



Date: October 13, 2015

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

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. Noltimier
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, October 13, 2015 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	9:55	Representatives' Report
9:03	Meeting Minutes – Sweeney		Bucks for Charity – Dell
9:05	President's Comments – Newsom		Campus Campaign – Sweeney
9:25	Treasurer's Report - Jensen		FCBC – Goerler
9:31	Office Report – Lantz		Legislative Update – Hill
9:36	Committee Reports		OCHER/HPA – Wardwell/Hobbs
	Benefits – Newsom (Noltimier)		OPERS – Hobbs
	Fall Conference – Newsom (Turner)		STRS – Hill/Gauthier
	Bylaws – Taris		
	Communications – Wardwell	10:33	Old Business
	Finance – Gauthier	10:38	New Business
	Friendship – Dellinger	10:50	Adjournment
	Membership – Selby/Vitt		
	Special Interests Groups – Leier		
	Vice President's Report - McCoy		

Please contact Jerry Newsom at newsom.1@osu.edu if you are not able to attend.

Next meeting: November 10, 2015

Cc: Tami Jones, Michele Bondurant, Pam Doseck

The Ohio State University Retirees Association
(OSURA)

EXECUTIVE BOARD MINUTES

Tuesday, September 8, 2015, 9:00 a.m. - 11:00 a.m.
Community Room, Northwood-High Building
2231 North High Street, Columbus, Ohio 43201

Members:	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. Noltmier
	Diane M. Selby*	Thomas L. Sweeney	Marie T. Taris
	Gisela M. Vitt*	Nancy S. Wardwell	
Representatives & Other Committee Chairs:	Phyllis J. Carroll	Don M. Dell*	Michele B. Hobbs
	Elenore R. Zeller	Alabelle B. Zghoul*	
OSU-HR Office:	Michele R. Bondurant	Diana L. Lantz	
Guests:			

* Not present

Chair: Gerald H. Newsom, President

1. **Call to Order** – 9:01a.m. **Personals** –
2. **Minutes of August 11, 2015** (Thomas L. Sweeney) The minutes were approved as distributed.
3. **President's Comments** (Gerald H. Newsom) Jerry noted that the deadline for the October Newsletter is "as soon as possible."

Shirley, Tom, Hal, Dan and Jerry (the five OSURA officers) will be meeting with Tami Jones of HR on September 22, 2015. The purpose is to discuss the relationship between HR and OSURA. Jerry asked for suggestions for an OSURA agenda from former attendees at meetings with HR leadership. Some suggestions given were: Discuss OSURA goals and our progress in meeting them; mention the interaction with the HR Council; emphasize the importance of assistance of HR in the form of the annual subsidy and the fine support by Diana and Michele; list what we do for OSU via Bucks for Charity, the Campus Campaign, and volunteering across campus.

Jerry has scheduled a meeting with OSU President Drake for April 28, 2015. President Drake's schedule might not permit him to be speaker for our Annual Conference to be held in September 2016. He is busy during the time in September when the meeting is usually held but he does have an open date on September 13, 2016. However, he cannot guarantee that he can hold that date open for us.

The Big Ten retirees meeting was held at Michigan State recently. Hal, Shirley, and Jerry attended. OSURA clearly remains the outstanding association but others are improving.

Jerry mentioned that some of the other retiree associations have a scholarship fund. After a brief discussion, he thought it best to hold off, for now, on exploring the idea for OSURA.

4. **Treasurer's Report** (Daniel L. Jensen)

Dan presented the Treasurer's Report as of July 31, 2015, in draft form because of unavailability of some of the required data. An excerpt of Dan's report follows:

Big Ten Meeting Reserve	4,000
Emergency Fund	266
Life Membership Fund	148,243
Travel	8,844
Strategic Initiatives Reserve	10,000
Endowment Fund (part of the permanent OSU endowment)	<u>142,132</u>
TOTAL FUND EQUITIES	\$313,485

Dan reviewed his detailed report with the Board and distributed a budget worksheet which will be used by the Finance Committee to prepare a budget for the 2016-2017 fiscal year. See Dan's written report for complete details.

5. Office Report (Michele R. Bondurant and Diana L. Lantz)

Diana reported that the Office handled 258 incoming calls, 59 e-mails on the message boards, 248 e-mails from members, 329 checks, 2 Events with registration rosters and name tags, and 4 Weekly Events and Program Reports. In addition, the Office provided information for the Finance/Treasurer Report and for the Membership Report, as well as endowment information for the Friendship Committee.

6. Committee Reports

Benefits (Hallan C. Noltmier) Hal noted that much of the business of the Committee would be discussed in separate reports later in the meeting. He noted that plans for the Annual Conference were proceeding with a number of meetings and much work being put into the effort.

