain solvent until late 2033. The Jan. 1, 2017 health care valuation projected solvency only until 2025. The improvement can be attributed to the transition to a stipend-based health care model for retirees, which was implemented in January, replacing the self-insured group health care plan OP&F had for its retirees.

THREE TRUSTEE POSITIONS UP FOR ELECTION THIS SPRING

OP&F members will elect an active police representative, an active fire representative and a retired fire representative to the Board of Trustees during elections this spring. Currently, Timothy Patton (Cleveland Police), Jeffrey Moore (West Chester Fire) and William Deighton (Cleveland Fire, retired) hold these positions. Each is eligible for re-election.

Patton is currently chair of the Board of Trustees and has been a trustee since being elected in 2015. Jeffrey Moore was appointed to the Board in 2014 and won election to a full term in 2015. Deighton is the longest-serving member of the Board, winning election for the first time in 2003.

A notice of election will be mailed to police and fire departments and to retired fire members by Feb. 1. Election materials, including nominating petitions, certificates of eligibility and election rules will also be posted to the OP&F website on Feb. 1.

Eligible members who intend to run for a position on the Board of Trustees must submit all required forms and information to OP&F no later than 4 p.m. on April 1. Ballots will be mailed in early May and the election results announced by May 29. The new term for the trustees will begin June 3.

Members are encouraged to update address information with OP&F so that they receive election information and can cast their ballot.
MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear Members,

We have been discussing retiree health care on these pages for several years. Now, as of Jan. 1, we have made an important transition with the end of our self-funded health care plan and the beginning of the stipend model for retirees.

If you are retired, I don’t need to tell you that the process was difficult and at times frustrating. I apologize for the problems our retirees had in enrollment, appointment times, or plan choices available. However, the choice to make this transition was important and had to be done.

Our work is far from finished. Our staff and trustees will continue to work hard to address the shortfalls of the health care transition. This includes improved service from our health care partners and hopefully better plan choices for our pre-Medicare population. We still believe that the stipend we provide to eligible retirees is valuable and gives retirees significant purchasing power as they look for health care plans.

Thank you for your patience during the transition and for holding us accountable for unexpected problems last fall. Change is never easy, but often is necessary. We will take the lessons we learned in 2018 and use this knowledge to search for better results this year and beyond.

Sincerely,

John J. Gallagher, Jr.
Executive Director

2019 DIRECT DEPOSIT DATES FOR MONTHLY BENEFITS

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*Regular OP&F Board of Trustees meetings take place monthly, except for July at OP&F headquarters, 140 E. Town Street in downtown Columbus. The site of the annual Board of Trustees retreat is to be determined.
HOW TO BE FINANCIALLY SAFE AND SOUND
By Karin Maloney Stifler, OP&F Trustee

Just as you are dedicated to protecting others, you and your loved ones deserve to be safe in all ways, including financially. Here are five steps to protect your financial wellbeing and experience the peace of mind that comes from being financially secure.

1. Save cash for emergencies.

You know that being prepared for emergencies is critical. To be financially ready for whatever life brings, save 3 – 6 months of expenses in an emergency fund. Get started with a $1,000 cash reserve as soon as possible. Sock away $80 per week to get there in 3 months. You can do it! Imagine having cash on hand for emergencies versus having to rely on credit cards.

2. Protect with insurance.

You work hard to buy a home, furnishings, car and motorcycle. Be sure each valuable possession is insured at replacement value, not depreciated cost. Two ways you can keep premiums low: Work with one insurance company for all needs and choose a deductible of $500 or higher. Remember to add umbrella liability insurance, especially if you have teenage drivers and/or watercraft. Lastly, don’t forget to insure your most valuable asset: You! Life insurance is essential especially considering your line of work.

3. Update your estate plan.

Having your “affairs in order” is a gift to your loved ones. This includes having three documents in place with the help of an estate plan attorney: will, durable power of attorney and healthcare power of attorney. Be sure to update the beneficiaries on all life insurance and retirement accounts.

