



Date: April 12, 2016

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To: **OSURA Executive Board Members/Historian/Representatives**

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Jerry Dare  
Sally E. Dellinger  
Howard L. Gauthier  
Raimund E. Goerler  
Michele B. Hobbs  
Richard M. Hill  
Fern E. Hunt

Daniel L. Jensen  
Carl Leier  
Shirley McCoy  
Sally W. Morgan  
Gerald H. Newsom  
Hallan C. Noltmier  
Diane Selby

Thomas L. Sweeney  
Marie T. Taris  
Gisela M. Vitt  
Nancy S. Wardwell  
Elenore Zeller  
Alabelle Zghoul

From: Gerald H. Newsom, President

**OSURA Executive Board Meeting  
Tuesday, April 12, 2016 from 9:00 to 11:00 AM  
Northwood and High Building, Room 100  
2231 North High St.**

**A G E N D A**

- |      |                                  |       |                           |
|------|----------------------------------|-------|---------------------------|
| 9:00 | Call to Order and Personals      | 10:20 | Representatives' Reports  |
| 9:02 | Meeting Minutes – McCoy/Sweeney  |       | Bucks for Charity – Dell  |
| 9:05 | President's Comments – Newsom    |       | Campus Campaign – Sweeney |
| 9:25 | Treasurer's Report – Jensen      |       | FCBC – Goerler            |
| 9:30 | Office Report – Lantz            |       | Legislative Update – Hill |
| 9:34 | Committee Reports                |       | OCHER – Wardwell          |
|      | Benefits – Noltmier              |       | HPA - Hill                |
|      | Fall Conference – Noltmier       |       | OPERS - Hobbs             |
|      | Bylaws – Taris                   |       | STRS – Hill, Gauthier     |
|      | Communications – Wardwell        |       |                           |
|      | Finance – Gauthier               | 10:45 | Old Business              |
|      | Friendship – Dellinger           |       |                           |
|      | Membership – Selby/Vitt          | 10:50 | New Business              |
|      | Special Interests Groups – Leier |       |                           |
|      | Vice President's Report – McCoy  | 10:55 | Adjournment               |

Please contact Jerry Newsom at [newsom.1@osu.edu](mailto:newsom.1@osu.edu) if you are not able to attend.

**Next meeting: May 10, 2016**

Cc: Tami Jones, Michele Bondurant, Pam Doseck, Karen Gainer

The Ohio State University Retirees Association  
(OSURA)

**EXECUTIVE BOARD MINUTES**

Tuesday, March 8, 2016, 9:00 a.m. - 10:37 a.m.  
Community Room, Northwood-High Building  
2231 North High Street, Columbus, Ohio 43201

<b>Members:</b>	Jerome G. Dare	Sally E. Dellinger *	Howard L. Gauthier
	Raimund E. Goerler	Richard M. Hill	Fern E. Hunt
	Daniel L. Jensen	Carl V. Leier	Shirley F. McCoy
	Sally W. Morgan	Gerald H. Newsom	Hallan C. Noltimier
	Diane M. Selby	Thomas L. Sweeney*	Marie T. Taris
	Gisela M. Vitt	Nancy S. Wardwell	
<b>Representatives &amp; Other Committee Chairs:</b>	Phyllis J. Carroll	Don M. Dell *	Michele B. Hobbs
	Elenore R. Zeller	Alabelle B. Zghoul *	
<b>OSU-HR Office:</b>	Michele R. Bondurant	Diana L. Lantz	
<b>Guests:</b>			

\* Not present

**Chair:** Gerald H. Newsom, President

1. **Call to Order** – 9:00 a.m.
2. **Personals** – Glad to see Howard Gauthier today. Don Cooper is out of the hospital at Wesley Glen and welcoming visitors.
3. **Minutes of February** (Shirley McCoy) The minutes were approved with corrections.
4. **President's Comments** (Gerald H. Newsom) The Task Force met with Chad Warren, Tami Jones, Craig Little, Diana Lantz and Michelle Bondurant on March 2. Chad has been talking to people in the trenches on what's happening (it's taking longer than expected). The March 2 meeting concentrated on going over what a charter, constitution and bylaws would look like with OSURA as part of the Alumni Association, and Marie with an expanded Bylaws Committee will be going over this with a fine-tooth comb. A lot of information was thrown at us on March 2 and it will take a while to digest it. We presently have an MOA, Bylaws, and an Operating Manual. Craig envisions we would end up with a Charter (in place once AA and the OSURA President sign it), a Constitution, and Bylaws (plus we'd still have our Operating Manual). Membership approval would be required for the Bylaws and maybe the Constitution. Pretty much the same provisions would govern OSURA, but they'd be organized differently. The overall tenor of the meeting I found very positive; clearly the Alumni Association is anxious to provide what support they can. They just announced that they would provide \$2,000 a year for OSURA, much less than the \$40 k we had been getting but still a valuable help towards balancing our budget, and they will provide some support for activities (maybe even paying for coffee and cookies at Board meetings)! I am optimistic our budget should end up OK, although we may have to go to on-line directory, for instance.

The next steps: The Finance Committee will consider further next year's budget, and meetings in April between people in the Alumni Association with whom we will be dealing

and the relevant members of OSURA. The four meetings are on Finance (Howard and Dan the key people on this), Data Integration (the TAS database; Marie and Diane Selby key people here), Communications (Nancy Wardwell), and Customer Service (chairs of committees with events our members sign up for are key).

We should be gearing up to select the winner of the Outstanding Service Award. Nomination forms are available on the OSURA web site so please submit nominations if you have someone in mind. I would like previous winners of the Award to go over the nominations and make a recommendation to the Board. Deadline for nominations will be the end of May for approval at the June Board Meeting.

The renewal form for dues goes out in May. The Membership Committee recommends the dues not be changed this year and my understanding is the Finance Committee is in agreement. After we see how things work in FY 2017, the question of dues increases will have to be considered again. We should consider asking on the renewal form if members will agree to receive the newsletter only on line, and how many need a hard copy of the directory.

**5. Treasurer's Report** (Daniel L. Jensen) Dan wasn't able to present a Treasurer's Report because the University hasn't released the February figures yet. However we do have \$46,000 in the checking and \$356,000 in investments. We have access to \$87,000 to which we should think about adding to the endowment.

See Dan's written report for complete details.

**6. Office Report** (Michele R. Bondurant and Diana L. Lantz) Diana handed out the detailed office report. Also the official invitation to the OSURA Board Members for the "Swing Into Spring" New Member Event, please RSVP to Diana by April 8.

An invitation to the Alumni Association Society Roundtable was passed out to OSURA Board Members; it will be on March 30, 2016 from 5:30-8pm. Please register by March 23.

