

# Active Member

benefit information

MEMBER'S REPORT • 5



## OP&F on the lookout for police and firefighter photos

Do you have photos to share? OP&F is continually seeking quality photos of police officers and firefighters to add to its collection and use in a variety of publications—including its annual report, member newsletter, and website.

Please submit your photos of uniformed Ohio police officers and firefighters at work for consideration to:

**Ohio Police & Fire Pension Fund**  
Attention: Communications Group  
140 East Town Street  
Columbus, Ohio 43215

If we select a photo for use, you will be asked to complete a photo release form. This form can be downloaded from the website at [www.op-f.org](http://www.op-f.org) and sent along with your photos. Photos will be returned upon request. ■

## Cleveland Indians to host Ohio Police & Fire Day in June

In conjunction with the opening ceremonies of the annual Ohio Police & Fire Games, the Cleveland Indians are sponsoring a special day for the state's police officers and firefighters.

Sunday, June 13 will be Ohio Police & Fire Day at Jacobs Field in Cleveland with events surrounding the 1:05 p.m. game between the Indians and Cincinnati Reds. Discount tickets are available for active and retired police officers, firefighters and their families. For more information regarding purchasing game tickets, contact Jeff Stocker in the Indians ticket office at (216) 420-4492.



Other events and activities during the day include the display of vintage police and fire vehicles adjacent to the stadium, a police and fire color guard and the singing of the National Anthem by a member of the Cleveland Fire Department. There will also be an in-game salute to police officers and firefighters as well as the recognition of participants in the Police & Fire Games.

The Ohio Police & Fire Games are in its 27th year and bring together as many as 1,500 participants each summer to compete in as many as 25 events including weightlifting, track and field, pistol and rifle events and SWAT and canine team events. This year's games are in Cleveland June 13-18. ■

## Retiree & Survivor benefit information (con't)

### OP&F Pharmacy Manager merges with Caremark

OP&F's prescription drug manager, AdvancePCS, has recently completed a merger with Caremark Rx, Inc., however, benefit recipients enrolled in the plan can continue to use the same prescription ID cards, pharmacies, forms and customer service telephone numbers as they did prior to the merger. The company will now be known as AdvancePCS, a Caremark Company.

The merger was complete on March 22, when AdvancePCS became a wholly-owned subsidiary of Caremark, Rx. "As we integrate our two organizations, you can be confident that our first priority is to ensure that our clients and their plan participants continue to receive our customary high levels of service," said Mac Crawford, Chairman, President and CEO of Caremark Rx., Inc. ■

Website: .....[www.AdvanceRx.com](http://www.AdvanceRx.com)  
Customer Service Phone: ..... 877-827-7315

### Requests for Annual Earning Statement mailed in March

Approximately 3,800 disability benefit recipients received forms in March requesting their statement of annual earnings. The deadline for returning the form is September 1, 2004. These statements are required of all members who receive disability benefits, unless the OP&F Board of Trustees waives the requirement.

To qualify for a waiver of this requirement, members must meet established medical criteria. They may also ask for a waiver if they qualify for an age/service-commuted retirement. (age 62 with 15 years of actual and projected years of service credit). To request a waiver, the member must submit a written request to the Board of Trustees. If the board agrees that the member meets the criteria, an OP&F-certified physician must then make an evaluation, which is presented to the Board of Trustees for a final decision. ■

# Face

behind the phone

MEMBER'S REPORT • 6



**Anitra Mahan**  
OP & F Customer  
Service Representative

Anitra Mahan has been a part of the OP&F Customer Service team since July 2003 and finds it satisfying to work with members to find solutions and help answer any questions they may have.

"I enjoy speaking to the members and being able to resolve issues they may have," Anitra explained. "I like establishing a relationship with the members so if they like, they are able to ask for me when they call with a question."

She also has enjoyed working with her colleagues at OP&F. "I have been impressed with how well our customer service group works together and have helped me since I started." Anitra has the qualities that make her a good fit with OP&F. She is a good listener, very polite and conscientious.