4. Safeguard your identity.

Beware of scammers that may try to hack into your confidential accounts and personal identity. Preventative steps include keeping log in and password information private, using complex passwords, avoiding unsecure internet connections, and monitoring your credit record (www.annualcreditreport.com or www.creditkarma.com). Keep an eye out for suspicious activity on bank accounts and credit cards and report trouble asap.

5. Organize your records.

Keep your financial paperwork in one secure place to simplify your financial life and make it accessible for loved ones.

MANAGING YOUR HEALTH REIMBURSEMENT ACCOUNT

Both Medicare and pre-Medicare retirees should have received the Your Spending Account (YSA) Welcome Kit in late December or early January (if you did not receive this kit, contact Aon at 844-290-3674). The kit includes instructions for managing your Health Reimbursement Account (HRA) and customized claim forms.

The HRA is funded on Jan. 1 and the HRA tab on the Aon website (retiree.aon.com/op-f) is activated. Retirees can make decisions on reimbursement options (by check or direct deposit).

- Medicare-eligible retirees who enrolled in plans through the exchange do not need to fill out the form in most cases; most carriers will send Aon premium information and YSA (or Alight) will reimburse them.
- Medicare-eligible retirees who are remaining enrolled in the AARP supplement plan will need to either fill out the form or go online after Jan. 1 to establish monthly automatic reimbursement. They only need to do this one time, and will be reimbursed the monthly amount they requested for the rest of the year.

- Pre-Medicare enrollments through eHealth will need to fill out the form or go online to establish automatic reimbursement. Premium Auto Reimbursement is the default set up for most Medicare participants, so a participant has to make an active election to opt out of this if they do not want to participate at the time of their enrollment.

Participants can chose to bypass the automatic process for the first premium by submitting a manual claim form (included in the welcome kit) starting in January. This will expedite the first one or two reimbursements until the carrier process catches up.

CONTINUED ON PAGE 4
MANAGING YOUR HEALTH REIMBURSEMENT ACCOUNT (CON’T)

CONTINUED FROM PAGE 3

How to Submit Forms to YSA for Premium Auto Reimbursement

1. Go to retiree.aon.com/op-f
2. Select the “Log In” at the top of the page
3. Log on with your username and password that you have previously created
4. Click on “The HRA” tab
5. Click on “Manage your OP-F HRA
6. Click “Knowledge Center Tab,” “Get Reimbursed”
7. Choose either “Upload” or “Fax or mail”

To enroll in Premium Auto Reimbursement, submit a one-time Manual Claim Form. The Manual Claim Forms are also used for out-of-pocket expenses (copayments, coinsurance or deductibles) and for pre-Medicare premiums.

I do not have my reimbursement yet. Is this a problem?

No, not a problem, it could take up to 6 to 8 weeks for your first reimbursement to be received. This is because Your Spending Account (YSA) must substantiate the premium prior to reimbursement.

Participants can chose to bypass the automatic process for the first premium by submitting a manual claim form (included in the welcome kit) starting in January. This will expedite the first one or two reimbursements until the carrier process catches up. Just fill out a one time auto reimbursement claim form and send in with proof of payment, (canceled check, bank account statement, and receipt from carrier) by mail, fax or uploading through the YSA website and this will speed up your reimbursement process. Or, if you are comfortable waiting up to 6 to 8 weeks for your first reimbursement to be received, do nothing. You will receive your January and February reimbursement at the same time and all future reimbursement will be received by the 5th business day of the month.

Does the HRA reimbursement always come from the same account?

OP&F establishes an HRA on the member’s behalf. It is a single account and all reimbursements will come from that account.

Can I get a list of eligible expenses?

Yes. Go to your account with Aon, at retiree.aon.com/OP-F:

- Click on the HRA tab.
- Click on “Account Summary”.
- Click on “Check Eligible Expenses”.

If you do not have access to a computer, simply call Aon and they can mail you a copy of the eligible expenses.

Expenses Not Covered

For a complete list of expenses not allowed for reimbursement by the IRS and any special requirements for a service or supply (including those in the list above) to be reimbursable under the HRA, refer to Internal Revenue Service (“IRS”) Publication 502, available by calling 1-800-TAX-FORM (829 3676). You can also access IRS Publication 502 by logging on to the IRS website at http://www.IRS.gov.
What is YSA?

