

Securing A Dignified Retirement for Ohio's Police and Fire Fighters (Keeping Ohio's Promise to Its Protectors)

RETIREMENT SECURITY BILLS (HB280 and SB###) FACT SHEET

Better for the Public

- This bill is crucial to recruitment and retention of public safety professionals across the state which will keep Ohioans safer.
- This bill and the changes it creates protect not just retired and current police and fire fighters, but the public as well by helping attract and keep highly qualified public safety workers serving in their communities.
- Takes future changes away from politicians and bureaucrats and their whims by replacing the adjustment mechanism by creating a process based on facts and with actuarial math – creating stability for the plan, the cities and townships who contribute, and police officers and fire fighters who rely on the OP&F retirement.

Better for Police and Fire Fighters

- Creates the retirement security fire fighters and police officers
- Over the past 10 years, Ohio's police officers and fire fighters have stepped up, as they always have, doing their part – accepting cuts to benefits and increases to their contributions to the OP&F Plan
- All while employer contributions have stayed the same for nearly 40 years. The last time they were changed was in 1986.
- This bill outlines a phased approach to increasing the employer contribution to police and fire fighter retirement benefits, gradually raising the rate over a five-year period... while also increasing the employee contribution.
- Police Officers and Fire Fighters are doing their part
 - Massive reform in 2012
 - Police and fire fighter contributions have increased by 22.5% since 2012
 - Since 2012, \$3.2 Billion in cuts – sacrifices made by the public safety professionals who rely on the OP&F for a dignified retirement.
 - Employee contributions have doubled since last time the last time employer contributions have been adjusted.



About the proposed bills

- Protect the pension fund's long-term solvency.
- The bills make the contribution rates for police employers the same as fire employers, something that has been recommended by investment professionals since 1994.
- Police officers and fire fighters have made significant sacrifices throughout the years, these bills allow their departments to acknowledge that fact and help alleviate the unthinkable strain of more cuts to benefits.
- Passing these bills isn't just a policy choice...it's a statement. A statement that says you stand with those who stand between danger and your community. A statement that says **Ohio keeps its promises.**

About OP&F Retirement and Disability Plan

- 60,000 public safety professionals rely on the OP&F for their retirement income.
- Over \$18.7 Billion in the fund portfolio
- Police and Fire currently contribute 12.25% of their salaries to the OP&F
- Cities and townships contribute 24% for fire fighters but only 19.5% for police officers.
- The OP&F is well managed
 - A recent independent audit showed that the OP&F is well run and a good steward of funds.
 - OP&F's 10 year performance is in the top 14% when compared to similar funds.
 - 9.0% annualized returns since 1988 – S&P is only 8.16% [FACT CHECK]
 - Disability Retirements have decreased
 - Permanent and Total Disability Grants
 - 2002 = 128 2020 = 15
 - On-Duty Partial Grants
 - 2002 = 208 2020 = 53
 - The blended Employer Contribution Rate of 21.5% is less than many other Plans.
- Massive Plan reform in 2012 was borne exclusively by police officers and fire fighters
 - Police and fire fighter contributions increased by 22.5%
 - Change in Cost of Living Adjustments
 - No COLA for retirees under 55
 - COLA does not compound
 - Tied COLA to CPI for newer fire fighters and police officers
 - Since 2012 \$3.2 Billion in cuts – sacrifices made by the public safety professionals who rely on the OP&F for a dignified retirement.
- Retiree Health Care Changes in 2018
 - Another example of public safety professionals making the sacrifice
 - Altered retired fire fighters and police officers health care insurance significantly
 - But created in \$130 million dollars in savings for the Plan to help created some stabilization.

Note: Employee contributions have doubled since last time the last time employer contributions have been adjusted.