

MEMBER'S REPORT

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

**Ohio
Police
& Fire Pension
Fund**

MESSAGE FROM THE EXECUTIVE DIRECTOR: WHAT IS AN ASSUMED RATE OF RETURN AND WHY IS OP&F'S HIGHER THAN OTHER FUNDS?



Mary Beth Foley, Esq.

Dear Members,

My commitment to you as Executive Director is to keep you informed on developments which effect OP&F and your retirement. So, I want to share some information about the "assumed rate of return" (ARR) – a topic being discussed in the pension industry and its role in funding your benefits.

The rate of return is a measure of the difference between the starting value of the investments and the current value of the investments. The Board of Trustees and staff receives advice from professional actuaries and investment consultants about what rate of return to expect from the pension fund investments. These estimates help us plan and budget. They do their very best, but no one can actually predict the future.

Rate of return is also tied to a familiar topic – long-term funding. The assumed rate of return is one of many factors that impacts OP&F's ability to meet Ohio's 30-year funding requirement –showing pension funds can pay all current and future pension obligations within 30 years (OP&F was at 28 years as of the beginning of 2020 and 25 years at the beginning of 2021). OP&F is currently within the rule established by the state of Ohio due to your sacrifices in the 2013 reform bill and our successful investment program.

Our 8.0 percent assumed rate is one of the highest in the country among public plans. The national trend among public pension plans has been to lower the assumed rate of return. Some funds went as far as lowering their assumed rate under 6.0 percent. Many of those funds are actuarially funded, and shortfalls are passed on annually to members and/or employers. Lowering the ARR can result in plans freezing cost of living adjustments, reducing benefits or increasing employer contributions.

OP&F conducts an experience study every five years where we examine the assumed rate of return and other factors to see if adjustments may be needed. The Board reduced OP&F's ARR beginning in 2017. Our next experience study will be due in October 2022. The actuaries and investment consultants will examine how our current assumptions matched-up to our actual experience and we will share that information with you.

Analysts do their best, but they have predicted lower returns for over 10 years—and have been wrong. For example, 10 years ago our investment consultant predicted OP&F's portfolio had an expected return of 7.11 percent, while we now know our actual results turned out to be 9.10 percent for the 10-year period that ended Dec. 31, 2020:

	10-year periods ending December 31		
	Dec, 2009- Dec, 2018	Dec, 2010- Dec, 2019	Dec, 2011- Dec, 2020
10 Year Actual Return (Gross)	10.01%	9.75%	9.10%
10 Year Forecast	7.72%	7.36%	7.11%

OP&F's assumed rate of return for investments has been 8.0 percent for the past four years, the date of the last experience study. As of the end of 2020, our annualized return for the previous five years was 9.95 percent (for the last 10 years, it's been 9.1 percent and for 30 has been 8.84 percent).

In the coming year, the Board will again decide if we need to reduce our assumed rate of return at the appropriate time and after careful consideration with our experts. Their analysis will take into account all actuarial factors that may impact funding and potentially your retirement benefits. Your trustees are devoted to doing what is best for you.

OP&F is able to meet all current and future pension obligations. We are being proactive on this topic and talking with legislative leaders on ideas to modernize our funding formula. I look forward to keeping you posted on our progress.

Sincerely,

Mary Beth Foley, Esq.
Executive Director



Local Boy Scout troops conducted a ceremony on Sept. 11 to replace the flags in OP&F's Memorial Park. The Scouts were joined by representatives from Columbus Police and Columbus Fire.

OP&F URGES MEMBERS TO RETRIEVE FORM 1099-R ONLINE

The most secure way to receive important tax information from OP&F, such as the annual Form 1099-R, is to use the Member Self-Serve portal of the OP&F website. In addition to being secure, it is the most convenient method of receiving the form.

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 it is also environmentally friendly, secure and most expedient.

To retrieve the Form 1099-R online and opt-out of the annual mailing:

- Log into your account from the Member Self-Serve area of the OP&F website

- Choose Document Preferences; and
- Choose to opt-out of the mailing.

Members can access the Form 1099-R from their OP&F Member Self-Serve account. The Form 1099-R can be viewed and printed from the Member Documents link.

Only OP&F members who have a Member Self-Serve account can retrieve and print tax forms online. To register, go to op-f.org and click the link for Log In, in the upper right corner. Next, look for the Members link to register and follow the instructions on the screen.