Spring Break is next week and the student will be out of the office, however, Diana will be in the office.

## **7. Committee Reports**

**Benefits** (Hallan C. Noltimier) Was in the packet.

**Bylaws** (Marie T. Taris) The committee will be meeting to review the new Constitution and Charter. They will be updating our by-laws. The Charter is The Constitution will be our guiding document that includes our by-laws, it will replace the MOU with Human Resources. The committee will be meeting with Craig Little at the OSU AA.

**Communications** (Nancy S. Wardwell) No report, other than requesting suggestions for articles. She will be running the "Swing into Spring" event again.

**Finance** (Howard L. Gauthier) Finance Committee is working on a budget for the transition to OSU AA. They are focusing on the \$40,000 Challenge of how to overcome this deficit that pays for the Newsletter and Directory printing. They are considering outsourcing to another vendor which is less expensive. Another potential could be having an online only OSURA Directory or having a hard copy directory that is paid for by

vendor advertising. Dues increased will be tabled for this year and we will look at costs to determine what an increase could look like, we would distribute the cost to both annual and lifetime membership rates. We may have a potential of \$10,000 deficit the first year and we can cover that with our savings. Finance will be meeting with OSU AA and that will give us a better picture of costs. After that meeting, the Finance Committee hopes to have a menu of options to present to the OSURA Board for them to choose from as the direction OSURA should take financially. We do have an endowment fund and quasi-endowment fund that we can use for "Current Use" expenses. Sally Morgan asked if people can donate directly to the quasi-endowment fund that would help OSURA with operating costs? Howard thought we could, if we publish that number. Gisella wondered if we could still print a limited number of Directories and charge for it. Howard thought we could decrease the costs by printing it in a different format.

**Friendship Committee** (Sally E. Dellinger) Nancy Wardwell said that Sally fell in our last snowfall and broke 4 ribs and punctured her lung. She was released from the hospital last night. Nancy asked that we send her a card. There will be no meeting this month.

**Membership** (Gisela M. Vitt) Membership graph is attached. Shared that "Swing into Spring" event on April 19 at the OSU Golf Course is being cohosted by the Board and Committee Chairs. We need to be welcoming and enthusiastic to share about OSURA and our activities. SIG and Committee Chairs were encouraged to bring information about the activities that they host that new members could pick up, We'd like each group to have a table with a centerpiece that represents the committee. The goal for this event is to be interactive one on one with each other. There will be an interactive bingo and there will be prizes. One will be a "One Year OSURA Membership". Diane Selby asked if each OSURA Board Member could all 5 people on the list to ask them to come to the event. Diane Selby will send these out to us. Sally Morgan asked if we knew where each of the people are from in the University. Diana said that she only printed out names and addresses. There will be nametags. The goal is to keep the event casual.

Hidden Benefits will be March 15 at the OSU RPAC and OSURA will have a table there to talk with potential retirees and tell them about Associate Membership. It was encouraged to have candy at the table. Nancy Wardwell said that she would get the candy.

Member Spotlights continue in the newsletter. The Membership Committee voted not to increase the membership dues for FY 2016-17.

**Special Interest Groups (SIG) Coordinating Committee** (Carl V. Leier) Add the report. The Health and Wellness Committee held the previously canceled event of Sleep in Health and Disease last Saturday. Howard shared that the next dinner series event is focused on Global Crisis, the changes in weather were a factor in many events that occurred over the years.

**Vice President's Report** (Shirley F. McCoy) Shirley reported the current events that the Cultural Arts, Travel, and Social Committees have set up. Rai said that the Thompson Library Tour has expanded to 25.

## 8. Representatives' Reports

**Bucks for Charity** (Don M. Dell) The Bucks for Charity Campaign is ended.

**Campus Campaign** (Thomas L. Sweeney) Campus campaign has just begun. People were encouraged to donate to an OSURA Endowment.

**FCBC** (Raimund E. Goerler) Rai had the opportunity to speak with President Drake at the meeting.

**Legislative, Health Care, Pension, and Financial Update** (Richard M. Hill) Dick shared the following on Health Care Issues:

1. Delay of 1095-C [ACA] Tax Forms – These are forms that you submit with taxes to prove you have health insurance.
2. Medicare Advantage Cuts – Insurer-run Medicare supplement plans
3. One Percent of Physician Account for One-Third of Malpractice Claims Paid – the majority of physicians uphold practice standards.
4. Leave the Public Pensions Alone – Article in the Columbus Dispatch that says the money in state pension funds below to those who put the money in, not the state government.

See Dick's written report in the Meeting Packet for details.

**OCHER /HPA** (Nancy S. Wardwell, Howard L. Gauthier, and Richard M. Hill) Next meeting March 22, 2016. Nancy suggested that OCHER be the party

**HAP** (Richard M. Hill) Dick shared that STRS has a 5 year window to determine how they will handle the rising health care costs for their retirees. Some strategies used by plan sponsors to constrain retiree health costs are;

1. Tightening eligibility requirements
2. Raising retiree premiums and cost sharing
3. Transition to OPERS Model of retiree exchanges providing a defined contribution
4. Eliminating or limiting coverage for future retirees.
5. Optimizing saving from Medicare prescription drug program.

See Dick's written report in the Meeting Packet for details.

**OPERS** (Michele B. Hobbs) Total assets of \$87 Billion. Videos are on the OPERS Website for the Exchange Program. Michele briefed the Executive Board on the latest OPERS Source report, which can be found in the Meeting Packet.

**STRS** (Richard M. Hill and Howard L. Gauthier) Dick shared the following main points of the February 18, 2016 STRS Board Meeting:

1. Investment Status for FY 2016 YTD \$67,954 Billion down -4.4% since June 30, 2014.
2. Health Care Fund Drops by \$196 Million in 2015
3. STRS Proposed 2017 Health Care Program Changes, 17 changes were summarized.

Dick shared that the STRS Board is facing some difficult decisions to make.

See Dick's written report in the Meeting Packet for details.

9. **Old Business** There was no Old Business.

10. **New Business / Add-on Items** There was no New Business.

11. **Next Regular Board Meeting**

Tuesday, April, 2016, 9:00 a.m. - 11:00 a.m.  
Community Room, Northwood-High Building  
2231 North High Street, Columbus, Ohio 43201

12. **Adjournment** The meeting was adjourned at 10:37 a.m.