See Hal's report in the Meeting Packet for a full discussion of the Committee meeting.

Bylaws (Marie T. Taris) No report.

Communications (Nancy S. Wardwell) No report.

Finance (Howard L. Gauthier) Howard reported that Tom Prichard and Bill Shkurti are doing a review of Association financial accounts. Note that this will not be a formal audit as might be done by a public accounting firm.

The Committee received and approved, at least in part, requests for Strategic Initiative funds from the Membership Committee, the Book Club, and the Photography Club. A request from the Benefits Committee for funds for the Tax Seminar was deferred with the suggestion that it be made part of that committee's annual budget submission as this is an ongoing project.

A Quasi-Endowment with Ohio State has been established in the amount of \$50,000.

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

Friendship Committee (Sally E. Dellinger) No report.

Membership (Gisela M. Vitt) In Gisela's absence, Jerry noted that a number of members have expressed interest in joining committees or SIGs.

The Database Project continues.

The Committee is holding an open house at the OSU Golf Club this coming April. The hope is that the newly retired attendees will be more likely to join OSURA.

See further details, including current membership numbers, in the Meeting Packet.

Special Interest Groups (SIG) Coordinating Committee (Carl V. Leier) Carl has been in contact with all of the SIG chairs to determine how he can be of service to them. Most of the SIGs are starting their activities and events for the 2015-2016 academic year. See Carl's report in the Meeting Packet.

Current SIGs-Chairs-Contacts include:

Book Club: Lee Hill
Bridge Club: Sherry Detillian
Dinner Series: Howard Gauthier
Health and Wellness: Sally Morgan
Litter Pickers: Ellen Leppert
Photography Society: Larry Kennedy
Tertulia Breakfast: Jerry Dare
Walking/Hiking group: Hallan Noltimier

Vice President's Report (Shirley F. McCoy) Shirley reported that the Cultural Arts and the Travel Committees will be meeting together soon.

The OSURA office has had to turn away approximately 60 potential attendees for the Annual Conference despite the fact that they had sent in registration materials before the published deadline. Perhaps a larger venue or some adjustment of the lunch program should be considered for next year.

The Dinner Series and the Lunch Bunch events are starting soon. See the Newsletter for details.

7. Representatives' Reports

Bucks for Charity (Don M. Dell) No report. Don plans regular articles for the Newsletter.

The campaign starts in mid-September, 2015.

Campus Campaign (Thomas L. Sweeney) No report.

FCBC (Raimund E. Goerler) Rai reported that the first meeting will be on September 23-2015. In Rai's absence, Ivan Mueller will be in attendance.

Legislative, Health Care, Pension, and Financial Update (Richard M. Hill) Dick covered several topics, the details of which can be found in his report in the Meeting Packet.

Healthcare spending continues to grow much more rapidly than inflation.

Consumers are turning to Walk-in Clinics for more of their care. There is a concern that this might lead to fractured care with patients seeking care from many different providers.

The Federation of State Medical Boards now offers *docinfo*, a publicly accessible physician search tool for licensing and disciplinary information on medical providers.

The well-respected Merck Manuals are now freely available on-line.

Your "true biological age" may differ considerably from your chronological age. Fast agers show worse balance and poor motor coordination and reported having trouble with tasks such as climbing stairs and carrying groceries.

OCHER /HPA (Nancy S. Wardwell, Howard L. Gauthier, and Richard M. Hill) Howard reported that the HPA would meet later in the day of this OSURA Board Meeting.

OCHER will meet on September 15, 2015.

OPERS (Michele B. Hobbs) Michele briefed the Executive Board on the recent report by Karen Carraher, CEO of OPERS, to the OPERS Board. Carraher reported that 2014 was a good year for OPERS with a funding status of 83.8% and an amortization period of 21 years.

Michele further discussed the changes in the OPERS healthcare program, including the new Medicare Connector program.

See Michele's extensive report in the Meeting Packet for complete details.

SCBS and USAC (Michele R. Bondurant) No report.

STRS (Richard M. Hill and Howard L. Gauthier) Howard noted that STRS's use of internal investment personnel has proven economical for STRS as compared to other systems which rely much more on external advisors.

Dick reported that STRS's total fund investment return for FY 2015 was 5.45%. Market turmoil in recent months is worrisome, but STRS's practice of averaging returns over several years should dampen the effects of market volatility.

STRS pays out benefits of about \$7.3 billion and collects employee/employer contributions of about \$3.2 billion. The balance must be made up from investment returns and, when the returns are insufficient, from the investment corpus.

Dick noted that a recent editorial in the Columbus Dispatch showed a better understanding of Ohio's pension systems than had been displayed in the past.