Anitra was born and raised in Columbus. When she's not at OP&F she enjoys spending time with her family and is active with her church. ■

## Important Dates

- April 16 & 17**  
Board of Trustees Annual Retreat
- April 27 & 28**  
Board of Trustees Meeting
- May 3**  
Ballots for Board of Trustee elections mailed
- May 18**  
Ballots for Board of Trustee elections must be returned to OP&F
- May 25**  
Board of Trustee election results announced
- May 25 & 26**  
Board of Trustees Meeting
- May 31**  
OP&F Offices closed for observance of Memorial Day
- June 7**  
Term begins for newly elected Board member

Face you missed  
If you, please notify us in writing as soon as possible!

Robert Beck, Chairman, Cleveland Police  
Ken Gehring, Vice-Chair, Toledo Fire  
Thomas Bennett, Dayton Police  
William Deighton, Retired, Cleveland Fire  
William Gledhill, Retired, Cleveland Police  
Lawrence Frank, Jr., Shaker Heights Fire  
Honorable Betty Montgomery, Ohio Auditor  
Honorable Jim Perry, Ohio Attorney General  
**OP&F Executive Staff**  
William J. Emswark, Executive Director  
George Kassis, Chief Operating Officer  
Keith Byrd, Director of Information Services  
Theodore Hall, Chief Investment Officer  
Robert Hartsock, Director of Health Services  
Diane M. Leas, General Counsel  
Scott Miller, Internal Auditor  
Ray Penn, Director of Member Services  
Stewart Smith, Chief Financial Officer  
**Contact Information**  
Active Members, Toll-Free: 1-888-864-8363  
Retirees & Survivors, Toll-Free: 1-800-860-9599  
General Information: (614) 228-2975  
Fax: (614) 628-1777  
TTY: (614) 221-3846  
Business Hours: Monday through Friday, 8:00 a.m. - 4:30 p.m. EST  
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Designer: Warren Watkins

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**ADDRESS SERVICE REQUESTED**  
Ohio Police & Fire Pension Fund

Ohio  
Police  
& Fire  
Pension  
Fund

# member's Report

[www.op-f.org](http://www.op-f.org)

Volume 23, Number 1, March 2004

## OP&F prepared for the future

Planning for retirement is a complicated science. As individuals, we must project what our needs are going to be years from today, without really knowing what our life situation will be. Part of that planning includes making wise financial choices today so that we can enjoy retirement tomorrow—knowing that our best laid plans are subject to unpredictable peaks and valleys we encounter along the way.

OP&F faces the same kinds of challenges. We must make decisions today about the needs of our members 10, 20, or even 30 years from now. We must make wise financial choices now to assure we meet our obligations to members later—not just to one person, but to more than 50,000 members.

OP&F's ability to meet those needs has never been in question. This is underscored each year when outside experts confirm our financial strength. Yet, occasionally misunderstandings arise about how much money it will take to assure our members' needs are met over their lifetimes.

In February, several newspapers reported on the findings of Milliman USA Consultants and Actuaries, the firm hired by the Ohio Retirement Study Council to evaluate the state's five public retirement systems. The report was a snapshot of each plan, and looked at all the variables that go into assuring that obligations to members will be fulfilled. One of the standards is how long it will take income from investments and member contributions to equal or exceed the future benefits of all active and retired members. Generally, the benchmark is 30 years.

While OP&F met this benchmark from 2000 through 2002, the downturn in the economy and resulting investment losses temporarily pushed the Fund over this 30-year limit. In other words, at that point in time using a rate of income depressed

by bear market losses, it would take longer than 30 years to equal the expected future benefits of all current and retired members. Under this criteria, the Milliman USA report found that most of the state's public retirement systems—including OP&F—did not meet the 30-year funding requirement.

What is important to remember is that most retirement systems in America do not meet this requirement. Yet, the vast majority are financially strong and unquestionably prepared to meet the needs of the future. This is because future needs and current income are analyzed continually and adjustments are made to ensure the financial integrity of the Fund.

As we've reminded our members, the stock market downturn of the past few years affected our total assets. Yet, today, we are almost back where we were in 2000. A 25 percent gain since the beginning of 2003 helped boost our portfolio value toward \$9.1 billion in early March—more than enough to take care of our members for the foreseeable future. And, that's exactly the point Milliman USA made in a follow-up letter to the Ohio Retirement Study Council:

"...the actuarial reports presented to the Ohio Retirement Study Council regarding the Ohio public retirement systems have unfortunately been misinterpreted, causing some to question the continued soundness of the systems. Our reports confirmed that all of the retirement systems remain financially secure to pay all mandated pension benefits when they become due well into the future."

