

Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, Ohio 43215

Minutes
September 23, 2021

The meeting was called to order by Chairman Carfagna at approximately 10:01 a.m. in Room 017, the Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting members

Rick Carfagna, Chair
Hearcel Craig
Brigid Kelly
Phil Plummer
Dr. Anthony Podojil

Non-voting members

Karen Carraher, PERS
Mary Beth Foley, OP&F
William Neville, STRS
Carl Roark, HPRS
Richard Stensrud, SERS

Absent

Jay Hottinger, Excused
James Patterson, AG, Excused
Kirk Schuring, Vice-Chair, Excused
Lora Miller, Excused

Staff

Jeff Bernard
Bethany Rhodes

With a quorum present, the meeting was called to order at 10:00 a.m.

Chairman Carfagna asked that the minutes of the previous meeting and previous minutes of the ORSC subcommittees be approved. The minutes were approved without objection.

Chairman Carfagna moved to the FY2021 Disability Reports. Director Neville presented the STRS disability report. Chairman Carfagna asked about the approval rate, asking if the 70-75% approval rates was typically. Director Neville noted that it was typical. Dr. Podogil asked if there has been any changes in rates since the disability program was altered. Director Neville said he would make that information available to him but did not have it on him at the moment. There were no further questions.

Director Stensrud presented the SERS disability report. Chairman Carfagna noted that he appreciated the breakdown of each employer disability rates and pointed out the usefulness of the data. There were no further questions.

Chairman Carfagna moved to the OP&F budget. Director Foley asked Scott Miller to present the operating budget. There were no questions. Chairman Carfagna noted that ORSC has oversight but does not have the authority to change or alter the system budgets.

Chairman Carfagna moved to the PERS Actuarial Valuation. Director Carraher presented the valuation. Chairman Carfagna noted the decrease in the assumed rate of return, noting that the amortization would be 18 years but the rate change increased it to 21. Senator Craig asked about health care, asking that given the condition of the pension plan, when did she anticipate funds to again be allocated to the health care plan. Director Carraher noted that the obligation is the pension fund but that pension reform was done in part to provide funds to health care. She didn't anticipate that funds would be available for six or seven years but it did depend on market returns.

Representative Kelly asked about the upcoming health care changes for the under 65 pre-Medicare population. Director Carraher noted that several years ago the Medicare population was moved from a self-insured program to the marketplace. Next year, the pre-Medicare population will receive health care through the same model as the Medicare population. Representative Kelly noted that it has been challenging for some people, particularly those with chronic conditions and that it could be confusing for people to see high market returns combined with a lowered assumption rate that could affect their health care. Chairman Carfagna asked about the COLA for next year. Director Carraher noted that the 2022 COLA for the CPI group will be 3%. Chairman Carfagna asked if there is any relationship between the 3% and CPI group. Director Carraher noted that the 3% is in statute noting the original attempt of PERS was to make everyone CPI, but that those figures are not tied together in anyway. There were no further questions.

Director Roark presented the HPRS Actuarial Valuation. Chairman Carfagna asked Director Rhodes to discuss the health care situation in HPRS. She explained that health care is not a guaranteed benefit; however, HPRS has a mandatory retirement age at 60, five years before Medicare eligibility. This creates a greater strain on the HPRS system and is a situation that needed addressing in the near future. Director Roark noted that the health care situation is the most challenging situation along with the COLA. He noted that they are moving the pre-65 population to the exchange and that it would be a painful shift but that the members will be better after the change is complete. Representative Plummer asked where the mandatory retirement age comes from. Director Rhodes noted that it is a statutory requirement. Chairman Carfagna asked if that is appropriate or should the retirement age be increased but was just considering the options that are available. There were no further questions.

The Chairman said that the next meeting would be October 14, 2021, or at the call of the Chair. The Chair noted that the ORSC sometimes does not meet as the agenda may be quite small and that this was the reason.

The meeting adjourned at approximately 10:44 a.m.

Date Approved

Rick Carfagna, Chair

Bethany Rhodes, Secretary

Kirk Schuring, Vice Chair