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

8. *Old Business* There was no Old Business.

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

10. *Next Regular Board Meeting*

Tuesday, October 13, 2015, 9:00 a.m. - 11:00 a.m.
Community Room, Northwood-High Building
2231 North High Street, Columbus, Ohio 43201

11. *Adjournment* – The meeting was adjourned at 10:22 a.m.

Thomas L. Sweeney, Secretary
September 23, 2015

Finance Committee Monthly Report
October 13, 2015

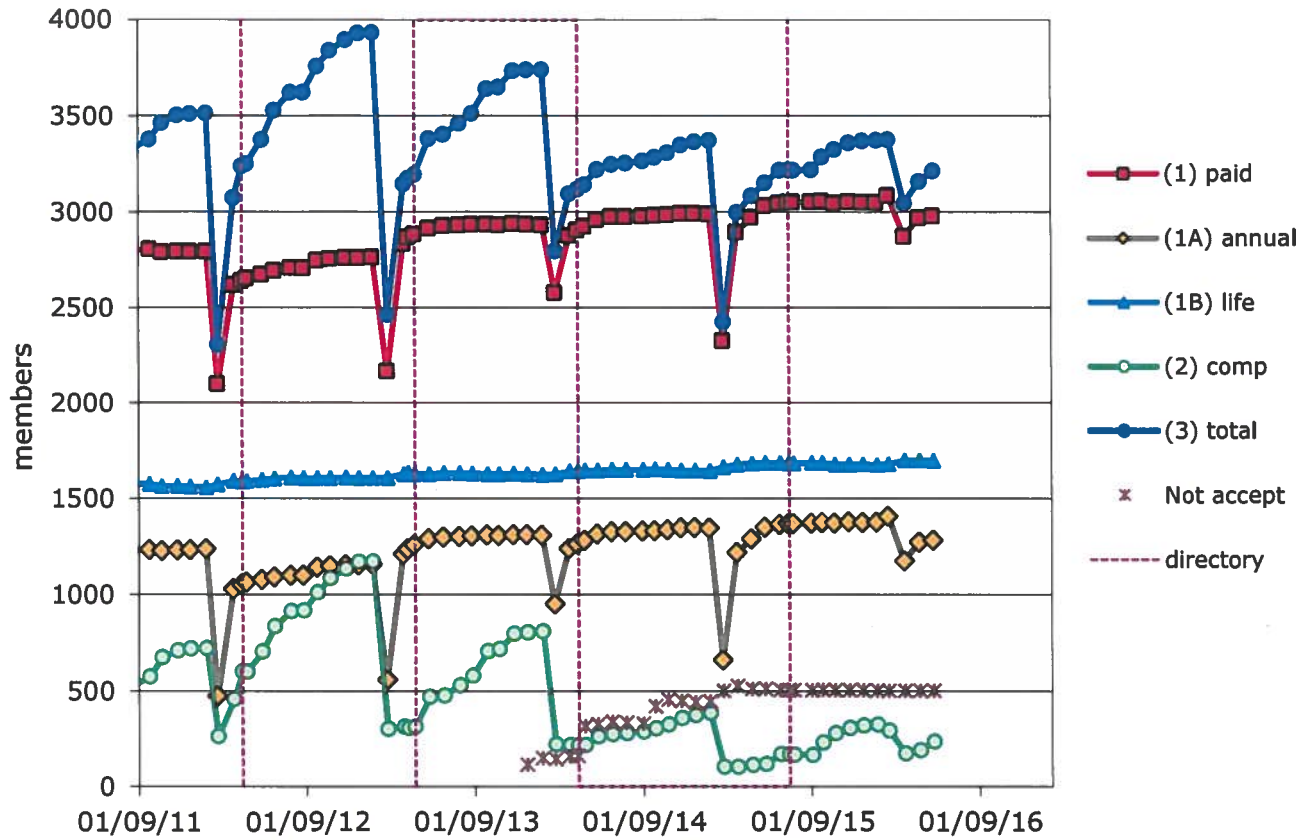
The Finance Committee has developed a budget worksheet for both the combined operating and HR budgets for FY 2017. We are still waiting for charges that place during the HR budget for FY 2016. We expect to submit a combined budget to the Executive Board at the December, 2015, Executive Board meeting. The committee has asked the chairs of each of the OSURA operating committees to submit their request for funding no later than November 1, 2015. The deadline for Strategic Initiative Funds will be May 1, 2016.

The quasi-endowment fund has been finalized and approved. The committee is seeking additional information about membership contributions to the OSURA endowment fund, e.g. number of contributors and the amount contributed. The committee is also reviewing the financing of life memberships. This is part of our evaluation of the actual cost of providing services to each member.

