

OEA Retirement Systems Update
Report to the OEA Board of Directors: December 2018

Please distribute to other OEA members

SERS Valuation Shows Slight Improvement in Funding Status

At the November meeting of the SERS Retirement Board, SERS' actuarial firm presented results of the pension and health care actuarial valuations for fiscal year 2018. During the 12-month period, the funded level of the SERS pension plan increased slightly from 70.01% to 70.07%. The funding period (the amount of time it takes to pay off unfunded liabilities) decreased from 27 to 26 years.

Although investment returns for the fiscal year exceeded the 7.5% assumed rate of return, prior losses of \$207.8 million were recognized during in the valuation. The changes to the cost-of-living adjustment (COLA) implemented earlier this year helped to offset those losses and resulted in a slight gain in the funded ratio.

Because the funded ratio of the pension plan was greater than 70% but less than 80%, the Board's funding policy allows the Board to put up to .5% of the 14% employer contribution toward retiree health care. The Board voted to make that contribution. Following that transfer, the SERS health care fund's solvency period is estimated at 17 years.

Legislation Needed to Fix OPERS Service Credit for Non-Teaching DD Employees

HB 572 addresses the issue of service credit for non-teaching employees of County Boards of Developmental Disabilities who work on a school calendar rather than year-round. Recent OPERS action had reduced service credit for these employees and the bill would restore a full-year service credit. The bill is jointly sponsored by Representatives Gary Scherer (R-Circleville) and Stephanie Howse (D- Cleveland) and has eight bipartisan co-sponsors. OEA strongly supports this bill, as this legislation is desperately needed to address this issue for these public employees. OEA testified in support of the bill and several OEA members also submitted written testimony advocating for its passage.

On Wednesday, June 28, the Ohio House voted 93-0 in favor of House Bill 572. While in the House Aging and Long Term Care Committee, a substitute bill was adopted that applies the provisions of the bill dating back to January 1, 2017.

In order to be enacted into law, HB 572 will need to be passed by the Ohio Senate. Such action is expected before the end of the current legislative session. You can urge your State Senator to support HB 572 by taking action through the OEA website by clicking [here](#).