

# MEMBER'S REPORT

*The quarterly newsletter for active and retired OP&F members and their survivors*

**Ohio  
Police  
& Fire** Pension  
Fund

## HEALTH CARE UPDATE

### Plans moving forward for new health care plan in 2019

Staff, the Board of Trustees and its health care consultant continue to work toward a major transition in how OP&F will offer access to retiree health care coverage beginning in 2019.

A search began during the summer for a firm to assist OP&F in the transition from a group-sponsored health care plan to a new consumer-driven model to be in place by Jan. 1, 2019. Three finalists emerged from the search during September. These finalists presented their ideas to the Board on Sept. 26 and 27. Once a firm is selected, work will begin on the new health care plan.

The current health care plan will be in place throughout 2018. During 2018, OP&F and the vendor partner that is selected will assist members in finding a health care plan that is best for their needs and possibly provide a fixed stipend to help pay for the plan. Details on the amount of the stipend will be determined along with other plan details, including eligibility. At its August meeting, the Board of Trustees announced a preference to transition both Medicare eligible and non-Medicare participants at the same time.

In March, the Board voted to exit the current group-sponsored retiree health care plan model in 2019. It is OP&F's goal that the move to a new health care option will extend available funding for health care to approximately 15 years. Current projections show that without changes, funding for retiree health care will be depleted in less than 10 years.



*Toledo Police, 2003*



# MESSAGE FROM THE EXECUTIVE DIRECTOR



Dear Members,

It has been more than five months since we announced that major changes would be coming to the retiree health care option we offer to retirees. During the March Board meeting trustees voted to exit the self-insured group health care model on Jan. 1, 2019. The decision was to change to a fixed-stipend model where eligible retirees receive a set monthly amount of money earmarked to pay for health care. OP&F would assist in finding the right plan for each retiree.

Summer is now behind us and although we have made significant progress in preparing for the new health care plan in 2019, we are not yet able to answer the question retirees most want to know: how much will the monthly stipend be?

I ask that you remain patient as we work through our process of designing this new plan. If all goes as scheduled, a new partner will be hired to help us in this complex transition. Three firms presented their ideas to the Board in late September. Once selected, we will work with this company on details of the plan.

As OP&F has said on several occasions, the new plan will not solve all our health care problems. It will, however, extend the solvency of the health care fund and allow us additional time to search for a more permanent solution.

We will provide updates in this newsletter and on our website. As always, our Health Care Committee meetings are open to the public so you can hear firsthand our progress on this important project.

Sincerely,

John J. Gallagher, Jr.  
Executive Director

## PORTFOLIO *-update-*

### OP&F's Investment Portfolio Value

As of Sept. 1.....	\$15.0 billion
End of July value .....	\$15.3 billion
End of June value.....	\$15.1 billion

## 2018 ANNUAL CHANGE PERIOD MEETINGS

Information regarding the 2018 health care plan sponsored by OP&F is available during the Annual Change Period meetings in October. This year sessions will be in six cities – Akron, Cleveland, Toledo, Cincinnati, Dayton, and Columbus. UnitedHealthcare hosts the presentations.

One meeting will take place at each location beginning at 10 a.m. Presentations will start at the beginning of each session for approximately one hour, followed by a question and answer session. Free health screenings are provided at each informational presentation. A representative will be available to provide blood pressure and glucose level screenings.

For members unable to attend one of the onsite meetings a teleconference will take place on Oct. 13 at 1 p.m. EST. Dial (866) 320-4708 and use Participant Access Code: 423753. Please call and reference the “Ohio Police & Fire ACP Call.” During the call, members can listen to the same presentation from the seminars and can ask questions after the presentation.

The presentation is also available on the OP&F website ([www.op-f.org](http://www.op-f.org)), under the health care link. The 2018 Member's Guide to Health Care is also available online.