The issue of auditing has been resolved. OSU Internal Audit has agreed to include OSURA in its cycle of reviews. Every three years, OSU Internal Audit will review our financial controls and make recommendations.

The committee approved a request from the Membership Committee for up to \$1,000 to host an event on April 19, 2016, at the OSU Golf Course. The event will host new members and those who have complementary membership to encourage them to become regular and active members. Executive Board members, committee chairs, and SIG arrangers will be invited to participate.

OSURA Active Member Trends



**Monthly Number of OSURA Members by Category
(through October 1, 2015)**

paid = annual + life
total = paid + comp

Number of Members at Significant Times:

	(1) paid	(1A) annual	(1B) life	(2) comp	(3) total	not accept	
06/06/11	2794	1236	1558	719	3513		annual maximum (2.9% increase)
08/22/11	2639	1051	1588	599	3238		directory
06/01/12	2763	1155	1608	1170	3933		annual maximum (12.0% increase)
08/31/12	2885	1258	1627	310	3195		directory
05/01/13	2937	1309	1628	802	3739		annual maximum (4.9% Decrease)
08/19/13	2904	1261	1643	214	3118		directory
06/02/14	2988	1343	1645	383	3371	443	annual maximum (9.8% decrease)
11/21/14	3051	1366	1685	166	3217	502	directory
10/01/15	2979	1281	1698	233	3212	498	current month
09/01/15	2969	1270	1699	189	3158	498	comparison with last month
	10	11	-1	44	54	0	
10/01/14	3034	1347	1687	116	3150	508	comparison with last year
	-55	-66	11	117	62	-10	

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

MEMBERSHIP REPORT**DATE: 10/1/2015**

Membership Category	# of Memberships***	# of Spouses/Partners of Retirees	Total # of Members in This Category
1. Paid Membership	1950	1029	2979
A. Annual	837	444	1281
B. Life	1113	585	1698
2. Complimentary Membership	153	80	233
3. Total (1 + 2)	2103	1109	3212
4. Associate Memberships*	24	8	32
A. Annual*	20	5	25
B. Life*	4	3	7
5. Dual Spouse Memberships*	131	131	262
A. Annual*	40	40	80
B. Life*	82	82	164
C. Complimentary Memberships**	9	9	18
6. Membership Not Accepted Membership	N/A	N/A	498

* Included in Paid Memberships.

** Included in Complimentary Memberships.

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

SIGs report of 10/13/2015

1. As previously reported, the SIGs appear to be off to a good start for this year.
2. As suggested by the Finance committee, I sent out a request for an annual budget with justification to all the SIGs.

To date, I have received:

Tertulia: \$100

Health and Wellness: \$270 (45x2x3)

Dinner Series: \$1000

I have not received a request from the remaining SIGs; but these are not due until 10/30/2015. The remaining SIGs: Book Club, Photography, Walking-hiking, Litter pickers, Bridge club

It has been suggested that we budget \$100 annually for each SIG (Dinner Series and Health and Wellness will exceed this).

3. New SIGs: Gardening; searching for a Chair-contact person.
?Cooking

Bucks for Charity Report

Packets are out, I continue o write articles for the newsletter, Board members are encouraged to remind their friends to complete and return their contributions to Bucks for Charity.

Don

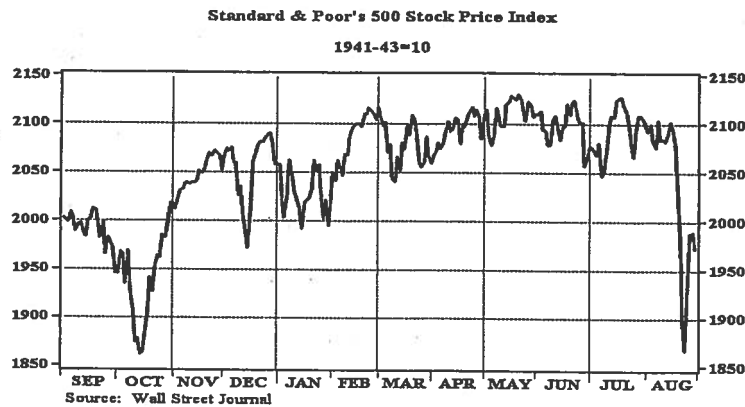
1. Medicare Advantage: *Membership Now at 17.3 M (up 7.3%)*

America's Health Insurance Plans (9/3) reports that Ohio has the third largest "number of enrollees in high-deductible insurance in the country, behind only Illinois and Texas, according to a study by America's Health Insurance Plans, a national trade group." The plans are popular because they come with lower premiums, but patient advocates and some providers "say such plans can also create a self-defeating cycle in which patients – particularly those with lower incomes – skimp on care to save money, and then land in the emergency room when their medical problems get out of control." According to the article, such plans have "exploded in popularity" under the ACA.

