

Ohio Council of Higher Education Retirees (OCHER) - March 22, 2022 (by zoom)

After the routine business of accepting the minutes of the November meeting, the treasurer's report and a review of the new website, maintained by Dan Sheffer from Akron University we discussed various legislative matters, STRS and OPERS activities.

The biggest takeaway of this meeting was the discussion of COLAs. We all knew by this meeting that a one time 3% COLA will be awarded to those who retired before July 1, 2018, that is to say, those who retired in the 2016-2017 fiscal year will receive their COLA in 2022, but those in the 2017-2018 fiscal year will receive their COLA in 2023. It is based upon the retirees starting pension and is permanent. The age requirement for retirement is eliminated but the 35 years of service remains. Several state proposals have been suggested by Democrats to make COLAs more permanent (little chance of passage). Among the impediments to STRS COLAs are balancing improvements between actives and retirees. In addition, the Ohio Revised Code says that a COLA may be increased only "if the board's actuary...determines that an adjustment...does not materially impair the fiscal integrity of the retirement system." The actuary currently is Cheiron. Despite the above, there is some court activity holding that a COLA is guaranteed. On the OPERS side, Gordon Gatien reported that nothing is being done regarding their COLAs.

Greg Nickell reported that there will be very little change in our health plan in the coming year. He did opine that there will probably be some inflation on the medical side in the years ahead.

Among the other nuggets discussed:

-Some discussion about U.S. equities vs. international equity, indicating that STRS invests a little more in domestic than in international equities and very little in Russian stocks.

-The Ohio Police & Fire pension system is in the worst financial shape of Ohio's five pension systems.

-Showed on a graph how workers with a pension system have declined dramatically over the last century - from more than 60% to less than 5% (and those mostly in the public sector).

-Latest survey shows strong support for public schools.

-Third generation (3G) cellular networks are being shut down.

The next OCHER meeting is on May 24, 2022, in Columbus (tentatively).

Respectively submitted,

George D. Beelen