YSA stands for Your Spending Account. This is vendor partner who works with Aon and administers your HRA account.

What if I don’t want the whole premium amount reimbursed?

You can go to your account and change the premium amount to a lesser amount. Or, contact Aon who can help you manage your HRA account if you do not have access to a computer.

Filing a Form for Reimbursement

When you have eligible expenses under the HRA that are not reimbursed through auto-reimbursement, go online to the Aon Retiree Health Exchange Website and print and complete the Your Spending Account Claim form. If you do not have online access, contact the Aon Retiree Health Exchange. Through Your Spending Account program, you benefit from many conveniences that make submitting claims and getting reimbursed as effortless as possible.

Here is how:

- If you have enrolled in a Pre-65 medical plan, you will need to submit a claim and appropriate documentation to receive reimbursement. The automated carrier file process is not available to you.
- Reimbursement requests are processed daily;
- You can receive your money even faster by faxing your claim form and copies of receipts to the dedicated fax number at 1-888-211-9900 (although you do have the option of mailing the claim form and copies of receipts to the address listed on the claim form and below) or uploading your claims on the site; and
- You will be reimbursed by check. However, for faster reimbursement, you may sign up to have reimbursements electronically deposited to your bank account. With electronic reimbursement, these funds are immediately available to you; you do not need to wait for a check to clear.

Banking laws do not permit electronic deposit (direct deposit) to international bank accounts. (This does not apply to U.S. territories such as Puerto Rico.)

Information Required for Reimbursement

To make a claim for reimbursement, complete the Your Spending Account Claim form. You must sign and date the form verifying the expenses have not been reimbursed by another policy or plan. You need to include supporting documentation with your claim form, showing the following:

- Premium amount(s) paid,
- Coverage period start date; typically the first day of the month; and
- Proof of payment.

Common supporting documents may include:

- Bank statements;
- Copies of mailed checks; and
- Statements provided by your insurance carrier.

When submitting a claim for reimbursement of your out-of-pocket expenses, your supporting documentation should include the following:

- Type of service;
- Date of service;
- Service provider;
- Who service is for; and
- Requested reimbursement amount.

Note: Verbal or handwritten information for general merchandise, illegible receipts, credit card receipts, and statements with a forwarding balance will not be accepted.

How does the retiree let Aon know if they want option A or B?

The default for participating carriers is option A, “hands off.” After reading the Welcome to Your Spending Account brochure and reviewing Options A and B you can go online and send in a Premium Auto Reimbursement Claim Form if you want option B, “hands on,” or call Aon for assistance.

Can I make copies of the claim form and share with other members?

No, for security reasons, the retiree would need to call to obtain a claim form. There are bar codes on the forms that are specific to that retiree.

Why do I have to submit a form to receive auto reimbursement?

You do not need to submit a claim form if you are comfortable waiting up to 6 to 8 weeks for your first reimbursement, or if your premium changes during the year.

If “hands on,” can I use the same claim form for both myself and my spouse?

Yes, you can include all expenses on the same claim form.

Is a premium auto reimbursement form only for the initial reimbursement?

No. It can also be used to request a change in premium during the year as well.

Can I get my HRA balance over the phone?

Yes, call Aon where your balance can be heard over the phone. No need to speak with anyone to obtain this information.
GENERAL ENROLLMENT PERIOD FOR MEDICARE RUNS THROUGH MARCH 31

One of the eligibility rules for receiving a health care stipend from OP&F is enrollment in Medicare Parts A and B when the participant becomes eligible.

Participants can enroll in Medicare Part A and/or Part B during the general enrollment period between Jan. 1 through March 31 each year if both of these apply:

- You didn’t sign up when you were first eligible.
- You aren’t eligible for a Special Enrollment Period

You may have to pay a higher premium for late enrollment in Part A or a higher premium for late enrollment in Part B.