2. Ohioans With High-Deductible Plans: *Avoiding Care (unintended outcomes)*

America's Health Insurance Plans (9/3) reports that Ohio has the third largest "number of enrollees in high-deductible insurance in the country, behind only Illinois and Texas, according to a study by America's Health Insurance Plans, a national trade group." The plans are popular because they come with lower premiums, but patient advocates and some providers "say such plans can also create a self-defeating cycle in which patients – particularly those with lower incomes – skimp on care to save money, and then land in the emergency room when their medical problems get out of control." According to the article, such plans have "exploded in popularity" under the ACA

3. Investment Volatility: *What Happened in August 2015 ?*



Preliminary STRS Ohio: -6.2%

Russell 3000 Index: -6.0%

4. Ohio's Teacher Work-Force: *Getting Older, . . or, Younger ?*

[OVER]

Younger, Less Experienced Workforce

Full-Time Only	Average Age				
	2011	2012	2013	2014	2015
City School District	43.9	43.8	43.8	43.3	43.1
Local School District	42.0	42.0	42.3	41.8	41.6
Universities and Colleges	50.5	50.1	49.9	49.9	49.9
Community School	36.3	36.0	35.9	36.0	36.5
Exempted School District	42.3	42.1	42.4	42.0	41.6
County Boards of Education	43.1	42.9	42.8	42.2	42.3
Joint Vocational School	47.6	47.3	47.5	47.0	46.9
State of Ohio	48.5	48.6	46.0	45.9	45.1
County Boards of Developmental Disabilities	46.5	45.9	45.5	45.5	45.1
Total	43.9	43.7	43.8	43.3	43.1

Takeaway: Workforce is younger. On average, universities and colleges employ an older workforce and community schools a younger workforce.



OPERS RELEASES LATEST ANNUAL FINANCIAL REPORTS

The Ohio Public Employees Retirement System has published updated versions of its key financial reports. The 2014 Comprehensive Annual Financial Report (CAFR) and a condensed version called the 2014 Summary Annual Financial Report (PAFR) are available on the OPERS website, www.opers.org. They contain relevant financial, investment, actuarial and statistical information about our retirement system as of Dec. 31, 2014.

HIGHLIGHTS CONTAINED IN THE 2014 FINANCIAL REPORTS

OPERS' funded status, which measures the progress of accumulating the funds necessary to meet our future obligations, increased to 83.8 percent, up from 82 percent in 2013.

Our amortization period, the time within which we can pay off our unfunded liabilities, stands at 21 years - well within the 30-year window required by Ohio law and down from 24 years in 2013.

OPERS' net assets reached a record-breaking \$91.2 billion as of Dec. 31.

OPERS paid \$5.1 billion in pension benefits and \$1.7 billion in health care to more than 203,000 retired Ohioans and their beneficiaries.

The average annual benefit for retired members in the traditional pension plan is only \$25,030.

The balance is provided by contributions from the members and their employers. Ohio public employees do not pay into Social Security, and therefore, they rely primarily on their pension benefits for retirement security. Going forward, OPERS will continue to provide that retirement security thanks to the responsible, measured pension plan changes made by the OPERS Board of Trustees, the Ohio General Assembly and through the oversight of the Ohio Retirement Study Council.

Defined benefit plans provide financial protection for plan members and taxpayers

- Members receive a lifetime benefit they will not outlive. They should not need to draw upon the social safety networks as much as other Ohio citizens.
- Without adequate retirement benefits such as those provided by OPERS, seniors risk depleting their savings, slipping into poverty, and onto taxpayer-funded public assistance programs.

Defined benefit plans are efficient and economical

- DB plans pool longevity risk, holding assets in a common trust, and achieve higher returns through professional management of investments with lower fees than defined contribution plans.

The National Institute on Retirement Security found that the annual payroll cost to fund a target retirement benefit under a DB plan is nearly 15 percent less than providing the same benefit under an individually directed DC plan.¹

OPERS provides three choices to members: the Traditional Plan (DB); Member Directed (DC); and the Combined Plan (a hybrid DB/DC) so that a member may decide which retirement plan best suits his or her needs.

DEFINED BENEFIT PLANS ARE GOOD FOR OHIO

For 80 years, Ohio's public employees have been able to defer a portion of their pay to obtain a dependable retirement income. For millions of these Ohioans, retirement security has been provided largely through the investment returns made by Ohio's five public pension systems.

¹ National Institute on Retirement Security, Still a Better Bang for the Buck, December 2014.

