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Dr. Robin Rayfield, ORTA
Executive Director

FROM OUR EXECUTIVE DIRECTOR

Greetings ORTA Members!

As the summer season ramps up, I hope that everyone is staying safe and adjusting to the ‘new normal’. I can hardly believe how the world has changed since February. With the pandemic breaking out followed by the civil unrest, I really do not know what to expect. I have been able to ‘listen’ to the past two STRS meetings as the board of trustees have not met face to face for quite some time. Normally, I am out visiting local chapters across the state. I have to say that the best part of this job is making the visits at the various local chapters. I really miss seeing all the ORTA faithful and sharing your stories! I am hopeful that we will be back to a more normal existence soon. Until that time, stay safe!

STRS News

The STRS Board of Trustees met electronically last week. As I listened to the financial presentation, I had several questions. The major ‘take away’ that I heard was that the investment folks are not sure what the future will bring. There is significant volatility in the markets that makes investors weary. The recent comeback in the stock markets is a good sign but STRS investors remain cautious. Their approach remains that a diversified portfolio provides a level of safety in such economic times. There was good news in that the investments had rebounded from what their worst fears were back in March.

Another positive action taken by the STRS board was setting the health care insurance rates. The premium rates for Medicare plans saw no increase in the monthly premiums. Additionally, the \$29.90 subsidy paid to people on STRS Medicare plans will continue indefinitely. For people in the pre-Medicare plans the premiums increase slightly. The largest group in the Medical Mutual plan the increase will be \$12 per month. Our health care system remains strong.

There was some drama that unfolded during the meeting surrounding the budget submitted by STRS staff for approval by the board. The budget contained raises for STRS employees and continued financial resources directed to the investment staff for ‘incentive pay’. The discussion on this matter was lengthy (by STRS standards) and resulted in a 6-5 vote to pass the resolution approving the budget submitted. Most of the opposition to the budget focused on the notion that active members pay more and receive less, retired teachers are not receiving their promised COLA, and the budget for education in Ohio was recently reduced. This is the first time that I have witnessed such a division in the board. The vote was as follows:

No votes: Dale Price (active member), David Gruber (appointed member), Mr. Hunt (alternate for State Superintendent Palo DeMario), Robert McFee (active member), Wade Steen (appointed member)

Yes votes: Bob Stein (retired member), Rita Walters (retired member), Yoel Mayerfield (appointed member)
Carol Carothers (active member), Jeffery Rhodes (active member), Arthur Lard (active member)

As I consider the discussion from the June 2020 STRS meeting, I am encouraged that several members of the STRS board have acknowledged that the current status quo of retirees not receiving what they were promised while STRS employees receive annual increases is no longer acceptable. I believe that the split vote sends a clear message that we can not continue down the path that we are on. Hopefully, the pressure from retirees, active teachers, and legislators will move the needle and we can look forward to receiving more of what we were promised.

Final Thoughts

I am hopeful that the worst of the pandemic is behind us. As we move forward and emerge from the ‘stay at home’ conditions, please remember, ORTA members are in a vulnerable demographic. For the most part, ORTA members are more vulnerable to the virus than our younger citizens. Protect yourself and those that you love by following the guidelines established by Governor DeWine and his staff!

Have a great Fourth of July holiday!

Best Regards,
Robin Rayfield, ORTA Executive Director



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OHIO RETIRED TEACHERS ASSOCIATION



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**Remember, the date we process your payment is your new due date for the following year (i.e. 06/20/20, new due date is 06/20/21). If you pay your ORTA dues to your local chapter, your payment is applied upon receipt to our office.





ORTA WANTS YOU TO SUBMIT YOUR PHOTOS

We're looking for your photos! Many chapters have submitted photos for stories to share about chapter meetings and activities over the years, but now we're looking to show how diverse, unique and active you all are! ORTA is planning a new marketing campaign, and we want you to be the stars. Please submit photos of members doing community service projects, helping others and/or group photos that show members together. We have photos in our archives, but any additional ones would be helpful for the creative process.

**We understand that many of these photos will be from past events, and that's OK!*

Please send your submissions to Alissa at publications@orta.org.

You will be contacted if your photo(s) are chosen for use in the campaign. You and your chapter will be given credit for the photo.



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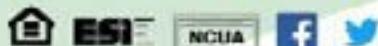
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LOCAL CHAPTER ELECTIONS

(From Robin Rayfield)

I have received a few questions from ORTA members regarding elections for local chapter officer positions. I recognize that local chapters often have difficulties finding local leaders. It seems like when someone agrees to serve as a local chapter officer they are in that position for life! ORTA's has similar issues finding and securing ORTA members to serve as Liaisons.

Our Executive Committee has discussed this issue and we will be addressing this at our next Executive Committee meeting. During the current pandemic I have suggested that everyone remain in their current position with the hope that 2021 will be more 'normal'.

To that end I would suggest that local ORTA chapters may do the same, have everyone simply serve in their current position for the following year. Sue Datish (Trumbull Co. RTA) suggested that her chapter might communicate with her local members and make a motion such as this:

A motion is made to suspend elections for this year as set forth by the Bylaws and let the current officers continue for one additional year. Normal election procedures will take place in 2021.