Medicare Part A covers inpatient hospital, skilled nursing facility, and some home health care services. About 99 percent of Medicare beneficiaries do not have a Part A premium since they have at least 40 quarters of Medicare-covered employment. If an OP&F participant does not have 40 quarters of Medicare-covered employment, they must still enroll and pay the associated premium in order to receive the stipend from OP&F. You may also qualify for Part A coverage through a spouse’s work record. If you do not qualify for free Part A, you must enroll and pay a monthly premium for coverage through the Centers for Medicare and Medicaid Services.

Medicare Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment, and certain other medical and health services not covered by Medicare Part A. Everyone who is eligible for Medicare is eligible to enroll in Part B, regardless of the number of quarters worked. To enroll, you must pay a monthly premium to Social Security.

The standard monthly premium for Medicare Part B enrollees will be $135.50 for 2019. An estimated two million Medicare beneficiaries (about 3.5 percent) will pay less than the full Part B standard monthly premium amount in 2019 due to the statutory hold harmless provision, which limits certain beneficiaries’ increase in their Part B premium to be no greater than the increase in their Social Security benefits.

Medicare-eligible OP&F retirees may also be eligible to receive a reimbursement of $107 per month to assist in paying Part B coverage by completing the required forms available from OP&F.

DON’T FORGET TO TRANSFER YOUR PRESCRIPTIONS TO YOUR NEW RX PLAN

With the end of the OP&F group health care plan on Dec. 31, 2018, retirees who were enrolled in the prescription drug plan now should have a new plan and need to make sure they are able to receive their medications on time. The new plan may require you to get new prescriptions for either your retail or mail order medications.
MEMBERS HAVE CHOICE TO OPT-OUT OF 1099 MAILING, RETRIEVE IT ONLINE

OP&F’s website allows members to download the Form 1099-R for tax reporting purposes and avoid receiving the form in the mail. This feature not only saves the cost of mailing the form but also is more convenient for members.

To opt-out of the mailing, members must log into their account in the Member Self Serve area of the OP&F website and choose Document Preferences. From this page, members can choose to opt-out of the mailing. Members must have an email address to use the opt-out feature. Members can choose to opt-out and then change their mind and again receive the document in the mail by changing their preferences.

Members can access the Form 1099-R by going to www.op-f.org and logging on to the OP&F Member Self-Serve Web. The Form 1099-R can be viewed and printed from the Member Documents link.

Only OP&F members who are registered for the Member Self-Serve Web can retrieve and print tax forms online. To register, go to www.op-f.org and click the link for Member Self-Serve Web in the upper left corner. Next, look for the register link and follow the instructions on the screen.

If you have any questions, contact OP&F Customer Service at 1-888-864-8363.

TAX INFORMATION FOR MEMBERS RECEIVING AN ON-DUTY DISABILITY BENEFIT

OP&F is required by the Internal Revenue Service (IRS) to file a Form 1099-R for each person to whom a distribution of $10 or more has been made for the tax year. OP&F reports all distributions to the IRS as reportable income, regardless of the taxable or non-taxable nature of the benefits. On-duty disability benefits are non-taxable income that is reportable income to the IRS. Therefore, OP&F recommends that every recipient of Form 1099-R file a Form 1040 tax return with the IRS. Contact the IRS directly for information on filing requirements.

If the distribution is non-taxable, then Box 2a is completed with $0.00. If a benefit recipient does not file an annual tax filing to reflect this non-taxable distribution they will likely receive a notice from the IRS because they were unable to match the income reported by OP&F to the benefit recipient’s filing of reportable income.

Members should contact OP&F if they receive such a notice. OP&F can then mail a letter to the member that outlines the taxability of the specific benefits. This letter can then be forwarded to the IRS. OP&F is not a third-party designated power of attorney; and therefore cannot provide information directly to the IRS on a member’s behalf.
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
Jan. 21..............OP&F offices closed in observance of Martin Luther King Jr. Day
Jan. 22-23 ........Board of Trustees meetings
Feb. 26-27.........Board of Trustees meetings
March 19-20 ......Board of Trustee meetings
April 23-24 ........Board of Trustee meetings

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)