DEFINED BENEFIT PLANS ARE GOOD FOR OHIO (continued)

Ohio's public pension plans are strong
Ohio's public employee retirement systems have substantial assets and manage those assets to weather future economic downturns. OPERS, for instance, is well within its statutorily mandated 30-year amortization period.

Pensions are funded and paid out over decades
Nationally, there is nearly \$3 trillion already set aside in pension trusts for current and future retirees. Further, state and local government retirees do not draw down their pensions all at once. Employees must attain certain age and/or years of service minimums before they are eligible for a pension. Once retired, they must receive their pension in installments over their retirement years. At OPERS, pensions for our current retirees are 100 percent funded and we are working on funding the future pensions of active, working members.

Long-term investment returns continue to exceed expectations
Since 1984 – a period that has included three economic recessions – actual public pension investment returns have exceeded assumptions. For the 30-year period that ended Dec. 31, 2014, the average OPERS investment rolling return for the defined benefit portfolio was 8.51 percent. These actual returns exceed the 8 percent average public pension investment assumption, as well as the average assumed rate of return used by the largest corporate pension plans.

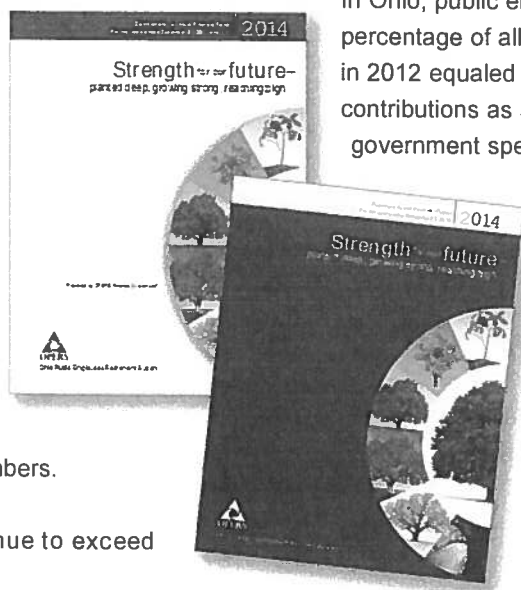
The truth is that pension system performance needs to be measured over decades, not short periods of time. Measuring investment return over short time frames is

inappropriate, as the investment horizon for pension funds is long-term. Rather than changing investment assumptions as a result of a down-market period, the assumption trends should be viewed over the same long-term period of 30 years.

Retirement systems remain a small portion of state and local government budgets
In Ohio, public employer contributions to pensions as a percentage of all state and local government spending in 2012 equaled 3.7 percent.² Since 1995, employer contributions as a percentage of all state and local government spending have remained around 3 percent, providing most employers with a predictable expenditure for attaining retirement security.

It is important to understand that Ohio's public employees do not pay into Social Security when employed in an OPERS covered position. Pensions are operated as a trust that public retirees and their employers contribute to while they are working.

OPERS is sustainable and solvent and helps provide a secure retirement for hundreds of thousands of retirees and beneficiaries in the state. OPERS is strong – not only for our members, but for all Ohioans who benefit from the \$6.8 billion annual economic boost that we provide.



2 NASRA Issue Brief: Spending on Public Employee Retirement Systems, February 2015

OPERS Government Relations Team

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With \$91.2 billion in assets, OPERS is the largest public pension fund in Ohio and the 11th-largest public pension fund in the United States. OPERS provides retirement, disability and survivor benefits for more than 1 million public employees. OPERS can be found on the web at OPERS.org

Pension system

Pension fund to post spending data online

By Dina Berliner
THE COLUMBUS DISPATCH

The Ohio Police and Fire Pension Fund volunteered to put its spending records online as part of a partnership with State Treasurer Josh Mandel's online-checkbook program.

The announcement came a week after Mandel criticized the Ohio Public Employees Retirement System for not joining his initiative, which can be accessed at OhioCheckbook.com.

Mandel accused OPERS of trying to hide information from the public; OPERS officials quickly denied that.

"The executive director of OPERS feels that taxpayers do not have a right to see this information, and she's just flat-out wrong," Mandel said during a press call on Thursday. "It's dumbfounding that they still refuse to volunteer to put their finances online."

OPERS officials have continued to say that they support transparency, as

evidenced by "extensive financial information" provided on the OPERS website.

"It's disappointing to be continually mischaracterized by the treasurer of state," said Julie Graham-Price, a media representative of OPERS. "We intend to evaluate the online-checkbook initiative; unfortunately, it's not on the treasurer's timeline."

OPERS and Mandel have a history of disagreement. They have clashed over who should control where the multibillion-dollar pension fund's resources should be invested, among other disagreements over reforms.