**Tuesday**  
**OCT 3**  
**10 am**

### AKRON

Hilton Garden Inn Akron  
1307 E. Market Street, Akron, Ohio 44305

**Wednesday**  
**OCT 4**  
**10 am**

### CLEVELAND

Hilton Garden Inn Cleveland East/Mayfield Village  
700 Beta Drive, Mayfield Village, OH 44143

**Thursday**  
**OCT 5**  
**10 am**

### TOLEDO

Holiday Inn Toledo South- Perrysburg  
10630 Fremont Pike, Perrysburg, OH 43551

**Tuesday**  
**OCT 10**  
**10 am**

### CINCINNATI

Hilton Garden Inn Blue Ash  
5300 Cornell Rd., Blue Ash, OH 45242

**Wednesday**  
**OCT 11**  
**10 am**

### DAYTON

Hilton Garden Inn Dayton/Beavercreek  
3520 Pentagon Park Blvd., Dayton, Ohio, 45431

**Thursday**  
**OCT 12**  
**10 am**

### COLUMBUS

Courtyard Columbus West  
2350 Westbelt Drive, Columbus, OH 43228

## 50<sup>TH</sup> ANNIVERSARY TRIVIA

To help celebrate our 50 years of service the *Member's Report* will feature a series of trivia throughout 2017.

- OP&F was founded in 1967, comprised of approximately 400 individual municipal or local police and fire funds. Which year did participation in those individual funds become compulsory?
  - 1927
  - 1939
  - 1950
  - 1962
- What House Bill changed the name of the Ohio Police and Fireman's Disability and Pension Fund to the Ohio Police and Fire Pension Fund? And in what year did this change take place?
  - House Bill 120 in 1986
  - House Bill 189 in 1993
  - House Bill 222 in 1999
- In what year was the HOST (Helping Our Survivors in Transition) program established?
  - 1997
  - 1999
  - 2000
  - 2004



ANSWERS: 1: B.; 2: C; 3: C

## AN ORIGINAL TRUSTEES TALKS ABOUT THE BEGINNING OF OP&F

Charles Petro served on the OP&F Board of Trustees from 1965-67, when the pension fund was being created. Fifty years later, he shares his memories from those early days on the Board.

### OP&F: Tell us about your career

**Charles Petro:** I retired 33 years ago, in 1983 from the Lakewood Police Department.

When I first went on the Board, I was a lieutenant, and then promoted to captain on our force while I was on the Board. Later on, I became Chief of Police.

### *How did you become a trustee?*

Before the statewide system, each community had its own pension fund. At the Lakewood pension fund there was a point during the Great Depression that the pensioners were getting a very generous amount, something like 11/16 or 13/16 of their salary.

As things went along, the fund almost went broke. By the time the law passed in 1965 creating a statewide fund, our local police fund was at least four months behind in paying pensions.

The retirement rules were set in 1947 by the legislature while the local funds were in operation. Prior to 1947, everyone had their own rules and that is where Lakewood and many other systems got into trouble. That was all in place when the state pension fund act was created.

I was the secretary of the Lakewood Police Pension Fund, so I was involved in this broken down fund and interested in what all

was going on. Jim Rhodes was the Governor and I was working for a Republican mayor. So, I suggested it would be a good idea if I could be appointed to the board of this new statewide system. Eventually I worked through the county commissioners and then talked to some people down in Columbus. Eventually I was selected.

### *Who made an impression on you during your time on the Board?*

I'm not sure how Ed Schuele (Governor's representative, 1965-71) was selected, but boy, I tell you one thing, that was a super good selection. He was wonderful. He was the financial officer of Cleveland Heights. He was a sharp guy who knew what he was doing. He was a major asset for us starting out.

### *What were some of the challenges you faced in setting up the pension fund?*

The major issue was to find someone to run the operation. We were fortunate to come up with Frank Kropp, who had a lot of experience with another Ohio pension fund.

