



# Highway Patrol Retirement System

Newsletter

June 2012



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## Senate Bill 345 Update

In April, the Ohio Senate decided to move on pension reform for all five public pension systems. Because the HPRS Board's initial plan submitted in 2009 had not been acted upon legislatively, additional measures had to be considered to comply with the actuarial requirements of ORC 5505.121. After consideration of a number of issues, on April 19, 2012, the Board voted unanimously to modify its initial plan with the following:

1. The amount each active member contributes to the retirement system will range between 10% - 14% of the member's annual salary. The percentage rate will be determined by the Board as deemed necessary to comply with the actuarial valuation requirements of ORC 5505.121.

2. The annual cost of living adjustment (COLA) applied to eligible retirees will range between 0% - 3%. The percentage rate will be determined by the Board as deemed necessary to comply with the

actuarial valuation requirements of ORC 5505.121. Exceptions are still in place for our oldest retirees who receive limited benefits.

3. These changes grant the Board authority to make changes as needed rather than wait for legislative action.

All other provisions of the initial plan remained the same:

1. Increase Final Average Salary (FAS) calculation period from 3 to 5 years for members retiring after 2014.

2. Increase COLA eligibility age from 53 to 60 after the legislative effective date.

3. Reduce the allocation of contributions to the health care fund by 1 per cent of employer payroll. (This does not require legislative action and has already been enacted. To comply with the Ohio Revised Code, an additional 1.75% was re-

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## Health Care Funding

Affordable health care is a vital component of our retirement benefits. However, the market downturn of 2008 and the continuing weak economy has taken a toll on our funds available for health care. Several actuarial studies have indicated that our health care funding could be insolvent within ten years unless significant changes are made. As a result, the Board appointed a Special Committee on Health Care Funding to address the challenges we are facing.

In the last six months, the Special Committee has held several public meetings to develop recommendations to be presented to the Board. With input from active and retired members, a number of recommendations were presented to the Board at its June 28, 2012, meeting. The Board acted on changes to the current health care plan that will result in annual savings of over \$1.5 million.

The question of premium contributions from retired members has not been resolved. The Special Committee will meet on July 19, 2012, to develop recommendations on premium contributions for retirees, spouses, surviving spouses, and dependents. Everyone involved in the process is trying to

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## Upcoming Events:

*The final Strategic Planning meeting will be held on July 11, 2012 at 10:00 am the Patrol Academy. Please send an RSVP at least 3 days in advance to Col. Rice (trice@ohprs.org or 614-430-3553) to confirm your attendance.*





## Board Election Update

Captain Carl Roark was unopposed in the active representative election. Accordingly, he will serve his second four-year term from August 1, 2012 through July 31, 2016. We thank Captain Roark for his dedicated service and continued commitment to HPRS!



## DROP Rate

The DROP interest rate for July 1, 2012 through December 31, 2012 has been set at 0.8144%.

## Firearms Concealed Carry Qualification

Starting on July 18, 2012, at the Patrol Academy Range, qualified retired officers of the Ohio State Patrol can complete the requirements of The Law Enforcement Officers Safety Act (H.R. 218), enacted in 2004, to carry a concealed weapon under Federal authority. Under the provisions of this Federal resolution, Patrol Retirees who have separated from the Division in good standing can qualify with their firearm, at their own expense, once every twelve months by completing a course of fire that meets the same standards as active duty Patrol officers.

Prior to qualification, the Academy will host a two hour course of instruction to familiarize retired officers with the qualification process and the requirements for carrying a concealed weapon. Training and qualification dates for 2012 have been scheduled:

**Wednesday, July 18, 2012\* from 1300 hours to 1500 hours\*\***

**Wednesday, September 5, 2012, from 1300 hours to 1500 hours**

**Wednesday, November 7, 2012, from 1300 hours to 1500 hours**

OSP Retirees must complete a written request for approval (HP-15C). This approval application can be obtained from <http://statepatrol.ohio.gov/training.stm>. Applications received later than 14 days prior to the qualification date will be deferred to the next qualification date.

Retirees will: supply their own weapon and ammunition (a 24 round course), be given two opportunities to qualify, be required to wear a ballistic vest and eye protection during qualification (supplied by the Academy), and will arrive at the Academy with their weapon(s) unloaded and ready for inspection by the Range Officer. Retired officers who meet the qualification standards will be given a copy of their HP-15- firearms qualification form.