The police and fire fund is the first pension fund in the United States to volunteer to put its financial information online, according to Mandel.

"We see no reason why our members as taxpayers should not be able to see what vendors we use, what services we use, what consultants we use, how much we're paying for our paper clips and pencils, things like that," said John

Gallagher, executive director of the fund.

Gallagher added that confidential information will not be put on the website.

The pension fund joins more than 100 state- and local-government entities that have volunteered to put their spending habits online.

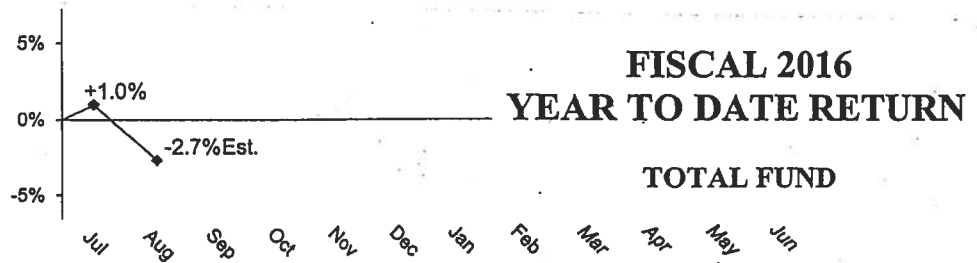
"Obviously we're a huge fan of the local-government stuff ... but it really is important for the pension funds to step it up," said Greg Lawson of the Buckeye Institute, a free-market research group based in Columbus. "It's just a great example of good government."

Mandel's initiative helped the state jump from No. 46 to No. 1 on a U.S. Public Interest Research Group list of transparent states providing online access to government spending.

Dina Berliner is a fellow in the E.W. Scripps School of Journalism Statehouse News Bureau.
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Main Points Overview Relating to Retiree Members: *

- Investment (Overall Asset Mix) FY 2016 YTD: **\$71.317 Billion, - 2.7% since June 30, 2015**
 Investment Plan: 30 yr closed amortization



2. STRS RISK ANALYSIS - *On Guard for the Future*

STRS Ohio ERM Combined Impact and Probability Analysis			
	PROBABILITY		
	High	Medium	Low
High		<ul style="list-style-type: none"> Not earning the 7-3/4% actuarial return over the long term Long-term sovereign deficit and debt issues Actual experience varies from actuarial assumptions long term Pension imbalance (C+I=B+E) Legislative action with negative impact 	<ul style="list-style-type: none"> Investment diversification ineffective Increased migration to DC/ARP plan Business continuity and disaster preparedness Ethics issues
Medium	<ul style="list-style-type: none"> Actual experience varies from actuarial assumptions short term 	<ul style="list-style-type: none"> Global financial stress related to low economic growth Shortfall of health care funds Vulnerability to attack/mass loss of confidential member data Contracting membership base 	Managed at senior staff and department level
Low	<ul style="list-style-type: none"> Not earning at least a 7-3/4% return in a fiscal year 	Managed at senior staff and department level	Managed at senior staff and department level

ERM = Enterprise Risk Management

C = contributions; I = Investments; B = benefit; E = expenses

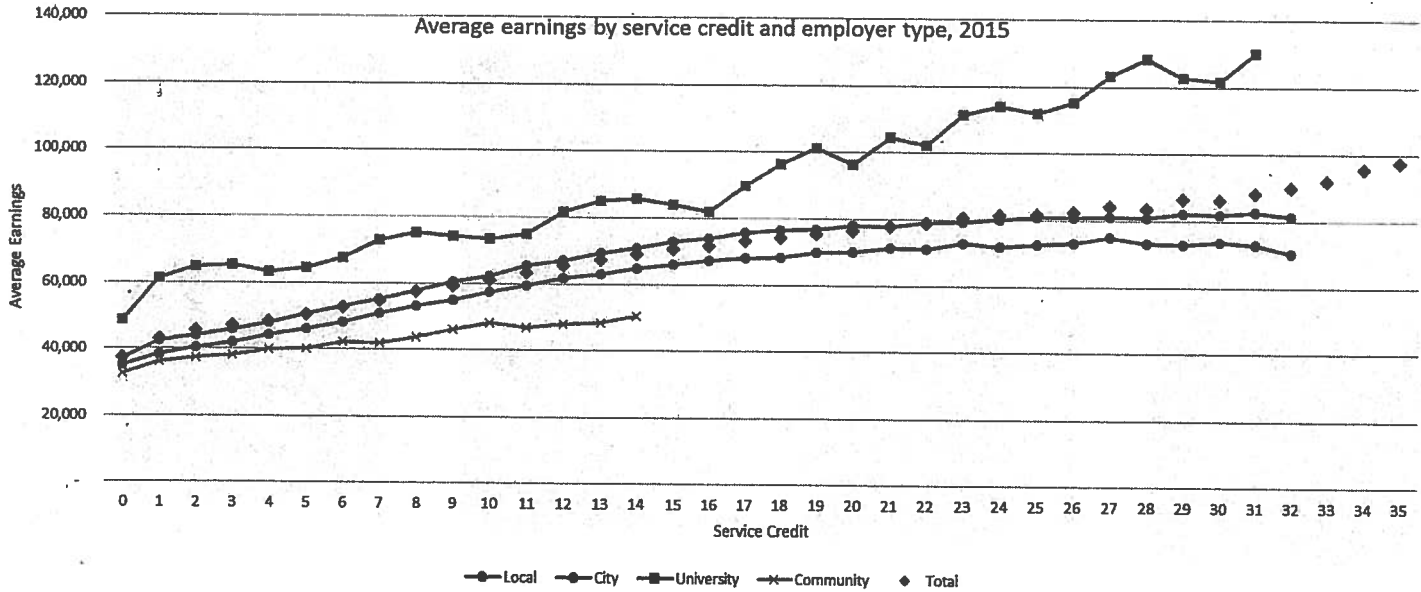
3. COMPARISON OF EARNINGS: *Among Employer Types* [OVER]