This could probably be done at the executive committee level for each local chapter

or

Put this motion as a ballot in your next newsletter. Members can mail their ballot or vote online. I think that such a motion would be appropriate under the current circumstances. ORTA is committed to supporting whatever the local chapters want to do. If your chapter is wondering what to do, please do what your local members want you to do. ORTA will fully support what each local chapter determines is best for them.

If anyone in your local chapter has a desire to serve as a Liaison for one of the ORTA Regions, please contact me at the ORTA office:

Robin Rayfield ORTA office 614-431-7002
rrayfield@orta.org

OHIO'S 5 RETIREMENT SYSTEMS: HOW THEY COMPARE

The following information was collected and complied by two ORTA members from Southwest Ohio. Bob Buerkle and Dean Dennis have been at the heart of the struggle to restore our COLA. Bob and Dean attend all STRS meetings and over the last three years I have come to know both people. More than that, I have learned that Bob and Dean are very knowledgeable with regards to the issues surrounding the funding of the STRS system. Recently, they have shared the following information with me and asked that I share this information with their fellow ORTA members. —Dr. Robin Rayfield

Comparing Ohio's Five Retirement Plans by Bob Buerkle and Dean Dennis

The most recent Ohio Retirement Study Council (ORSC) Annual Report issued March 4, 2020 is interesting. The report shows the 30-year funding plans for all five systems required by the Legislature. If a plan exceeds 30 years, they must develop a plan to lower their funding level to 30 years or below in the future. An indicator of the strength of a system is how many years the unfunded liability is from becoming fully funded. So, the lower the number of years (the closer to zero), the stronger the pension plan. The ORSC Chart indicates the following:

- 1) STRS is best at 16.6 years, averaging about 10 years ahead of the other four plans.
- 2) PERS is at 27 years
- 3) OP&F is at 29 years
- 4) SERS is at 25 years
- 5) HPRS is at 23 years

Also, in the latest ORSC Annual Report is the 10-year averages for the investment returns for all five plans. The report also lists the Earnings Rate Assumption of each of the five plans. This is important because it helps determine if each plan is exceeding what they expect to earn or is falling short. This is measured in Basis Points (bps). A Basis Point (bps) is one hundredth of 1%. So, if a pension plan expected to earn 8% (Earnings Rate Assumption) but earned 9%, they would have earned 100 Basis Points (bps) more.

- 1) STRS is best earning 10.31% (averaging nearly a full percent ahead of the other four plans)
- 2) PERS earned 9.69%
- 3) OP&F earned 10.24%
- 4) SERS earned 9.42%
- 5) HPRS earned 8.77%

It is important to note that all 5 of Ohio's pension plans earned more than their expected Earnings Rate Assumptions. Over the 10-year period STRS again performed the best earning 286 bps over their Earnings Rate Assumption. In fact, STRS performs the best in every financial performance category rating except in "Funded Ratio" where they are at 76%, second to PERS at 77%.

Now that we have established the strength of Ohio's 5 pension plans, let's compare the COLA policies:

- 1) STRS- no one has received a COLA since 2017, nothing is in sight. Retirees were not grandfathered.
- 2) OPERS-pays a 3% COLA to all pre-2013 retirees and the lower of CPI or 3% to post 2013 retirees.
- 3) OP&F- pays a 3% COLA to pre-2013 retirees and future retirees who had 15 or more years of service in 2013
- 4) SERS-plans to restart their COLA at the lesser of CPI or 2.5%, in 2021 after a 3-year suspension
- 5) HPRS-reviews actuarial report each year to determine their COLA. In recent years it has been around 1.5%.

WHAT'S WRONG WITH THIS PICTURE AND WHEN WILL THE LEGISLATURE HELP STRS RETIREES?

IN MEMORIAM

Franklin Co.

Lorna June Eagle Shipley, June 2020
ORTA Member

Huron Co.

Harriett Parcher, March 2020
Current chapter Vice President for Huron County,
and ORTA member

Pickaway Co.

Doris Ellene (Bell) Luna, May 2020
PCRTA and ORTA Member

Shelby Co.

George Williams, June 2020 Shelby County Retired
Teachers Association/ORTA Member

Stark Co.

Russell Johnson, January 2020
SCRTA and ORTA Member

Charles W. Hannan, June 2020
SCRTA and ORTA Member

Barbara Achauer, June 2020
SCRTA and ORTA Member

Richard Lytle Rook, May 2020
SCRTA and ORTA Member

***Deceased Member submission Policy update:**
If you submit member(s) passing, please forward any obituary or funeral arrangements for our records.

**"When our time on Earth has been complete,
Our spirit moves on, more mysteries to seek.
Celebrate what this person meant to you,
Cherish the memories when this life
you review."**

—B.J. Woodruff



IMPORTANT CONTACTS

ORTA (Ohio Retired Teachers Association)

250 E. Wilson Bridge Road | Suite 150
Worthington, OH 43085
614-431-7002 | www.orta.org

STRS (State Teachers Retirement System of Ohio)

275 E. Broad Street | Columbus, OH 43215
(888) 227-7877 | www.strsoh.org

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6034 W. Courtyard Drive | Suite 300
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