

Retirement System Comments: HPRS

HPRS appreciates the opportunity to make comments regarding the Ohio Retirement Study Council's (ORSC) report on the Historical Experience of the Five Ohio Retirement Systems since 1998. The report provides a meaningful reflection on the period analyzed and serves as a resource for understanding how the systems evolved to where they are currently. Moreover, the report illustrates the implementation of best practices to ensure sustainability.

As the report indicates, HPRS had an amortization period that exceeded 30 years from 2008-2011 yet made allocations to its Health Care Fund in 2008 and 2009. Although this action is not viewed as a best practice in a vacuum, other actions were simultaneously taken to work toward compliance. For example, a special committee was put in place in July 2009 that proposed the critically needed changes that were implemented when pension reform passed in 2012.

In April 2019, HPRS adopted a funding policy to assist in meeting the objectives of appropriately funding the long-term cost of benefits in an equitable manner and maintaining inter-generational equity. This policy is referenced in the report and is a valuable tool in guiding the HPRS Board with some of the most important decisions they make, in setting annual rates for employee contributions, cost-of-living adjustments (COLAs), and health care funding contributions.

In 2021, HPRS began a phased-in approach to transition to a Health Reimbursement Arrangement (HRA), to provide a more sustainable health care benefit. The project started with the Medicare-eligible members, who transitioned to a Medicare HRA in January 2022. The remaining population transitioned to a Pre-Medicare HRA in January 2024. Although these changes are still relatively new and therefore difficult to accurately measure their long-term value, the model provides for a known liability that can be more effectively managed.

Finally, HPRS appreciates the work of the ORSC and the resource that they are to the five Ohio retirement systems.