## DECREASING TERM LIFE INSURANCE ENROLLMENT BEGINS OCT. 1

The National Conference on Public Employee Retirement Systems (NCPERS) and the Prudential Insurance Company of America have teamed up to offer OP&F members the opportunity to purchase group decreasing term life insurance. Open Enrollment begins Oct. 1, and ends Nov. 30.

The Family Protection Plus plan is designed specifically for public safety officers in mind. This plan pays a maximum benefit in the participant's younger years when it may be needed more—during early family-building years when needs are the greatest—and gradually decreases benefit amount as you get older, when you may have greater savings and lower expenses.

Features include:

- Guaranteed coverage—no medical exams are required and OP&F members can't be turned down;
- Flat rate of \$17/month that can even be carried throughout retirement;
- Accidental death and dismemberment insurance at no additional cost and that provides a benefit for covered injuries and pays an additional death benefit for you;

- Spouse and dependent coverage;
- 24/7 coverage on or off the job;
- This plan provides Group Decreasing Term Life Insurance for your spouse or domestic partner and a flat benefit for all of your dependent children.

**Call OP&F at 1-888-864-8363 and OP&F will be able to update any contact information over the phone.** The benefit amount will be paid in a lump sum on an eligible dependent's death due to any cause. Spousal or domestic partner benefits are determined by your age at the time of your spouse's or domestic partner's death.

To enroll, go online at [ncpersfamilyprotection.com](http://ncpersfamilyprotection.com). Premiums can be paid through a monthly electronic bank withdrawal, or using a paper coupon in the mail. Questions can be answered by contacting the plan's administrator, HealthSmart Benefit Solutions, Inc., at 888-697-8897.

Finding office space was also important. At that time, the School Employees Retirement System owned 88 E. Broad Street in Columbus. They had built it and that is where they were headquartered. They had some office space and rent was reasonable, so we were very fortunate to secure office space there. Once we got rolling, School Employees were able to help with payments and mailings, so it just made sense.



**Charles Petro, one of the original seven OP&F trustees**

Selecting an actuary was a big issue too. We had money in so many local banks around the state that needed consolidated, and at different interest rates that were not appropriate. The Wyatt Company was our first actuary and worked out of a Cleveland office. The guy who worked with us lived right down the street from me.

The other big deal was figuring out how to deal with disability claims. We were able to get a doctor that worked at Ohio State and we arranged with him to have people examined and have him explain to us what they were talking about. It was all so new to us.

*A statewide system seems to make sense. Was it a popular decision to consolidate?*

There was a lot of opposition by some of the local funds when the issue of creating a statewide fund was being discussed. But it was time. There was even a local police fund where everyone on pension was on a disability pension.

We had some heat come from some of the unions, too, both fire and police. A president of a local fire union was voted

out of office because he was in favor of a statewide fund.

Later on, there was pressure over individual disability cases on the trustees. In fact, I believe I lost my first trustee election over that. But that's the way that goes! I figured, I did my thing with the board and now there are others running the show and that is their responsibility.

*What has changed since those early days?*

Wages when I first went on the job were atrocious, generally across the state. My first year I made \$300 a month and I bought my own uniform, paid Blue Cross, but I did get vacation time and holidays.

One of the things going for us was that after about 25 years you did receive a decent pension. That was one of the important perks of the job. It was one of the reasons I took the job. I think that is still true.

Although police work today is very difficult, the pension situation is terrific compared to most private industry.



## REPORTING THE \$3,000 GROSS INCOME EXCLUSION FOR PUBLIC SAFETY OFFICERS

Although the income exclusion for public safety officers has been available for several years, the following information is a reminder on how to report this tax advantage.

The Internal Revenue Service (IRS) has tax forms, publications and instructions on its website and these materials include a provision for

the Public Safety Officer exclusion from gross income of up to \$3,000 for qualified health insurance premiums.

Line 16b on Form 1040 is able to accommodate this exclusion. Retired public safety officers should report their total pension distributions on line 16a of Form 1040. If the individual qualifies for the insurance premium exclusion, it should be indicated on line 16b of Form 1040. To take this exclusion, reduce the otherwise taxable amount of your pension or annuity by the amount excluded.