## Highlights from the Benefits Committee Meeting of April 5, 2016

The Committee heard the following reports:

**President's Updates:** President Newsom reported on discussions about OSURA's transition from Human Resources to the Alumni Association. Development of a Constitution and revision to the Bylaws is underway. The OSURA President and the Vice President met with Tami Jones in HR to sign a legal agreement terminating our relationship with HR effective July 1, 2016, but with the understanding that HR would continue to provide support until the formal agreement with Alumni Association is signed. Several additional meetings with people in Alumni Association are scheduled for April to discuss various interfaces including financial, service center operations, database integration, official sponsor contracts and opportunities for OSURA and more.

**FCBC:** Report From Goerler on the FCBC meeting where the item of interest to OSURA was a proposal to allow ARP participants a one-time opportunity to join STRS, with provision of medical and pension benefits proportionate to their contribution to STRS.

**OPERS –** Michele Hobbs reported that the Trustees are in discussions concerning the pros and cons of Hedge funds. Director Marianne Steger announced that Medicare Connector fees of \$2.33 will be waived for the first three months of 2016. A study was cited demonstrating that women in DB pension plan have higher income than those not in DB plans although typical retirement income for women is 25% lower than men. Full report at Board meeting.

**STRS and HPA and Legislative** reports from Dick Hill to be presented at Board Meeting.

**PERI:** Has hired a new director, Geoff Hetrick, to replace Bill Winegarner, who retired in December 2015.

**OCHER:** Wardell reported on the meeting of March 22, 2016 which featured Aristotle Hutras, past Executive of the Ohio Retirement Study Council on lobbying for state retirements systems, Greg Nickell on STRS Health Care and Marla Bump discussed HJR 6 on divesture effort and the need to have retirees write letters to oppose. The new Executive Director of ORTA, John Cavanaugh attended.

**Financial Matters:** Doug Jones reported that the U.S. Department of Labor will promulgate new rules requiring a more fiduciary stance for retirement investment advisors. The latest calculations of the Society of Actuaries indicate that men at age 70 have a 19% chance of living to 90, while women have a 30% chance to get to 90 and a 53% chance to reach 85. Another study indicates that as to overall spending in retirement, the common idea that it will be less does not jibe with research findings that almost half of retirees spend the same or more in the first few years, and only 8% actually spend less. Spending rates do drop after six years as a quieter lifestyle is typically adopted. Some expenses do decline in retirement, like retirement account contributions, Social Security and Medicare taxes, and work-related expenses (e.g., commuting and dress), but health care expenses remain the wild card. Indeed, living in retirement for 30 years vs. 20 years adds about \$172,000 to your total health care costs.

**Annual Meeting/Fall Conference:** Rachael Turner reported that the committee continues to make contacts to recruit speakers for our breakout sessions. Six have been confirmed, and three more are needed. President Drake has committed to provide keynote. Susan Evans is making good progress in recruiting sponsors. We confirmed that one tour at the end of the day will be to the Heritage Medical Museum at Prior Library, coordinated by Dick Hill. Other tour possibilities include WOSU, Wexner Cerner for the Arts, OSU Libraries, the OSU Planetarium and the OSU Textile Museum. The next meeting of the planning committee is April 21, 2016, 9:30-11:00, at the MCL Cafeteria.

Submitted by vice chairperson, Marie Taris

**To:** The OSURA Executive Board

**From:** Marie Taris, Chairperson of the OSURA Bylaws Committee

**Date:** April 7, 2016

**Re:** Proposed Constitution for OSURA

On behalf of the Bylaws/Constitution Team, I am requesting that the attached proposed Constitution for The Ohio State University Retirees Association be placed on the agenda for consideration at the Executive Board Meeting of April 12, 2016.

As you know, the transition of OSURA's affiliation from the Office of Human Resources to the Alumni Association has been under discussion for the past several months and we have witnessed great enthusiasm for OSURA being incorporated into that organization. Although OSURA is not an OSU alumni group, it has been determined that OSURA would best fit into the Alumni Association's organization structure in a category which is called Societies. This is the term used to describe constituent groups including Ohio State alumni from both the academic units (e.g. Knowlton School of Architecture) and those based on activities (e.g. Army ROTC). OSURA will be considered a Special Interest Group Society.

As with all Societies, OSURA is required to create a constitution following the guidelines promulgated by the Alumni Association. This constitution is subject to approval first by OSURA and subsequently by the Board of Directors of the Alumni Association, who then will "charter" OSURA as a Society with all the benefits of same. Clearly there will be many benefits from being chartered by the Alumni Association, including financial incentives, meeting space at no charge, OSURA database incorporation into the TAS system, reservation system for events and much more.

The OSURA Bylaws Committee (Marge Bennett, Tom Sweeney, Marie Taris and Elenore Zeller, plus ex officio members Jerry Newsom and Shirley McCoy) was asked to work with the leadership of the Alumni Association to develop a proposed constitution that would be in accordance with the guidelines of the Alumni Association and consistent with our current Bylaws as well as to offer modifications to our existing Bylaws that are consistent with the overall charge. We refer to the above named group as the Bylaws/Constitution Team. We have been guided along the way by Craig Little, Director of Alumni Societies, The Ohio State University Alumni Association, and have appreciated the participation of Diana Lantz from the Office of Human Resources.

For consideration at the April meeting of the Executive Board will be only the proposed Constitution. The Team continues to deliberate on the revision to the OSURA Bylaws which we hope to bring to the May meeting of the Executive Board. Both of these documents will then be subject to adoption by the membership of OSURA, in a manner decided by the Executive Board.



CONSTITUTION  
THE OHIO STATE UNIVERSITY RETIREES ASSOCIATION

PREAMBLE

Vision

The Ohio State University Retirees Association aspires to become the most effective organization possible to help members attain optimum satisfaction in their retirement years.

Mission

OSURA provides a variety of services that enrich the lives of its members and benefit the university and the greater community.

Goals

- *To provide* a wide range of activities, including: educational, informational, cultural, social, travel, and volunteer opportunities.
- *To monitor* and share information on benefits affecting health and life style choices.
- *To increase* membership.
- *To advance* all modes of communication with its members, as well as the university and greater community, via the OSURA's Newsletter, Membership Directory, web site, and other appropriate avenues.
- *To assist and serve* The Ohio State University in accomplishing its mission and goals.
- *To encourage and create opportunities* for retirees to help other retirees.
- *To develop* further the OSURA's endowments.
- *To be an efficient* retiree organization.

Article I - Name

The name of this organization is The Ohio State University Retirees Association (OSURA), hereafter referred to as the Society.

Article II – Affiliation

OSURA shall be considered a special interest society within The Ohio State University Alumni Association, Inc. It shall be an integral part of The Ohio State University Alumni Association, Inc. (hereafter referred to as the Association), the official alumni organization of The Ohio State University (hereafter referred to as the University).

Section 1: The Society will also promote and support the mission of the Association.