OP&F recommends logging into the Member Self-Serve system on or after Jan. 31 to confirm you have all the Form 1099-Rs issued.

NEED A DROP DISTRIBUTION IN 2021? BE AWARE OF THESE DEADLINES

For members who are retired and participate in the Deferred Retirement Option Plan (DROP), OP&F has specific deadlines on when to submit a distribution request in order to receive the funds in the 2021 calendar year.

For DROP distribution requests of \$300,000 or more, OP&F will need to be in receipt of your DROP Distribution Request Form by Nov. 16 in order to ensure the DROP distribution is issued by Dec. 16.

DROP distribution requests for less than \$300,000 must be received by Dec. 9, 2021 in order to issue the distribution by Dec. 16.

DROP Distribution Request Forms received after the cutoff dates may not be issued until after Jan. 1, 2022.

PORTFOLIO -update-



OP&F's Investment Portfolio Value

As of September 28:	End of August value:	End of July value:
\$18.58 billion	\$18.94 billion	\$18.58 billion

** values may be internally estimated*

TIME TO REVIEW RETIREE HEALTH CARE PLAN CHOICES



It's time for retirees and eligible dependents who receive a health care stipend from OP&F to review their health care plans for 2022. This time of year is when to make sure your health care benefits are keeping up with your needs. OP&F is again working with Aon and their partners, eHealth and YSA to help manage the stipend and reimbursement process.

The Health Reimbursement Arrangement (HRA) for eligible retirees will be funded Jan. 1. The stipend amount depends on your Medicare status and dependents who may be eligible to participate (see the stipend chart included in this newsletter).

If you are a new retiree or if you believe you qualify for the OP&F health care stipend, complete and submit the Health Care Stipend Eligibility Form available on the OP&F website. For eligibility information, please refer to the health care section of the OP&F website.

Medicare-eligible retirees

Open enrollment dates: Oct. 15 through Dec. 7

Now is your chance to review your Medicare coverage to make sure it meets your needs. It is a good idea to check at least once a year that your benefits cover your health care and medication changes.

For Medicare retirees, you remain eligible for the OP&F health care stipend only if you maintain coverage through the Aon Retiree Health Exchange. Any plan changes must be made through Aon and not your carrier. This money can be used to help reimburse plan premiums and other qualifying out-of-pocket health expenses, such as copays, coinsurance and deductibles.

Aon anticipates at least two Medicare prescription drug carriers will have significant changes in 2022, which could create disruption for 7,400 retirees who will see monthly premium increases of \$10 to \$30. As a result, Aon is scheduling some of these retirees with pre-set appointments to discuss and review other prescription drug plan options that might be a better fit for members. Typically, retirees will receive a notice of change letter from the carrier and Aon will also send a letter regarding the carrier disruption. Remember that any plan changes must be made through Aon and not directly with the carrier to maintain stipend eligibility.

When you log in to your account at retiree.aon.com/OP-F, you will see a plan overview that gives you coverage recommendations based on your updated health details. Plus, you can see how other plans compare to your current coverage—so you can find the plan that

best matches your needs automatically. You may also review the dental and vision plan options, too.

Aon gives you access to the same proprietary online tools that licensed benefits advisors use. You can get estimated out-of-pocket costs when you explore plans online—making it easier for you to manage Medicare.

Want to keep your current coverage?

- If you would like to keep your existing coverage, there's nothing you need to do. As long as the plan is available in 2022, your plan will automatically renew. Be sure to check the plan details as benefits and costs may change.
- If you keep your existing coverage, your HRA auto premium reimbursements will continue as is. Should your premium amount change for 2022, please contact Your Spending Account (YSA) to update the amount you receive.

Want to shop for other coverage?

To learn about your plan options, shop online through the Aon website set up for OP&F members or contact Aon for assistance. If you change your plan for 2022:

- You may be required to answer health-related questions;
- You may need to make a premium payment to your new health care plan carrier before the January effective date; and
- You may have to wait for insurance company confirmation before HRA reimbursements begin.

Medicare-eligible members and dependents must choose a plan through Aon to receive the OP&F stipend. Our priority is helping you manage your Medicare like a pro so you can decide confidently. The Annual Enrollment Period ends Dec. 7. If you have questions or would like to schedule an appointment to talk with a benefits advisor, call 844-290-3674 (TTY 711), Monday – Friday, 8 a.m. – 9 p.m. EST.