It's important that our members, both active and retired, have confidence in their retirement system. OP&F considers every factor that impacts funding the future so it can make appropriate decisions.

When unpredictable events occur—such as the recent stock market downturn—our members can rest assured that OP&F has put a plan in place to steer the Fund back on course. ■



## Members should expect annual Statement of Account to arrive in May

In early May, OP&F members can expect to see their annual Statement of Account in their mailboxes. These statements provide a personalized report of each member's total contributions paid to OP&F and service credit earned as of December 31, 2003. The document also includes important information concerning benefits offered by OP&F.

Specific information to be included will be the taxed contributions, tax-deferred contributions, and total accumulated contributions as of December 31, 2003. The Statement also includes formulas to calculate a member's service retirement or disability retirement.

Members are asked to verify their home mailing address, social security number and date of birth. All of this information is printed on the Statement of Account, along with directions on how to correct any errors. ■



William J. Estabrook  
OP&F Executive Director

Dear Members:

While police officers and firefighters protect us as we go about our daily lives, it is our responsibility to protect their future. To that end growth, stability and financial security are the standards we set for the Ohio Police & Fire Pension Fund. Maintaining these standards requires hard work and diligence, along with some patience.

At OP&F our financial decisions and investment strategies focus on providing long-term value to achieve positive results, and those results help secure your future. Last year positive trends in the stock market and an upturn in the nation's economy led to a 25 percent growth in our portfolio. At the end of 2003, OP&F's portfolio value stood at \$8.45 billion. Since then, the value has again increased, to \$9.1 billion in early March.

These positive returns are obviously welcome news following some difficult years for investments and the market. However, it confirms the importance of our commitment to a particular course of action. During the economic downturn that began in 2000, we stayed the course and followed a strategy we trusted. As a result, even during the most difficult of the recent economic times, OP&F out-performed established benchmarks in most circumstances. Since the markets have rebounded in the past year, we are again pleased to report the Fund's progress.

Although we cannot control the ebb and flow of the investment markets, we are able to manage an investment strategy designed to meet our long-range objectives for the Fund, and in turn build growth, stability and financial security.

Sincerely,

William J. Estabrook  
Executive Director

## New Rules & Policies

### Board adopts new and amended rules

OP&F's Board of Trustees recently amended two rules affecting some members who receive disability benefits, and adopted one new rule requiring employers to file information with OP&F.

The Board approved changes to Administrative Rule 742-3-20, *Statutory Termination of Disability Benefits*. This rule outlines the job positions that would trigger the termination of disability benefits, as mandated by Ohio law. In the revised rule, the jobs considered to be a police officer or firefighter have been expanded. A notice will be sent to disability recipients explaining the impact of the rule (see related story, page 4).

The Board also amended Administrative Rule 742-3-05, *Disability Benefits Procedure Changes—Appeal Extensions*. The amended rule limits the approval of extensions for disability appeals by OP&F's Director of Member Services. In addition, a second extension will be given to those requested for medical reasons only and in no event can the extension exceed one year.

The OP&F Board of Trustees recently approved administrative Rule 742-7-14, *Recognition of Picked-Up Contributions*. OP&F is responsible for properly recording contributions based on payroll information submitted by employers, and must also determine the taxability of contributions whenever a

member retires, or terminates and collects a refund of contributions. For this reason, it is vital to have correct information from employers regarding the tax treatment of pension deductions, and it is why the employer must file these resolutions.

To assist in complying with the new rule, OP&F provided all employers with two sample model resolutions—one for employers with an existing pick-up plan, and one for employers who may wish to adopt such a plan in the future. Employers who currently have a pick-up plan for their employees, are still required to adopt and file a resolution in the basic format provided by OP&F, noting the status of the plan, or any recent amendments to the plan. In addition, OP&F is filing a Private Letter Ruling with the Internal Revenue Service, to ensure proper tax treatment of the picked-up contributions.