Section 2: The Association's commitment to the Society is outlined in the Charter agreed to by the Society and the Association.

### Article III - Purpose

Section 1: The purpose of the Society is to enhance the well-being of its members through pertinent educational, social, recreational and cultural programs and/or experiences to promote fellowship.

### Article IV - Membership and Dues

Section 1: All retired employees of The Ohio State University and their spouses or partners are members. Others may join as Associate Members as described in the Society's Bylaws.

Section 2: Dues may be as established by the Executive Board.

### Article V - Officers

The officers of the Society shall consist of President, Vice President, Secretary, Treasurer and Immediate Past President, all of whom must be Regular Members of the Society as described in its Bylaws.

### Article VI - Duties of Officers

Section 1: President: The President shall preside at all general meetings of the Society, and shall be chairperson of the Executive Board as well as an ex officio member of all committees.

Section 2: Vice President: In the absence or disability of the President, or at the request of the President, the Vice President shall perform the duties of the President. If the office of President becomes vacant, the Vice President shall become President for the unexpired term. The Vice President is the President-Elect. The Vice President shall be an ex officio member of all committees.

Section 3: Secretary: The Secretary shall have custody of the names and addresses of those retirees who become Regular or Associate Members of the Society. The Secretary shall notify the Association of any updates or changes the Society might receive. The Society shall not release the membership list for political, personal or commercial purposes. Any person violating this policy is subject to expulsion from office by the Board of Directors of the Association. Release of the list shall be made only on approval of the Association, subject to the constitution of the Association.

Section 4: Treasurer: The Treasurer shall supervise all receipts and expenditures of the Society. If dues are charged, the Treasurer shall work with the Association staff to obtain the necessary reports to provide updates to the Executive Board. The Treasurer shall disburse funds subject to the approval of the Executive Board. As requested, the Treasurer shall complete and submit annual financial forms to the Association. Additionally, he or she shall complete and submit any documents that may be required by the Internal Revenue Service.

Section 5: Immediate Past President: Shall work with the President to further the objectives of the Society.

## Article VII – Executive Board

Section 1: Executive Board, all of whom must be Regular Members of the Society shall consist of:

- a. The officers as named in Article V.
- b. The Historian(s).
- c. The committee chairpersons designated in the Bylaws as being members of the Executive Board.
- d. Six members at large elected to the board by the membership of the Society as outlined in Article X.
- e. The President/CEO of the Association, or the President/CEO's designee, as an ex officio, without a vote.
- f. The staff designee from the Office of Human Resources responsible to work with the Society, as an ex officio, without a vote.

Section 2: The Executive Board shall have full power to fill all vacancies.

Section 3: The Executive Board shall have general supervision of the business of the Society between meetings of the membership.

Section 4: The Executive Board shall hold at minimum two meetings per year and others at the discretion of the President or upon written request of at least three members of the Executive Board. Quorum for executive board meetings are defined in the Bylaws.

## Article VIII – Membership Meetings

Section 1: There shall be one Annual Meeting of the Society membership. Other meetings may be called by the President or the Executive Board. Twenty-five members constitute a quorum for all membership meetings.

Section 2: *Robert's Rules of Order*, newly revised, and is the guide for questions of procedure not otherwise stated in this Constitution.

## Article IX - Committees

In addition to the Standing Committees as defined by the Bylaws, the President of the Society, with the approval of the Executive Board, may appoint additional committees that are in the best interests of the Society and may prescribe the duties of such committees.

## Article X - Elections

The election of officers and members at large shall be conducted each year under the direction of the Executive Board in accordance with the Bylaws.

Article XI – Authority to Establish Bylaws

The Society is permitted to establish bylaws for the organization. The Bylaws and amendments to the Bylaws require a majority vote of the total votes cast by Regular Members in a manner decided by the Executive Board of the Society. No amendment or addition to the Bylaws can be made which is not in harmony with the Society constitution or is contrary to the constitution of the Association.

Article XII- Amendments

This constitution may be amended by a majority vote of the total votes cast by Regular Members in a manner decided upon by the Executive Board of the Society. No amendments shall take effect until duly approved by the Board of Directors of the Association.

Article XIII - Dissolution

In the event that The Ohio State University Retirees Association should cease to exist, all funds remaining after payment of just debts shall be transferred to The Ohio State University Development Fund for deposit in The Ohio State University Retirees Association Endowment Fund, Account #605420.

Adopted: TBD

DRAFT

## OSURA FY2017 BUDGET STRATEGY

For the last two years the Finance Committee has placed a high priority on strengthening OSURA's financial sustainability for the uncertain times ahead. Part of that strategy is making OSURA more reliant on our own sources rather than external support. The University's decision to end the \$40,000 general fund subsidy in 2017 accelerates that process, but also provides an opportunity to move forward with what we needed to do anyway. The opportunity to affiliate with the University Advancement and Alumni Association instead of HR offers some distinct advantages:

- Better IT support to grow and support our membership
- Giving our members access to electronic payments mechanisms instead of only cash or paper checks.
- Access to much more extensive support on communications, marketing and sponsorships.

With this in mind, the committee considered these options for the 2017 budget:

**1. Appeal the decision to end funding support through HR**--this may be attractive in the short run, but given the university's financial constraints is likely to only postpone the inevitable, at best. Our time is better spent on making sure the Alumni Association is prepared to support us as promised.

**2. Raise membership dues to make up the difference** - although this is an option, a decision at this point is premature and should be evaluated only after all other alternatives are thoroughly explored.

**3. Generate more revenue** - this includes both more sponsorships and paid advertising. Our Alumni Association affiliation gives us access to University sponsors such as Huntington Banks, Nationwide Insurance. Although this has potential, it also takes time to develop.

**4. Reduce expenses**- our affiliation with the Alumni Association may offer some opportunities to do some things more efficiently without adversely affecting member services, such as contracting out printing and mailing of our monthly the newsletter and a continuously updated to electronic membership directory.

After considerable deliberation, the Finance Committee recommends a mix of options 3 and 4, with the goal of achieving a combination of revenue increases (excluding increasing dues) and spending reductions of \$30,000 to 35,000 in 2017 and another 10,000 to 15,000 in 2018. The difference of \$10,000 to \$20,000 in income in 2017 should be funded from reserves set aside for this purpose. A more detailed list of revenue and spending options for 2017 and 2018 is attached.