Pre-Medicare retirees:

Open enrollment dates: Nov. 1 through Dec. 15

For retirees not yet eligible for Medicare, you can choose an individual or family plan through eHealth or the open marketplace. You can use your HRA to help reimburse health, prescription drug, dental and vision plan premiums, and other eligible health-related expenses

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TIME TO REVIEW RETIREE HEALTH CARE PLAN CHOICES CON'T

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such as copays, coinsurance and deductibles.

- With the open HRA for pre-Medicare retirees it is not required that you maintain health plan enrollment through Aon. However, if you have a change in your plan premium, you will need to submit a claim form to update the recurring reimbursement. If you cancel coverage through Aon you will need to certify new coverage through OP&F.
- If you change your plan for 2022, you will need to make a premium payment to your new health care plan carrier before the January effective date. Also, with a new plan you will need to submit a new HRA reimbursement form and proof of payment to Your Spending Account (YSA) to initiate reimbursement.

Log in to retiree.aon.com/OP-F to update or activate your personal Aon account. To enroll, select the Individual & Family link on the home page.

Want to keep the plan you have?

If you would like to keep your existing coverage, there is nothing you need to do. As long as the plan is available in 2022, your policies will automatically renew. Be sure to check the plan details as benefits and costs may change. If you are considering different coverage, you have until Dec. 15 to change plans.

Keep in mind, if your health needs have changed, your coverage may need to change as well. New 2022 plans will be available Nov. 1. When you renew or change plans through Aon and eHealth, licensed agents can help you decide on coverage and help get you enrolled.

Aon provides advisory services, online decision-making tools, educational information and enrollment assistance.

The Open Enrollment Period ends Dec. 15, so if you have questions please call 844-290-3674 (TTY 711), Monday – Friday, 8 a.m. – 9 p.m. EST.

2022 HEALTH CARE STIPEND CHART

	Medicare status		Monthly Medical/Rx member stipend	Monthly Medicare Part B reimbursement*	Total OP&F monthly support for health care
	Retiree	Spouse			
Retiree only	Medicare		\$143	\$107	\$250
	Non-Medicare		\$685	\$0	\$685
Retiree + Spouse	Medicare	Medicare	\$239	\$107	\$346
	Medicare	Non-Medicare	\$525	\$107	\$632
	Non-Medicare	Medicare	\$788	\$0	\$788
	Non-Medicare	Non-Medicare	\$1,074	\$0	\$1,074
Retiree + Dependent(s)	Medicare		\$203	\$107	\$310
	Non-Medicare		\$865	\$0	\$865
Retiree + Spouse + Dependent(s)	Medicare	Either Medicare or Non-Medicare	\$525	\$107	\$632
	Non-Medicare	Either Medicare or Non-Medicare	\$1,074	\$0	\$1,074
Surviving spouse	Medicare		\$143	\$107	\$250
	Non-Medicare		\$685	\$0	\$685

*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.



RECORDING OF PRE-RETIREMENT WEBINAR AVAILABLE ONLINE

If members who were nearing retirement were not able to participate in one of the Pre-Retirement Webinars earlier this month, a recorded version will be available at op-f.org.

The webinar was designed to assist members approaching retirement eligibility or considering

enrolling in the Deferred Retirement Option Plan (DROP). In addition to information on benefits and the retirement process, information is also included from OP&F's health care partner. The recorded webinar is posted under the Plan for your Retirement section of the website.

LOW-INCOME STIPEND INCREASE PROGRAM AVAILABLE FOR 2022

OP&F continues to sponsor assistance for low-income retirees and their families to receive additional support to pay for health care expenses. The 2022 Low-Income Stipend Increase Application form is now available at op-f.org for those who qualify.

Complete and return the form to OP&F to apply for an increase in the health care stipend amount provided to eligible OP&F retirees. To be eligible for the increase, the member's total household income must be equal to or less than the guidelines listed in the table below.

In 2022, OP&F may grant a 30 percent increase to the stipend provided to eligible participants. If you are eligible for the OP&F health care stipend and have a household income less than or equal to the amounts listed in the Eligibility Table below, you may be eligible for the stipend increase. Each year, you must submit a new application to apply for the stipend increase.

To be eligible for the stipend increase for 2022, you must have had a total household income on your most recently filed Federal Income Tax return equal to or less than 250 percent of the poverty level established annually by the Department of Health and Human Services.

Additional instructions are included on the form.

