

## OHIO COUNCIL OF HIGHER EDUCATION RETIREES

May 19, 2015

The meeting was called to order at 9:30 a.m. by President Nancy Wardwell. After the minutes and treasurer's were accepted by Michelle Hobbs and Hank Nettling respectively, Michelle gave a brief report about OPERS: she indicated that OPERS currently sits at \$91 billion; she also reminded us that the new health care plan will go into effect on January 1, 2016, adding that if changes were not made health care costs would have increased substantially. The connector plan is the result of these changes. OPERS is making every effort to offer considerable advanced information.

Dick Hill offered his legislative report for STRS. His report included:

- STRS investment mix has gained a B- in a recent report; it is the 19<sup>th</sup> largest U.S. investment fund
- FY 2015 YTD is \$74.761 billion which is up 5% since June 30, 2014
- According to a recent survey STRS retirees strongly oppose/oppose (80%) receiving information about STRS through social media; we consider the amount we pay for health insurance an excellent or good value (68%); and we believe our pension benefits are an excellent/good value (87%)
- Hospitals are closing as a shift to outpatient care accelerates
- Genetic makeup is a strong indicator of potential to live more than 100 years; "genes play an increasingly stronger and stronger role if one wants to get to their early 100's and older."
- Washington Post reports that the U.S. faces a shortage of as many as 90,000 physicians by 2025, particularly surgeons who treat diseases more common to older people
- Investment earnings and employment contributions finance the largest share of our pensions; the multiplier effect of our pensions is: every dollar state and local pension benefits paid to us ultimately benefits the state to \$1.63
- Potential legislation in Ohio includes permitting non-licensed practioners to teach in K-12; this could have a significant effect on STRS as they will not be members. There was also an attempt to introduce a new annuity system

Hal Moellering, retired OSU professor, spoke to 403b and like accounts. He generally spoke negatively about such annuities; he also referenced the following to get up to speed regarding these accounts:

- 403bwise: <http://www.403bwise.com/>
- OSURA: <http://osura.osu.edu/>
- HB 483: <http://www.lsc.ohio.gov/analyses130/ho483-ps-130.pdf>

Greg Nickell gave us a STRS health care update. Among the items he addressed were:

- 2016 is the last year of the phased-in measures
- Medicare will be the keystone of the STRS health care plan
- STRS is no longer being subsidized by the STRS pension system, thus funding is now down to 20 years from the previous 30 years
- Deductible for hospitalization to be increased from \$2250 to \$2500
- Deductible for prescription to be increased from \$200 to \$225
- Slight increase for Medicare folks up slightly, about \$10-\$25 increase; co-pays remain the same

Elections were held: Roger Anderson, President; Michelle Hobbs, Secretary; Jim Lapp, Treasurer

Ohio campus reports include new presidents at University of Akron, Scott Scarborough; OSU, Michael Drake; University of Toledo, Sharon Gabor; a new provost at Miami, Phyllis Callahan; Cleveland State and Wright State both celebrated their 50<sup>th</sup> anniversary, and NEOMED celebrated their 40<sup>th</sup>; Ohio University is now on the semester system.

The next meeting will be held on September 15, 2015.

Respectfully submitted,

George D. Beelen