Retirees carrying a concealed weapon, the weapon with which they have qualified, will also be required to carry their OSP issued retirement ID card, with photo, as well as the current year's qualification form.

Additional information about this concealed carry program will be provided during the training/qualification unit of instruction or by calling Sgt. Ray Joseph, Academy Staff, at 614-387-6075.

*\*Please note that due to the July release date of this Newsletter, members who have not submitted their 15C application form prior to June 27, 2012, will not be able to participate in the first qualification training on July 18, 2012. An HPRS email notification about qualification dates and the 14 day requirement was sent to retirees on June 5, 2012*

*\*\*Qualifications will be scheduled on the first Wednesday of the month (by quarters) - except in July, 2012, as this date falls on July 4th.*

## 2012 Sunbird

As a reminder, the 2012 Sunbird reunion will be held on August 11, 2012 at the Ohio Veteran's Home Pavilion in Sandusky, Ohio. Please make plans to attend. Reservations are due by August 1, 2012. Contact Gabe Ferencz at 419-202-7717 or Matt Manly at 419-341-2820 for more information. Information also can be obtained by going onto the Retirees' Association website at <http://oshpretiree.org/> and accessing the "Members Only" tab. You may also contact Doris Blosser, HPRS, at 614-430-3554

## SB 345 (Continued from page 1)

allocated to the pension fund in 2011.)

The additional measures **would only be triggered and enacted by the Board if required to gain compliance with the 30-year funding period as mandated by ORC 5505.121**. The Board is discussing what these “triggers” will be as well as what will activate them. Any decisions must include consideration of health care. Increasing employee contributions and decreasing COLA are actions the Board would only take if absolutely necessary. Likewise, decreasing the employee contributions and restoring COLA are actions the Board would enact as soon as actuarially feasible. By addressing employee contributions and COLA, the burden is borne by all members of our system; keeping in mind the Board is cognizant of the fact that current retirees don’t have the option of making future decisions on when they retire.

On May 15, 2012, SB 345 was introduced. After three committee hearings, no opponent testimony, and no amendments, SB 345 unanimously passed through the full Senate on May 23, 2012. (SB 345 as introduced and passed can be viewed on the HPRS website after logging in and selecting the Legislative Log tab.) The Ohio House is expected to act on this bill later this year. **Continued collective support by both active and retired members is critical to positively impacting our ability to shape our system’s future.** If we want a solvent system and health care in the future, adoption and implementation of these changes are necessary. Failure to implement this plan to reduce our funding period to 30 years could be very costly in the long run with the gradual defunding of our system.



## HC Funding (Continued from page 1)

limit the financial impact on members, but, given the current financial situation, it is necessary to pass additional costs onto the participants in an impartial and equitable manner.

All changes will be outlined in detail over the next few months and will be effective January 1, 2013. A detailed explanation of benefits and costs will be emailed, mailed and posted on the website once finalized. Questions, comments, or concerns regarding the Special Committee on Health Care Funding should be addressed to Trustee Darryl Anderson at [dla0321@gmail.com](mailto:dla0321@gmail.com) or by telephone at 614-588-9035.

## Gabfest 2012

On June 1, 2012, the annual GabFest was held at the Das Dutch Kitchen in Dalton, Ohio. Over 65 retirees, active members, and spouses were in attendance. The program was emceed by J.P. Allen and included comments from Major John Bistor, Executive Director Mark Atkeson, and Board Trustee Larry Davis. Thanks go out to Staff Lieutenant Joel Smith and his wife Jeanne for their efforts in hosting this year’s event.





## From the Director

As I presented in the last newsletter, one of the main issues we are focusing on this year is pension reform legislation. A lot has happened on this front in the last several months; please refer to the article entitled "SB 345 Update" in this newsletter.

Hopefully, you have been able to stay abreast of how the legislation has progressed from our emails, mailings, website postings, troopertotrooper.com, and word-of-mouth.

We have just completed our 2011 Annual Report, and if not already posted at the time of this publication, it will be posted to our website shortly. Internal and financial audits of our system have just been completed; auditors found no substantial breaches in compliance.

As always, if you have any questions or concerns, please feel free to contact me at 614-430-3557 or email me at matkeson@ohprs.org.



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**We're on the web!**

[www.ohprs.org](http://www.ohprs.org)

**Our office will be closed on —**

July 4  
(Independence Day)  
September 3  
(Labor Day)



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