OSURA Finance Committee  
3/30/16

OSURA FY 2017 Budget Strategy (cont)

Note: this document is not complete unless accompanied by cover page

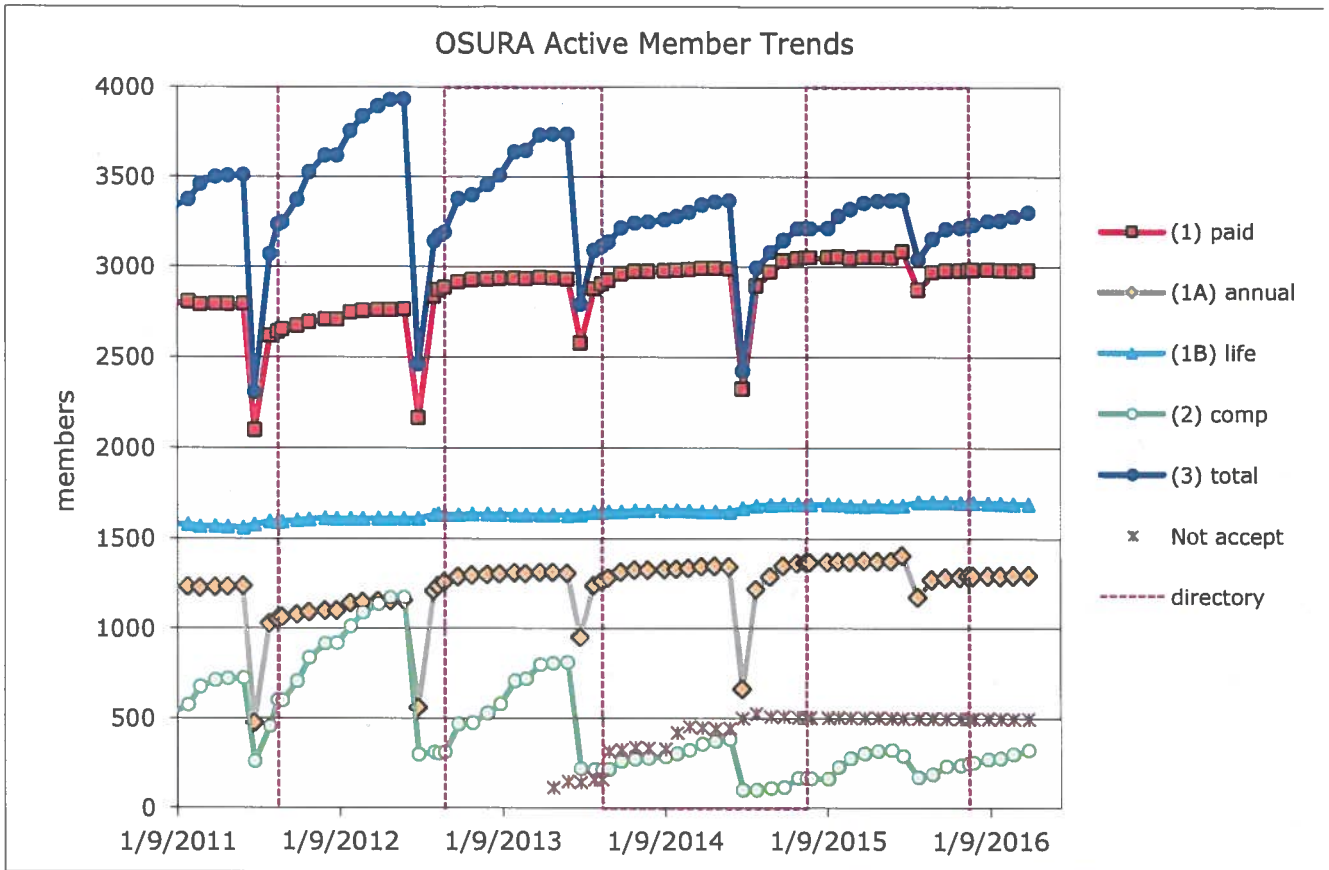
Phase I Items (FY 2017)

Item	Difference
Outsource Newsletter Printing	14,300
End Excess Reimbursement to HR	5,000
Directory online or Self Supporting	8,100
Suspend Strategic Investments	5,000
Continuing Cash Support from Alumni Assoc	2,000
One Time Cash from Reserves	<u>6,000</u>
Sub Total	40,400

Phase II (FY 2018)

The committee believes that with more lead time we can identify another \$10,000 to \$15,000 that can be used to restore financial equilibrium in 2018. These funds would come from a combination of additional sponsorships, increased endowment earnings and leveraging our relationship with the Alumni Association to reduce administrative costs for things like preparation of the newsletter and financial management.

OSURA Finance Committee  
3/30/16



**Monthly Number of OSURA Members by Category  
(through April 4, 2016)**

paid = annual + life  
total = paid + comp

**Number of Members at Significant Times:**

	(1) paid	(1A) annual	(1B) life	(2) comp	(3) total	not accept	
6/1/2012	2763	1155	1608	1170	3933		annual maximum (12.0% increase)
8/31/2012	2885	1258	1627	310	3195		directory
5/1/2013	2937	1309	1628	802	3739		annual maximum (4.9% Decrease)
8/19/2013	2904	1261	1643	214	3118		directory
06/02/14	2988	1343	1645	383	3371	443	annual maximum (9.8% decrease)
11/21/2014	3051	1366	1685	166	3217	502	directory
6/26/2015	3085	1405	1680	290	3375	499	annual maximum (0.1% increase)
11/21/2015	2985	1291	1694	248	3233	497	directory
4/4/2016	2982	1294	1688	322	3304	495	current month
3/1/2016	2980	1292	1688	301	3281	495	previous month
	2	2	0	21	23	0	
4/1/2015	3054	1376	1678	304	3358	501	comparison with last year
	-72	-82	10	18	-54	-6	

Note: Membership categories are the same as those used in the "Analysis" at the back of the Membership Directory.

**MEMBERSHIP REPORT****DATE: 4/4/2016**

<b>Membership Category</b>	<b># of Memberships***</b>	<b># of Spouses/Partners of Retirees</b>	<b>Total # of Members in This Category</b>
1. Paid Membership	1956	1026	2982
A. Annual	848	446	1294
B. Life	1108	580	1688
2. Complimentary Membership	205	117	322
3. Total (1 + 2)	2161	1143	3304
4. Associate Memberships*	28	8	36
A. Annual*	24	5	29
B. Life*	4	3	7
5. Dual Spouse Memberships*	136	136	272
A. Annual*	43	43	86
B. Life*	83	83	166
C. Complimentary Memberships**	10	10	20
6. Membership Not Accepted Membership	N/A	N/A	495

\* Included in Paid Memberships.

\*\* Included in Complimentary Memberships.

\*\*\* Some memberships are spouses/partners of deceased retirees.



April report for the SIGs.  
Nothing really to report. However,  
Howard G. may want to report on the Dinner-lecture series.

