

March 14, 2017

State Teachers Retirement System of Ohio
Retirement Board Members
275 East Broad Street
Columbus, Ohio 43215

Dear Chairperson Stein and Distinguished Board Members:

This letter is a follow up to HPA's October letter in which we informed the Board that HPA had a consensus position in support of maintaining healthcare for pre-Medicare retirees. With this current letter we inform you that having carefully considered the Healthcare Pathways presented by STRS staff, HPA has arrived at a consensus position in support of Pathway B2.

We support Pathway B2 because it continues the healthcare program for pre-65 retirees and provides for the lowest cost increases for this group of retirees, many of whom were hardest hit by the pension reform changes of 2012, while also keeping Medicare premium increases to a minimum, which is important in the long run for all retirees. Of particular concern among the pre-65 retiree group are those who have recently retired basing their individual choices to do so in part on a robust healthcare program with reasonably affordable premiums. For our Medicare-eligible retirees, under Pathway B2, premium subsidies will continue to increase with future trend – a plan feature of critical importance given the likelihood of future changes to the COLA.

We fully realize that the forecast for Pathway B2 yields a 35-year solvency period, and that under current assumptions this pathway will fall short of the future point at which the pension plan could be sufficiently funded to begin redirecting contributions to support the healthcare program. However, there are so many unknowns and variable factors in the underlying healthcare assumptions, not least of which is the notion that our cornerstone Medicare Program will remain the same for the next 30-50 years, that we simply cannot support sacrificing as much as is required under Pathways C & D, for such an uncertain future. We anticipate that any pathway approved by the Board will have to be closely monitored and managed, and will likely require future course corrections as national healthcare policy changes and as our pension funding changes. Knowing this, we stand by our opinion as stated in October, that it is better to choose a pathway that is designed to extend the healthcare program for a reasonable period of time recognizing that if conditions worsen over the next few years more changes may be necessary.

HPA is dedicated to preserving both the defined benefit pension plan and access to affordable healthcare for all STRS retirees and will continue to work with you and staff to ensure the sustainability of both.

Respectfully,



Scott DiMauro, Co-Chair
Healthcare & Pension Advocates for STRS



Bruce Johnson, Co-Chair
Healthcare & Pension Advocates for STRS

cc. Michael Nehf, STRS Executive Director

- **The Buckeye Association of School Administrators**
- **The Inter-University Council of Ohio**
- **The Ohio Association of Community Colleges**
- **The Ohio Association of Elementary School Administrators**
- **The Ohio Association of Secondary School Administrators**
- **The Ohio Conference of American Association of University Professors**
- **The Ohio Council of Higher Education Retirees**
- **The Ohio Education Association**
- **The Ohio Education Association-Retired**
- **The Ohio Federation of Teachers**
- **The Ohio Retired Teachers Association**

Ohio Retired Teachers Association
Since 1947 70 Years Strong

March 16, 2017

STRS Board:

My name is Bee Lehner and I serve as President-Elect for the Ohio Retired Teachers and we are here again to advocate for our members, retired educators throughout Ohio and the country. During our 70-year history, we are proud of our partnership with STRS to ensure that our pension system is one of the finest in the U.S. and we hope we can continue this relationship.

We do not want to make light of your responsibility and the challenges you are facing in ensuring that our pension system is solvent and stable. As was evident in the reports this Board has received in the past few months, these are uncertain times for investments as well as school systems. We are also aware that the “levers” that you have to manage the system are limited both in number and scope. However, with the discussion over the past few months, we feel it’s important to remind you NOT to balance the system on the backs of retirees, those who can least afford it.

We’d like to pose a simple question: Shouldn’t the teacher who retired in 1989 or in 2001 or 2012 who’ve managed their finances carefully so they would be able to meet their debts, be able to count on the small increases promised them when they retired?

We believe that any possible consideration of changes to the COLA (Cost of Living Adjustment) must be only a last resort to the Board and must ONLY be considered as a **temporary suspension**. We cannot and will not support any consideration of the elimination of the COLA for STRS recipients. We will fight for the more than 150,000 retirees who need and depend on the stability of their pensions—including the small COLA—to pay for the increasing costs of medicines, food and rent, in other words, just to get by.

We ask that, as you move forward with considerations of both the pension and the health care program, you keep upper most in your mind those dedicated educators who served children and their communities with dignity and commitment for decades and now only ask you keep your promises to them.

Bee Lehner, President Elect

Ohio Retired Teachers

ORTA EXECUTIVE COMMITTEE

Dr. Randy Overbeck, President Bee Lehner, President-Elect Carol Remington, Past President
Gale Adkins, Western Vice-President Ron Bond, Eastern Vice President