



EMAIL BLAST

Brothers and Sisters:

Below is a quick summary of the changes to our Pensions System from Substitute SB340. These changes coincide with the changes proposed from the OP&F Board. Sub-SB340 passed unanimously in both the House and Senate on Sept 12. Governor Kasich is expected to sign it within the week. The changes are slated to go into effect on July 2, 2013. A copy of the complete bill, as passed, is included in the Resource Library of oapff.org.

Stay Safe, Stay United and Stay Involved,

Mark Sanders, OAPFF President

Summary of Changes to the Ohio Police and Fire Pension Fund

A) Members of the OP&F who also serve in the Ohio National Guard, the Ohio Military Reserve, Ohio Naval Militia, or the United States Armed Forces Reserves who are absent from employment due to active military service at the direction of the President or Congress shall remain a member of the fund for the duration of the active military duty.

B) Terminal Pay may be paid before or after termination and the OP&F Board may establish rules to define terminal pay in accordance with Federal Law.

C) A salary benchmark based on a compounded ten percent increase in each of the three years prior to the members' last three years before retirement or entrance into the DROP has been established. Contributions by the member in excess of the salary benchmark shall be refunded to the member. This is an anti-spiking provision. If a member receives more than a compounded ten percent increase over the three years prior to the members' last three years for the highest three years of salary this provision will then take effect. There is no easy way to write this. Unless you are getting more than ten percent increases, compounded, over only your highest three years, then it won't affect you. Call with questions.

D) OP&F actuarial valuations presented to the ORSC shall be presented triennially

E) The OP&F Board has been granted authority to raise OR lower the retirement age following the quinquennial actuarial report due November 1, 2017, based on actuarial valuation

- F)) The OP&F Board has been granted authority to raise OR lower the employee contribution rate following the quinquennial actuarial report due November 1, 2017, based on actuarial valuation
- G)) The OP&F Board has been granted authority to raise OR lower the required years of service following the quinquennial actuarial report due November 1, 2017, based on actuarial valuation
- H) Employer payments to the OP&F shall be monthly rather than quarterly
- I) As of July 2, 2013 the retirement age (new hires only) will be 52. A member hired on or after July 2, 2013 will still be eligible for retirement at age 48 with twenty-five years of service at a reduced amount.
- J) As of July 2, 2013, if a member has fifteen or more years of service, the average annual salary will be based on the highest three years
- K) As of July 2, 2013, if a member has less than fifteen years of service, the average annual salary will be based on the five highest years
- L) As of July 2, 2013 the cost of living adjustment (COLA) for members with less than fifteen years of service will be based on the lesser of three percent or the Consumer Price Index
- M) As of July 2, 2013 members of the fund who have fifteen or more years of service the COLA will be three percent
- N) COLAs delayed for all members until age 55, excluding members on permanent and total disability
- O) Members not enrolled in DROP prior to July 2, 2013 will not be eligible for COLA while participating in DROP, members enrolled in DROP prior to July 2, 2013 are eligible for COLA at age 55
- P) Corrects the disparity for members hired prior to 1998 applying for presumptive heart and lung who were not required to provide a copy of a pre-employment physical to the pension fund
- Q) Members enrolled in DROP on or after July 2, 2013 the minimum years of participation are increased from three to five, members enrolled prior to that date the minimum participation remains three years
- R) For members not enrolled in DROP as of July 2, 2013, reduces the percentage of member contribution that is credited to the DROP accrual: Years 1-3, 50% of the contribution is deposited, years 4-5, 75% is deposited, years 6-8, 100% is deposited
- S) As of July 2, 2013 the employee contribution will increase $\frac{3}{4}$ of 1% to 10.75%, as of July 2, 2014 the employee contribution will increase $\frac{3}{4}$ of 1% to 11.5%, as of July 1 2015 the employee contribution will increase $\frac{3}{4}$ of 1% to 12.25%

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