Carl V. Leier

The Faculty Benefits and Compensation Committee met on March 23. For OSURA, the only of special interest was a proposal from FARP to enable members to receive partial benefits from STRS, in proportion to the mitigating rate. This proposal would also enable ARP members to switch plans, if they wish.

Discussion was very brief. Apparently, FARP presented this proposal as an informational item and was not requesting endorsement. So, FCBC took no action and discussion was less than 10 minutes.

Rai Goerler

HEALTH CARE ISSUES

**1. LA Hospital Pays Ransom - *Against the Threat from Cybersecurity Hackers***

Major network evening news picked up on earlier reports that the Hollywood Presbyterian Medical Center decided to pay \$17,000 in ransom to hackers who had infected their network with ransomware. The networks interviewed cybersecurity experts who expressed that ransomware is a growing threat. All cybersecurity experts interviewed agreed that paying the ransom might be the only solution for a ransomware victim. They advised that the best way to avoid malware infection is data back-up, pop-up blockers, avoiding unsolicited links, and keeping anti-virus software updated. NBC Nightly News (2/18, story 7, 2:00, Holt) reported that a study by Intel showed ransomware attacks increased by 127% in the last year. ABC World News (2/18, story 6, 1:30, Muir) reported that the FBI said that "the only thing you can do if hackers are holding your info hostage, is pay up." CBS Evening News (2/18, story 5, 2:10, Pelley) added that the Cyber Threat Alliance said "hackers have collected at least \$325 million in ransom payments" since January 2015.

**2. Marked Increases Seen in Drug Prices - *For Dozens of Branded Rx's in Recent Months***

The Wall Street Journal (1/10, Loftus, Subscription Publication) reported that pharmaceutical companies have raised prices on dozens of branded drugs in the US since late December of last year. According to equity analysts, many of the price increases have been between 9% and 10%, although pharmaceutical companies argue these increases are to the drug's list price and does not include the manufacturer's discounts or rebates. The price of Hetlioz (tamisemeton), which treats a sleep disorder in blind people, was raised by 10%, to \$148,000 a year.

**3. Dementia Rates Declining - *The Well Educated Do Better . . .***

According to 5,200-patient study published online Feb. 10 in the England Journal of Medicine and supported by National Institute on Aging reveals that "dementia rates fell steadily over the past four decades, most likely due to declining rates of heart disease." The biggest decline was seen in rates of vascular dementia, "although rates of Alzheimer's disease also fell." The study's findings were based on data collected from the Framingham Heart Study. [ Nevertheless, "the actual number of dementia patients will increase because" aging baby boomers are "living longer." ]

PENSIONS ISSUE

**4. An Emerging Trend For Higher Education Defined Benefit Plans - *Univ. California* [ OVER ]**

[The new plan] will offer two options to employees at the university's 10 campuses, five medical centers and dozens of peripheral enterprises hired after July 1 of this year. One will provide a guaranteed pension for the first \$117,000 of their salary, a state limit that adjusts for inflation, plus a defined-contribution supplement for any pay above that up to a federal ceiling of \$265,000. The other is a pure defined-contribution plan up to \$265,000, which they can begin vesting sooner.

# UC pension overhaul shifts away from guaranteed benefits

HIGHLIGHTS

University of California set to adopt new pension tier at governing board meeting this month

UC calculates savings of nearly \$1.5 billion over 15 years

Options for new employees lower cap on guaranteed pension or do away with it altogether

BY ALEXEI KOSEFF

[akoseff@sacbee.com](mailto:akoseff@sacbee.com)

The University of California is set to adopt a new pension tier for its underfunded retirement system that it calculates will save nearly \$1.5 billion over the next 15 years.

President Janet Napolitano will ask UC's governing board to approve the proposal - which will dramatically lower the compensation cap for guaranteed benefits and result in some new employees signing up for 401(k)-style defined-contribution plans - at its meeting later this month.

"The goal of the change is to sustain the university's excellence, but also to ensure our long-term stability," Napolitano told The Sacramento Bee's editorial board on Wednesday.

## \$11 billion

UC's unfunded pension liability

The pension overhaul is the result of a budget deal Napolitano reached with Gov. Jerry Brown last year that also included four years of funding increases, a two-year tuition freeze and an additional \$436 million for UC's unfunded pension liability, which after a two-decade contribution holiday and two economic downturns is now about \$11 billion.

It will offer two options to employees at the university's 10 campuses, five medical centers and dozens of peripheral enterprises hired after July 1 of this year: One will provide a guaranteed pension for the first \$117,000 of their salary, a state limit that adjusts for inflation, plus a defined-contribution supplement for any pay above that up to a federal ceiling of \$265,000. The other is a pure defined-contribution plan up to \$265,000, which they can begin vesting sooner.

UC estimates an average annual savings of \$99 million for 15 years, 57 percent of which will be used to pay down the unfunded liability.

66

**OUR EMPLOYEES WON'T HAVE TO WORRY ABOUT THE BENEFIT BEING THERE AT THE END.**

University of California President Janet Napolitano

Highly-paid employee groups, such as faculty and nurses, have been raising concerns about possible changes since the budget deal was announced. They cite UC's guaranteed retirement benefits as one of the biggest selling points for potential hires and a "golden handcuff" that keeps workers tied to the university throughout their careers as opportunities arise elsewhere. They have also criticized UC for shifting the investment risk onto individual employees.

Napolitano said her pension proposal would put UC more in line with its peer institutions. While she argued that some employees may prefer the portability of a defined-contribution plan, she added that part of the savings would be used to address recruitment and retention issues.

"We're able to reduce risk and balance responsibility for retirement between the university and employees," Napolitano said. "Our employees won't have to worry about the benefit being there at the end."

OPERS Report for March 2016 – by Michele Hobbs

As of the end of February 2016 Total Assets are 83.2 Billion Dollars.

The OPERS Trustees meeting consisted of discussions concerning the pros and cons of Hedge funds.

Hedge Fund investments are structured to preserve capital and provide competitive returns with a low correlation to traditional asset classes, providing diversification, reduced volatility of returns and long-term return enhancement. Hedge Funds sub asset class has a targeted allocation of 8 percent for the Defined Benefit Fund.

Hedge Fund investments are structured to preserve capital and provide competitive returns with a low correlation to traditional asset classes, providing diversification, reduced volatility of returns and long-term return enhancement. Hedge Funds sub asset class has a targeted allocation of 5.4 percent for the Health Care Fund.

OneExchange is waiving Connector fees for the first three months of 2016, OPERS Health Care Director Marianne Steger says in her monthly health care chat.