Remember that the amount shown in box 2a of Form 1099-R does not reflect the health care premium exclusion. The amount of health care contributions is listed on your OP&F monthly benefit statement for December. When taking this exclusion the public safety officer should write "PSO" next to the adjusted taxable amount received on line 16b.

For detailed information, please refer to the Federal Tax Reporting Information for OP&F Members and Survivors on the OP&F website. For those who do not use Form 1040, the exclusion can also be reported on Form 1040A (lines 12a and 12b) and on Form 1040NR (line 17a and 17b). If you have any questions on this exclusion, please consult a tax professional for advice.

## LOOK FOR YOUR FORM 1099-R IN JANUARY

OP&F will be issuing the 2017 version of the Internal Revenue Service's (IRS) Form 1099-R in January to members and beneficiaries who received a benefit payment related to service, disability, annuity, survivor, death, an active member withdrawal or the Deferred Retirement Option Plan (DROP).

### DROP AND OTHER DISTRIBUTION DEADLINES

To prepare the forms, all 2017 distributions must be processed and issued on or before Dec. 15. This means that DROP Distribution Forms must be received on or before Dec. 1 to ensure the DROP Distribution occurs in 2017. DROP distributions for more than \$300,000 must be received by Nov. 15.

The paper version of the form hides the first five digits of the Social Security number to protect personal identifying information from identity theft. The electronic Form 1099-R sent to the IRS will have the full Social Security number for matching purposes.

### MAILING ADDRESS

OP&F's mail will not be forwarded if the address on file is incorrect. Additionally, OP&F cannot fax a Form 1099-R to a member, beneficiary or to a third party without notarized authorization.

In order to ensure that Form 1099-R is received on time, contact OP&F if any information needs updated. OP&F offers several convenient ways to update an address:

- Online at [op-f.org](http://op-f.org) in the Member Self Serve Web;
- Send the updated information in writing or on a completed OP&F Change of Address form to OP&F;
- Call OP&F at 1-888-864-8363 and OP&F will be able to update any contact information over the phone.

If the 1099-R will be mailed to a winter residence, please be sure to file a Change of Address form with the post office 10 postal days before delivery should begin. The U.S. Post Office's Change of Address form can be filled out on line at [www.usps.com](http://www.usps.com) or by calling 1-800-275-8777. OP&F recommends submitting the U.S. Post Office's Change of Address form at U.S. Post Offices for the permanent residence and at the temporary residence.

### ADDITIONAL FORMS AND TAX INFORMATION

To change the taxes being withheld from OP&F's benefit payments the IRS Form W-4P Withholding Certificate for Pension or Annuity Payments and the Withholding Certificate for Ohio State Income Tax are both available on OP&F's website. These forms are also available by calling OP&F Customer Service at 1-888-864-8363. If a member or beneficiary moves out of state, OP&F does not automatically stop the Ohio State withholding. Mem-

bers and beneficiaries must submit a request, in writing, to stop Ohio tax withholding from their OP&F benefits.



Also available on OP&F's website is the Federal Tax Reporting Information for OP&F benefit recipients and the Private Letter Ruling for on-duty disability retirees.

