

HPRS Report of Recent Board Activity to the
Ohio Retirement Study Council
Carl Roark, Director
February 13, 2020

Good morning Mr. Chairman, Members of Council, and Guests.

For 2020, The HPRS Board has increased active member contributions from 12.5% to 14% (the statutory limit), reduced the COLA from 1.25% to 0%, and allocated 0% to the health care fund.

- These decisions were guided by the funding policy that was voted on by the HPRS Board last year. This policy set objectives for reducing the amortization period with a long-term goal of being fully funded.
- The solvency of the health care fund is at approximately 10 years, and our Health Care Funding Committee continues to look at innovative solutions to the health care solvency issue, while making appropriate adjustments to benefits and premiums.
- The changes to active member contributions and COLA were largely a result of the need to reduce the assumed rate of investment return from 7.75% to 7.25%, which occurred as part of the December 31, 2018, actuarial evaluation. As you know, even a slight change in the assumed rate of return requires significant changes elsewhere to ensure the fund is in compliance.

Other recent Board actions of note:

- Former HPRS Director Mark Atkeson retired last month and the HPRS Board hired me to succeed him.

- The HPRS Board voted to change our actuarial services provider. HPRS is moving from GRS, with whom we have contracted for decades, to Foster & Foster. This transition is underway and occurred as a result of a lengthy, on-going search. The timing of the change was logical, due to the cycle of the five-year experience study, which is scheduled to begin later this year.

Mr. Chairman, that concludes my prepared remarks and I would be happy to answer any questions you or the Members of Council may have.