There are two methods of picking-up member contributions. One is the salary reduction method, where pension contributions are taken from an employee's paycheck before federal and state taxes are applied. The second method is the fringe benefit method, where the employer directly pays the contributions, rather than having them deducted from the employee's paycheck. ■

## Board of Trustees *quarterly update*

### Schedule for Trustee election

Annual elections for the OP&F Board of Trustees are approaching, and the seat for the active firefighter is up for election. Currently, Lawrence Petrick, Jr. of Shaker Heights Fire holds the seat. His term will expire June 6, 2004.

Ballots for this year's election will be mailed on or before May 3, and must be returned to the American Arbitration Association no later than 4 p.m., May 18. OP&F encourages all members to make sure that we have their current address on file. By law, ballots must be mailed to the address on file with OP&F and cannot be forwarded by the post office. Election materials can also be found on the OP&F website, [www.op-f.org](http://www.op-f.org).

Election results will be announced May 25, with the new four-year term commencing June 7. ■



### Memorial Park Update

Construction for the Ohio Police & Fire Memorial Park is in its final stages and preparations are underway for an April 28 dedication ceremony. A life-size bronze sculpture representing a police officer, a firefighter and a child was installed March 31. Engraved bricks, pavers and granite benches have been installed, along with special lighting for the sculpture, memorial, and the flags, which are a part of the park.

The park is the first memorial dedicated to Ohio's police officers and firefighters who have given their lives in the line of duty. Construction for the park has been realized entirely with private donations. Memorial Park is adjacent to the OP&F headquarters, 140 East Town Street in downtown Columbus. If you would like to be a part of this statewide tribute by purchasing an engraved brick, paver or bench, please visit OP&F's website at [www.op-f.org](http://www.op-f.org), or contact Bobbi Dominick at (614) 628-8360. With this purchase, you will receive a certificate of appreciation from OP&F, which will include a photograph of your brick, paver or bench. ■

**Left:** The life-sized bronze sculpture for the OP&F Memorial Park was installed March 31. The sculpture of a police officer, firefighter and a child is the centerpiece of the park, which includes a monument, and engraved benches, pavers and bricks. The OP&F Memorial Park Dedication is scheduled for April 28.

## Questions *from our members*



John Strukamp  
and his daughters  
City of Dayton Fire  
Department

### Question

Are there any plans in the works to allow members to view the latest account status online?

As I approach retirement, will the OP&F website include the status of my account? If I contribute to DROP before I leave the job, and select a specific payout option, will I be able to easily follow my account status?

*Submitted by John Strukamp, Dayton*

### Answer

As part of a planned major systems upgrade, OP&F members will be able to access their account information online via our website, [www.op-f.org](http://www.op-f.org). There are several steps involved to ensure that information accessible with this new feature is secure, accurate and up-to-date. Although the process is on schedule, we do not have a date for when the service will be available to you. We will keep our membership informed of when and how this feature will be available. Until then, your patience is greatly appreciated.

Currently, all Deferred Retirement Option Program (DROP) participants have access to their personal DROP accounts online, which can be accessed at anytime. When members begin to receive the benefits from their DROP account, the information will still be available to view online.

*John Strukamp has been a member of the City of Dayton Fire Department for more than 23 years. When not on the job, he spends a great deal of time with his 11 and 14 year old daughters and attending their activities. Mr. Strukamp is a long time Workers' Compensation representative for the firefighter's local 136 in his hometown of Dayton. He also spends time tending to land he owns in southern Ohio where he enjoys hunting. As he approaches retirement, Mr. Strukamp anticipates taking advantage of OP&F's DROP program.*

## Retiree & Survivor *benefit information*

### Some Facts About the Medicare Drug Discount Card

While Congress passed the Medicare Modernization Act (MMA) in 2003, the prescription drug benefit portion of the Act does not become effective until January 2006. As a stopgap measure, drug discount cards will be available for Medicare beneficiaries. It doesn't matter whether you have Medicare Part A and/or Part B, a Medigap policy, a Medicare managed care plan, or another kind of Medicare health plan. The only people who can't enroll in a Medicare-approved drug discount card are those who have outpatient drug coverage through Medicaid.