4. RETIREMENTS: *Expected vs. Actual, by Service Years* [OVER]

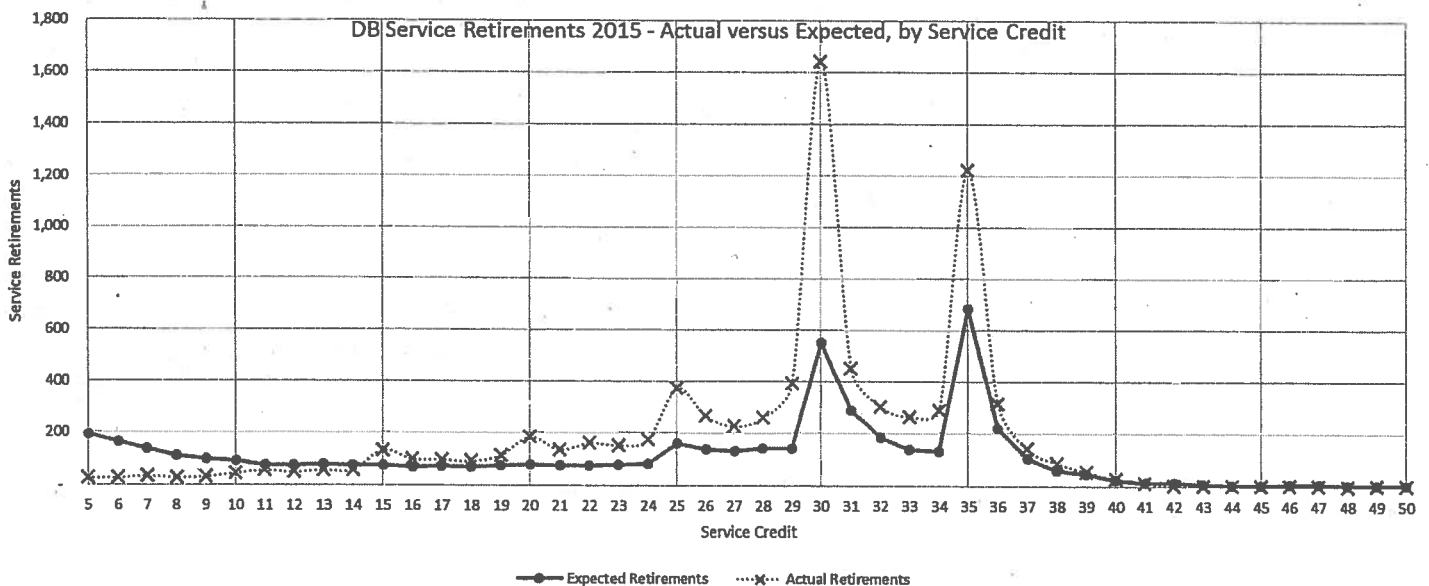
Next Regular Board Meeting: **October 15, 2015.** * From the STRS Executive Director's Report, and Other Sources (e.g., news-bounces@strsoh.org; Legislative News). Underline, bold, and/or italics have been added in some citations above.

Dick Hill / Member, OSURA Executive Board

Comparison of Earnings Between Employer Types



Retirements: Expected vs Actual, by Service



Takeaway: Retirements driven by pension reform. Actual retirements spiked at 25, 30 and 35 years of service credit. Wild card is actuarial impact of early retirement separation.