### REMINDERS ABOUT FORM 1099-R

- Health care deductions are not reported on Form 1099-R. Health care deductions are summarized on the member or beneficiaries' year-end benefit statement or the last benefit statement they received from OP&F. If the retirement benefit was finalized in 2017, the year-to-date total on the benefit statement started over at zero when the benefit switched from an interim payment to a final payment. The member or beneficiary will need to combine the health care deductions from both accounts to obtain their total health care deductions for the year. Other situations may require OP&F to start over from zero. Make sure to account for all months of premium payments.
- Receiving more than one Form 1099-R is not uncommon. Member's and beneficiaries may receive more than one Form 1099-R if they receive more than one benefit payment or they turned age 59½ during 2017.
- Non-taxable income is reportable income. Benefit payments may or may not be taxable but they are still reportable to the IRS on Form 1099-R. OP&F recommends that every recipient of Form 1099-R file a Form 1040 tax return with the IRS. OP&F cannot offer tax advice or financial planning services; therefore, please seek professional tax advice before making any decisions. Contact the IRS directly for information on filing requirements at 1-800-829-1040.
- Members may now opt-out of receiving the IRS Form 1099-R in the mail and download the form instead. To opt-out of the mailing, choose the Document Preferences link. Members must have an email address on file with OP&F to use the opt-out feature.
- In order to ensure your Form 1099-R Document Preferences are effective for the 2017 tax year, member should opt-out on or before Dec. 15 to avoid receiving the mailing. OP&F will mail the Form 1099-R in late January. OP&F recommends on or after Jan. 31 logging into the Member Self-Serve Web to confirm you have all the Form 1099-Rs issued. If you have any questions contact OP&F Customer Service.

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### CONTINUED FROM PAGE 6

Members can retrieve 1099-R online, opt-out of mailing 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 environmentally friendly and convenient.

In order to ensure your Form 1099-R Document Preferences are effective for the 2017 tax year, members should choose to opt-out on or before Dec. 15 to avoid receiving the mailing. The 2017 Form 1099-R will be mailed in late January to those not opting-out. Members can change their mind and again receive the document in the mail by changing their preferences at any time from January through December.

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. Members can then choose to opt-out of the mailing. Members must have an email address to use the opt-out feature.

Member can access the Form 1099-R by going to [op-f.org](http://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 [op-f.org](http://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.

OP&F recommends on or after Jan. 31 logging into the Member Self-Serve Web to confirm you have all the Form 1099-Rs issued. If you have any questions, contact OP&F's Customer Service.

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## EVER BEEN SPOOFED?

Unfortunately, the caller ID system on your phone is not always accurate. Spoofing happens when you receive a phone call and the caller ID is not the number of who is really trying to contact you. This attempt to either hide the identity of the caller or have you believe you are receiving a call from a trusted organization (like your bank).

Although you may not be able to avoid receiving these calls, you can prevent this scam from working. It is important not to provide any personal information in response to any incoming call. Even if you believe it is a legitimate phone call, it is best to hang up and contact the organization yourself using a phone number you trust. Look up the correct contact number on the organization's website or on a recent account statement.

Also, be aware of phishing scams, which are especially common following natural disasters such as Hurricane Harvey. These scams contact people for donations for people affected by the disaster, but instead want your money or access to your accounts. Again, do not provide information to unsolicited callers or emailers. Contact the Red Cross or other legitimate relief agencies to donate.

OP&F will never contact you asking for personal information over the phone. To report spoofing or phishing, file a complaint at [www.IC3.gov](http://www.IC3.gov).

**RETURN SERVICE REQUESTED**



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](mailto: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**

- Oct. 24-25.....Board of Trustees meetings
- Nov. 10.....OP&F offices closed in observance of Veteran's Day
- Nov. 14-15.....Board of Trustees meetings
- Nov. 23-24.....OP&F offices closed in observance of Thanksgiving
- Dec. 12-13.....Board of Trustees meetings
- Dec. 22, 25.....OP&F offices closed in observance of Christmas
- Jan. 1.....OP&F offices closed in observance of New Year's Day



**NEW LOOK FOR OP&F'S WEBSITE**

On Aug. 22, OP&F unveiled a new look for its website, [op-f.org](http://op-f.org). Redesigned with new background and lettering colors to make reading easier, all pages and functionality will stay the same except for some minor adjustments. Please contact OP&F with any questions concerning the new look.

**DO WE HAVE YOUR EMAIL ADDRESS?**

If your email address is not on file, please send it to us at [questions@op-f.org](mailto:questions@op-f.org), or contact OP&F Customer Service at 1-888-864-8363. Members can also update their information online from the secure Member Self Serve.

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