

OPERS Report – November, 2022

The OPERS Board met in October and voted to approve the following action items:

- Certification of the 2022 OPERS Board Election Results
 - Steve Toth was elected for one of the Retiree Representative positions, with 35,120 votes. Ron Wilinski received 6,864 votes. The new Board term begins in January 2023.
 - Of the total eligible to vote (186,464) for Retiree Representative, only 42,047 or 22.55% voted. Most votes (85.67%) were submitted via US Mail.
- The 2023 Operating, Administrative and Capital Budgets were approved.
 - Operating Budget: \$114,319,000 (4.1% increase over 2022)
 - Administrative Budget: \$129,224,000 (4.4% increase over 2022)
 - Capital Budget: \$13,410,176 (Decrease of \$3.6 million from the 2022 budget)
 - Staff will submit the budget to the Ohio Retirement Study Council on Oct. 21, 2022.
- The Corporate Governance plan for the 2023 proxy season was approved.
- The Board Governance Policy Manual changes were approved with minor changes to the proposed manual.
- Annuity Factors were discussed and changes to proposed percentages were approved
 - Staff and Gabriel Roeder, Smith & Company (GRS) proposed that the maximum segment rate not exceed the actuarial assumed rate, less 2%. Annual segment rate increases will be limited to 0.50%.
 - These changes were needed due to increased rate volatility and increased risk to OPERS.
 - Calculation of annuities and service purchases effective 1/1/23 will reflect the Board's approved option.

Staff presented the following updates to the Board:

- Open Enrollment Staffing Changes were reviewed. Enhancements included:
 - Revamped interview and screening process for positions
 - Hiring 5 weeks earlier than in 2021
 - Increased Technical Support Customer Service team from 15 to 20 positions
 - Introduced a new role to support the Pre-Medicare population
 - Set overtime expectation for better planning and morale
 - Reduced inbound call hours. Calls are now accepted between 8:00 am and 7:00 pm.
 - Provided structured licensing training and group activities.
- Changes were implemented to the Virtual Hold for inbound calls. Staff has also implemented the ability to send text reminders for upcoming enrollment appointments.
- In Ohio, health care carriers are expected to increase rates by 8 – 10%.
- Nine carriers offer coverage in Ohio. Retirees in most counties have at least 3 carriers from which to select coverage. Six Ohio counties have only 2 carriers that offer coverage. These are located in the south-eastern portion of Ohio as well as in Ashland and Knox Counties.
- Open Enrollment dates are: Medicare Eligible Retirees - Oct. 15 – Dec. 7, 2022.
- Pre-Medicare enrollment assistance is offered by Via Benefits from Nov. 1 to Dec. 15, 2022.

- Karen Carraher, OPERS Executive Director, reported some of the highlights from the Inflation Reduction Act, including:
 - Starting in 2023, all vaccines covered under Medicare Part D, including the shingles vaccine, will be provided to seniors at no cost.
 - The cost of insulin will be capped at \$35 per month for most seniors.
- The Executive Director also reported that the U.S. “House Ways and Means Committee reported the bill H.R. 82, which prevented the bill from moving forward. They cited the significant costs associated with repealing the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). The Committee will be considering other options, such as reforming the WEP so that it more accurately reflects individuals’ work histories.”

Submitted by: Darian Torrance