Members of the OPERS Medicare Connector won't be charged maintenance fees of \$2.33 for the months of January, February and March, Steger tells OPERS' Michael Pramik in [the March health care chat](#). She also addresses other issues regarding the Connector.

#### **Study: DB plans benefit retired women**

Posted on [March 18, 2016](#) by [Michael Pramik](#)

Women who participate in defined benefit pension plans have higher incomes in retirement and lower poverty rates than those who don't, a study states.

In "[Shortchanged in Retirement: The Continuing Challenges to Women's Financial Future](#)," the National Institute on Retirement Security found that women working in the health care, education and public administration fields are likely to be better off in retirement than women working elsewhere. That's because those fields are more likely to offer employees access to DB plans.

Fifty-seven percent of OPERS retirees are women.

The study also found that the typical retirement income for women age 65 and older is 25 percent lower than that of men. As men and women age, men's income advantage widens to 44 percent by age 80 and older, the study found.

Other key findings:

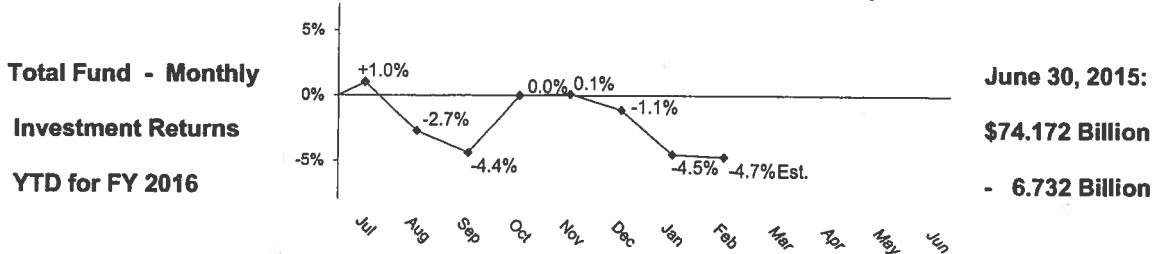
- Women were 80 percent more likely than men to be impoverished at age 65 and older, while women age 75 to 79 were three times more likely to fall below the poverty level as compared to their male counterparts.
- Labor force participation among women aged 55 to 64 climbed from 53 percent in 2000, to 59 percent in 2015, with a peak of 61 percent in 2010.
- While women were somewhat more likely than men to work for employers that offered retirement plans in 2012, there is a gap in eligibility that limits women's participation in these plans.
- Even though the median household incomes of individuals aged 65 and older has increased, women have 26 percent less income than men.
- Social Security is an important source of income for older households with incomes less than \$80,000.
- Women in the health care, education, and public administration fields, where DB pension plans are more prevalent, have higher incomes in retirement and lower rates of poverty than in other industries.

Public policy options can help reduce women's vulnerability to financial hardship as they age, NIRS said. These proposals to strengthen retirement security for women include:

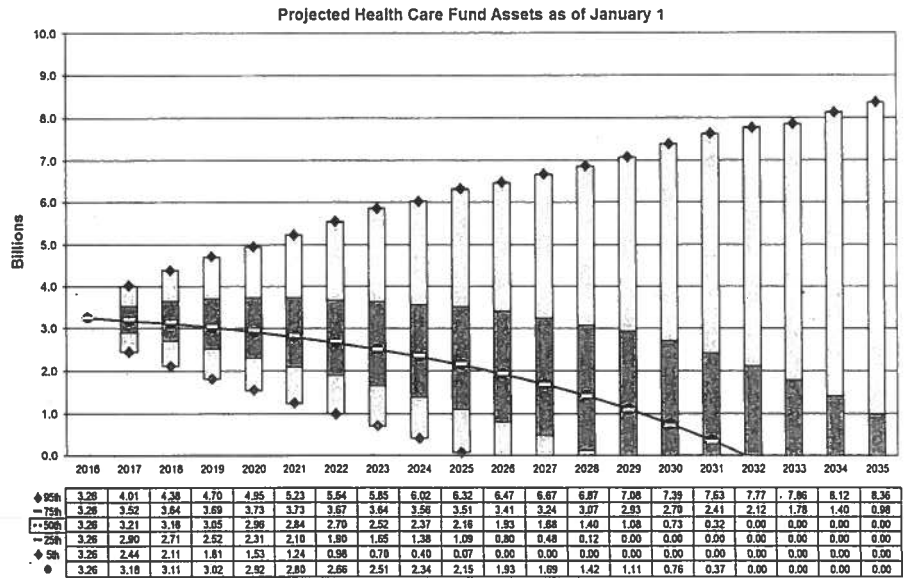
- Strengthening Social Security benefits for women
- Increasing retirement plan coverage through auto enrollment in individual retirement accounts
- Expanding utilization of the Saver's Credit, an income tax credit of up to \$1,000 for voluntary contributions to select retirement savings plans for low-income individuals.
- Increased development of state-sponsored savings plans
- Increasing defined contribution plan eligibility for part-time workers
- Providing spousal protections in defined contribution accounts
- Expanding defined benefit pension plans

Main Points Overview Relating to Retiree Members: \*

1. Investment (Overall Asset Mix) FY 2016 YTD: \$67,440 Billion, -4.7% since June 30, 2015  
 Investment Plan: 30 yr closed amortization



2. Health Care Fund Solvency Projections  
 Variance Assumptions, Current Plan (Stochastic Projections)



◆ Baseline deterministic projection using current 6.90% investment return assumption

✧ Segal Consulting

3. Comparison of Ohio Retired Teacher's Benefit,  
 With Cost of Living (as of 7/1/15)

[ OVER ]

Next Regular Board Meeting: April 21, 2016.

\* From the STRS Executive Director's Report, and Other Sources

(e.g., [news-bounces@strsoh.org](mailto:news-bounces@strsoh.org); Legislative News). Underline, bold, and/or italics have been added in some citations above.