ELIGIBILITY TABLE

Size of family unit:	Household income less than or equal to:
1	\$32,200
2	\$43,550
3	\$54,900
4	\$66,250
5	\$77,600
6	\$88,950
For each additional person, add \$11,350	



MORE OPTIONS NOW AVAILABLE FOR RETIREMENT INTERVIEWS

OP&F continues to ease the restrictions that were necessary during the pandemic, including the resumption of in-person retirement interviews at our headquarters in downtown Columbus.

While our Member Education area has resumed in-person interviews, virtual retirement meetings have become a popular option. An OP&F staff member can connect with a member and their spouse with their smart phone, tablet or computer.

OP&F has developed brief video instructions on how to access a video conference. These videos are available at the Plan for your Retirement page on the OP&F website. A link to these videos is also included in the email sent to members.



2021 INTERNAL REVENUE SERVICE (IRS) FORM 1099-R

OP&F once again will be issuing the 2021 version of the Internal Revenue Service's (IRS) Form 1099-R in January 2022 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).

A few reminders about Form 1099-R:

- Receiving more than one Form 1099-R is not uncommon. Members and beneficiaries may receive more than one Form 1099-R if they receive more than one benefit payment or they turned age 59½ during 2021.
- Health Care Stipends are not reported on Form 1099-R.
- 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 cannot offer tax advice or financial planning services; therefore, please seek professional tax advice before making any decisions. Please contact the IRS directly for information on filing requirements at 1-800-829-1040.

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.

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*Update Tax Withholdings*

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 or by contacting OP&F. If a member or beneficiary moves out of state, OP&F does not automatically stop the Ohio State withholding. Members and beneficiaries must submit a request, in writing, to stop Ohio tax withholding from their OP&F benefits.

*Update Contact Information with OP&F*

OP&F mail will not be forwarded if the member's address on file is not correct. Additionally, OP&F cannot fax a Form 1099-R to a member, beneficiary or to a third party without notarized authorization. Notify OP&F if any contact information needs updated to ensure the timely receipt of Form 1099-R.

OP&F offers several convenient ways to update an address:



- Online:
 - If you are registered, enter the Member Self-Serve portal from the OP&F website. If an electronic profile is set up, the member demographics (including addresses) can be updated. If you are not registered, go to op-f.org and click Log In, then follow the steps to register.



- Mail:
 - Send the updated information in writing or on a completed OP&F Change of Address form to OP&F at 140 East Town Street, Columbus, OH 43215.
 - OP&F's Change of Address form can be found on line at op-f.org.



- Call:
 - OP&F Customer Service at 888-864-8363.

*Address up-to-date?*

If the 1099-R will be mailed to a winter residence, please be sure to file a Change of Address form with the U.S. Post Office 10 postal days before delivery should begin.

The U.S. Post Office's Change of Address form:

- Can be filled out online at www.usps.com or by calling 1-800-275-8777.
- Is only good for six months even if the discontinue date is not filled in.
- OP&F recommends submitting the U.S. Post Office's Change of Address form at both U.S. Post Offices where permanent residence is and also the temporary residence.

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
Monday-Fridays 8 am-4:30 pm EST

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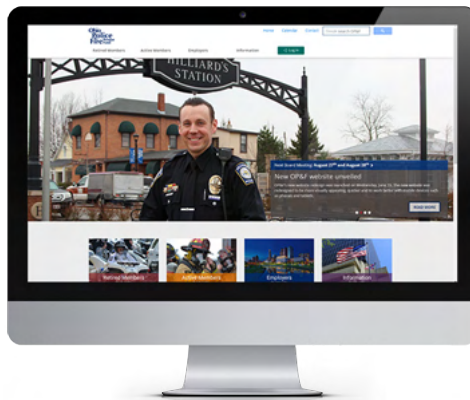
Securing the future for Ohio's Police and Firefighters

IMPORTANT DATES

Oct. 15-Dec. 7Open enrollment for Medicare
Oct. 26-27Board of Trustees meetings
Nov. 1-Dec. 15....Open enrollment for pre-Medicare retirees
Nov. 11.....OP&F closed in observance of Veteran's Day

Nov. 25-26.....OP&F closed in observance of Thanksgiving
Nov. 30-Dec. 1....Board of Trustees meetings
Dec. 24-27.....OP&F closed in observance of Christmas
Dec. 31.....OP&F closed in observance of New Years

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 an OP&F Customer Service Representative 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)