- When you apply for a discount card, you will need to decide which sponsor has the best prices for the prescription drugs that you require, and submit an application to that card's sponsor.
- If you already have a prescription drug discount card, but it is not Medicare-approved, you still may choose to apply for a Medicare-approved card. You will be able to use both cards—you can compare your cost using each card so that you can get the lowest cost when you purchase your medication.
- Card sponsors may charge up to \$30 annually for discount cards. Card sponsors can also change the price of their covered prescription drugs and add or remove covered drugs on a weekly basis.
- If your income is no more than \$12,569 for a single person or no more than \$16,862 for a married couple, your discount card will come with a credit of \$600 that you can use to buy covered prescription drugs in 2004. The federal government will also pay your annual enrollment fee. This special arrangement is called transitional assistance. You will not be eligible for transitional assistance if you have other group prescription drug coverage.

All discount cards will be effective on June 1, 2004. Medicare will send you information on how to enroll. Please be advised that these are interim policies.

Gretchen Margraf, Director for Ohio Senior Health Insurance Information Program (OSHIIP) stated:

"...marketing for the new, voluntary, Medicare-approved drug discount cards will only be done via U.S. Mail. Medicare will not call your home or send representatives to your door to sign you up for the new card."

She says that if you are unsure about the information you receive, you should contact Medicare with any questions you may have. ■

Medicare's official website . . . . . [www.medicare.gov](http://www.medicare.gov)  
Medicare Customer Service . . . . . 1-800-282-0530

### H.O.S.T. meeting to follow Memorial Park dedication

The semi-annual meeting for HOST (Helping Our Survivors in Transition) will occur Wednesday, April 28 at OP&F immediately following the dedication ceremonies for the Ohio Police & Fire Memorial Park. The HOST initiative began in 2000 as a part of an ongoing effort to enhance services to our members. HOST volunteers assist member survivors who have recently lost a loved one, helping to smooth the transition and in filing the proper paperwork with OP&F. There are currently 27 HOST volunteers in the statewide network. The April meeting will focus on the network of HOST volunteers and identifying what areas of the state are in need of more representation. For additional information about HOST, or to become a volunteer, please contact Jennifer Harville in OP&F's Member Services Department at (614) 628-8366. ■

### Immediate Death Notification Helpful to OP&F

OP&F requests prompt notification upon the death of a member, either active or retired. This not only keeps OP&F's record keeping current, but this notification may be critical to the timely processing of monetary or health benefits for the survivors.

Please call or write OP&F as soon as possible to report the death. In addition to the date of the death, please be prepared to supply the name of the member and his/her Social Security number (if available). It is also helpful to supply OP&F with any information regarding survivors. It is not necessary that a family member be the individual who notifies OP&F of a death, as notification can be accepted from anyone.

To notify OP&F concerning the death of an active member, please call 1-888-864-8363. To inform OP&F about the death of a retiree, call 1-800-860-9599. ■

### New Disability Rule explained

The OP&F Board has adopted changes to an administrative rule, which will broaden the job positions that can subject a disability benefit recipient to the statutory termination of disability benefits. While the original rule outlined the job positions that would cause the termination of disability benefits, the new rule expands what constitutes a "police officer," or "firefighter."

The Ohio Revised Code requires OP&F to terminate disability benefits if the recipient becomes employed as a police officer or firefighter. The prior version of the rule considers a member to be "employed as a police officer or firefighter" if the person is a "peace officer," as defined in the Ohio Revised Code in Ohio or would have the same status if employed in a similar job outside Ohio.

Under the revised rule, the jobs considered to be a police officer or firefighter have been expanded. The revised rule now includes those whom are appointed, commissioned, compensated, designated, employed, engaged, volunteering or otherwise serving as one of the "peace officer" positions or serving as a volunteer in a police department, and for firefighters positions where you serve as a volunteer to a fire department.

In order to avoid losing disability benefits, those currently receiving disability benefits and working at a position now covered in this rule these will receive 90 days notice of the new guidelines and an opportunity to terminate their position. If the individual fails to terminate employment, they will be subject to the statutory termination of benefits. The changes to this rule became effective March 22, 2004. ■