Dick Hill / Member, OSURA Executive Board

STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 COMPARISON OF OHIO RETIRED TEACHERS BENEFIT  
 WITH COST OF LIVING AS OF JULY 1, 2015

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BENEFIT EFFECTIVE FISCAL YEAR	TOTAL RETIREES	NUMBER LIVING	AVERAGE YEARS OF SERVICE (G)	AVERAGE AGE (G)	ORIGINAL MONTHLY BENEFIT (A)	CURRENT MONTHLY BENEFIT (A)	INCREASE IN BENEFIT 6.16%	PERCENT INCREASE IN COL	CHANGE IN PURCHASING POWER (B)
1969	2199	2	30.00	102.0	\$253.96	\$1565.61		516.5	565.1 -7.3
1970	2297	2	31.50	102.5	\$526.15	\$2702.08		413.6	530.8 -18.6
1971	2516	4	26.38	101.8	\$374.41	\$1864.73		398.1	496.8 -16.5
1972	2785	6	20.08	101.7	\$271.83	\$1267.02		366.1	471.9 -18.5
1973	2850	21	25.44	101.3	\$349.19	\$1564.53		348.0	452.9 -19.0
1974	2770	30	26.85	99.3	\$462.15	\$1969.88		326.2	420.7 -18.1
1975(D)	767	13	23.75	100.0	\$495.90	\$1993.94		302.1	369.3 -14.3
1976	2570	42	25.44	98.3	\$519.09	\$1878.64		261.9	330.3 -15.9
1977	2722	98	27.07	96.2	\$612.18	\$2013.99		229.0	306.9 -19.1
1978	2616	163	26.80	95.2	\$669.51	\$2114.28		215.8	282.2 -17.4
1979	2723	236	27.35	93.7	\$741.18	\$2170.75		192.9	254.8 -17.4
1980	2858	316	26.95	92.9	\$788.42	\$2149.68		172.7	218.4 -14.4
1981	2419	359	25.90	92.2	\$809.83	\$1973.71		143.7	180.8 -13.2
1982	2651	477	26.37	91.1	\$899.21	\$1935.72		115.3	154.7 -15.5
1983	2793	612	26.71	90.5	\$975.86	\$2045.81		109.6	140.2 -12.7
1984	2949	777	26.92	89.5	\$1054.15	\$2073.68		96.7	133.2 -15.7
1985	3649	1192	28.71	87.8	\$1259.05	\$2445.66		94.2	125.3 -13.8
1986	3663	1411	28.50	87.0	\$1342.94	\$2543.48		89.4	117.7 -13.0
1987	3052	1326	27.45	86.2	\$1339.34	\$2499.89		86.7	114.3 -12.9
1988	3468	1626	28.20	85.2	\$1478.30	\$2760.22		86.7	106.9 -9.8
1989	2762	1411	27.04	84.9	\$1543.61	\$2830.78		83.4	98.9 -7.8
1990	3628	2031	27.63	83.7	\$1614.03	\$2791.97		73.0	89.9 -8.9
1991	3355	2044	27.04	82.7	\$1687.13	\$2850.15		68.9	80.4 -6.4
1992	3476	2220	27.80	82.0	\$1931.15	\$3160.20		63.6	73.3 -5.6
1993	3488	2373	27.34	80.7	\$1912.94	\$3053.74		59.6	68.4 -5.2
1994	3830	2750	27.94	79.8	\$2041.59	\$3202.62		56.9	63.8 -4.2
1995	4348	3292	27.57	78.8	\$2102.65	\$3237.70		54.0	59.9 -3.7
1996	4436	3529	28.78	77.4	\$2293.28	\$3475.50		51.6	55.4 -2.4
1997	4363	3589	28.42	76.5	\$2303.34	\$3425.53		48.7	51.1 -1.6
1998	4504	3775	28.25	75.3	\$2329.28	\$3384.04		45.3	47.7 -1.6
1999	5017	4338	28.43	74.2	\$2468.42	\$3531.72		43.1	45.8 -1.9
2000	5853	5164	29.20	72.9	\$2728.11	\$3859.09		41.5	42.6 -0.8
2001	5238	4703	29.01	72.0	\$2845.98	\$3961.26		39.2	37.8 1.0
2002	5233	4753	28.74	71.2	\$2913.01	\$3965.49		36.1	34.2 1.4
2003	4886	4523	28.37	70.4	\$2997.33	\$3991.54		33.2	32.3 0.7
2004	5210	4861	28.67	70.0	\$3140.64	\$4086.33		30.1	29.5 0.5
2005	5459	5134	29.68	69.1	\$3397.07	\$4321.36		27.2	26.2 0.8
2006	5884	5590	29.89	68.4	\$3482.38	\$4324.47		24.2	21.9 1.9
2007	6343	6099	29.73	67.6	\$3554.21	\$4304.43		21.1	18.1 2.5
2008	6056	5824	29.43	66.9	\$3552.46	\$4192.88		18.0	14.8 2.8
2009	5303	5141	29.33	66.3	\$3664.51	\$4215.74		15.0	10.3 2009 4.3 $\bar{x} = 1.3$
2010	5578	5443	29.65	65.7	\$3788.59	\$4242.81		12.0	11.0 0.9
2011	6720	6583	29.62	65.0	\$3837.31	\$4183.55		9.0	8.8 0.2
2012	8225	8115	29.54	64.1	\$3875.12	\$4105.49		5.9	5.1 0.8
2013	8273	8196	28.98	63.1	\$3868.60	\$3973.86		2.7	2.9 -0.2
2014	5969	5934	28.52	61.9	\$3864.56	\$3902.48		1.0	1.5 -0.5
2015	6585	6573	28.67	60.6	\$3824.55	\$3826.53		0.1	0.0 2015 0.1
1969 - 2015	194339	132701	28.82	71.0	\$3028.23	\$3779.07		24.8	

46 years

(C)

(D) (E) (F) (G) (H) (I) (J)

68% Survivors Service Years Age #36,336 Original 45,888 Current 45,912

STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
 COMPARISON OF OHIO RETIRED TEACHERS BENEFIT  
 WITH COST OF LIVING AS OF JULY 1, 2015

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- (A) Monthly benefit amount does not include health care premiums paid by STRS. Includes Active and Inactive members.
- (B) "Change in Purchasing Power" is the change in the value of the current benefit relative to inflation as measured by the change in the cost-of-living index. This percentage shows whether the benefit increases have been more(+) or less(-) than increases in inflation. For example, the average benefit for 1995 retirees has increased 54.0%. In other words, the 2014 benefit is 154.0% of the benefit in 1995. Similarly, the 2014 Consumer Price Index is 159.9% of what it was in 1995. The purchasing power of the 2014 benefit is 96.3% (154.0 / 159.9) of the purchasing power of the 1995 benefit. By definition, the purchasing power of the 1995 benefit was 100%; therefore, in 1995 purchasing power of the current benefit has decreased 3.7% (100% - 96.3%).
- (C) Retired 6-30-1955 through 8-31-1955.
- (D) Statistics are not comparable because of 10-month Fiscal year.
- (E) Excludes 11,119 beneficiaries receiving payments under the optional plan of settlement.
- (F) Calculations may vary from previous year based upon retroactive retirees.
- (G) Average Years of Service and Average Age include both actives and Inactives.
- (H) Partial Lump-Sum Option Plan available effective October 2002. Average monthly benefit adjusted by PLOP.