

May 21, 2020

The nine hundredth and twenty-ninth meeting of the Retirement Board of the School Employees Retirement System was held via Zoom videoconferencing on Thursday, May 21, 2020. The meeting convened in open session at 8:34 a.m. Roll call was as follows: Catherine Moss, Chair, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Hugh Garside. Also in attendance was Samuel Peppers, representative of the Attorney General, various members of the SERS staff, and members of the public.

**APPROVAL OF MINUTES OF THE RETIREMENT BOARD MEETING HELD ON
March 19, 2020**

James Rossler moved and Frank Weglarz seconded the motion to approve the minutes of the Retirement Board meeting held on Thursday, March 19, 2020. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, James Rossler, Frank Weglarz and Daniel Wilson. Abstain: Catherine Moss. The motion carried.

**APPROVAL OF MINUTES OF THE SPECIAL RETIREMENT BOARD MEETING HELD ON
April 2, 2020**

Frank Weglarz moved and James Rossler seconded the motion to approve the minutes of the Special Retirement Board meeting held on Thursday, April 2, 2020. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

**APPROVAL OF MINUTES OF THE SPECIAL RETIREMENT BOARD MEETING HELD ON
April 24, 2020**

Hugh Garside moved and James Rossler seconded the motion to approve the minutes of the Special Retirement Board meeting held on Friday, April 24, 2020. Upon roll call, the vote was as follows: Yea: Hugh Garside, James Haller, Matthew King, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. Abstain: Jeffrey DeLeone. The motion carried.

Board Chair Catherine Moss asked Chief Investment Officer Farouki Majeed to present the Investment Report.

INVESTMENT REPORT

Annual Portfolio Review – Opportunistic and Tactical

Investment Officer Phil Sisson presented the annual review of the Opportunistic and Tactical Investments portfolio. As of March 31, 2020 the portfolio consisted of nine managers and had a market value of \$355 million. The portfolio also has a 2.6% total fund allocation with a 6.2% net return since inception. Mr. Sisson reviewed the portfolio construction, performance and current market conditions. He discussed what changes will be made to the portfolio effective July 1, 2020 as the direct lending strategies will be moved to Global Private Credit. Following questions the Board thanked Mr. Sisson for his presentation.

Asset Allocation Transition

Mr. Majeed presented the Asset Allocation Interim Targets with proposed changes implemented over a two year period.

ASSET ALLOCATION INTERIM TARGETS

As discussed during the May 21, 2020 Board meeting, Barbra Phillips moved and James Rossler seconded the motion to approve interim targets for FY2021 as shown in the table below. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

					Interim Targets
Asset Class	Previous Target	Previous Range	Revised Target	Revised Range	FY2021
Equity	55%	45% - 65%	57%	47% - 67%	56%
Global Equities	45%	35% - 55%	45%	35% - 55%	45%
Global Private Equity	10%	5% - 15%	12%	8% - 16%	11%
Income	35%	30% - 40%	43%	38% - 48%	40%
Global Bonds	19%	12% - 26%	19%	12% - 26%	19%
Private Credit	N/A	N/A	5%	3% - 7%	3%
Global Real Assets	15%	10% - 20%	17%	14% - 20%	16%
Cash Equivalents	1%	0% - 5%	2%	0% - 5%	2%
Multi-Asset Strategies	10%	5% -15%	N/A	N/A	4%
TOTAL FUND	100%		100%		100%
Strategy					
Opportunistic & Tactical Investments	0%	0% - 5%	0%	0% - 5%	

Wilshire Associates Quarterly Performance Report

Joanna Bewick and David Lindberg presented Wilshire's quarterly Investment performance report as of March 31, 2020. Ms. Bewick reviewed asset class performance, the coronavirus timeline in relation to effects on markets, asset class assumptions, and inflation and unemployment data. David Lindberg reviewed the total asset allocation summary, composite performance, peer group analysis, attribution analysis and total fund asset class performance. After comments, the Board thanked Ms. Bewick and Mr. Lindberg for their presentation.

Quarterly Investment Report

Mr. Majeed provided a summary of the Investment report for the quarter ending March 31, 2020. After questions, the Board thanked Mr. Majeed for the presentation

Draft Annual Investment Plan

Mr. Majeed reviewed the Annual Investment Plan for FY2021. Mr. Majeed noted a resolution will be prepared for the Board to approve during the June Board meeting. Following discussion, the Board thanked staff for their efforts.

Draft Investment Department Incentive Plan

Chief Risk Officer Joe Bell presented the proposed changes to the Investment Incentive Plan for FY2021.

INVESTMENT DEPARTMENT INCENTIVE PLAN FISCAL YEAR 2021

James Rossler moved and James Haller seconded the motion to approve the Investment Department Incentive Plan for fiscal year ending June 30, 2021 which replaces the Fiscal Year 2020 Investment Department Incentive Plan approved May 16, 2019. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

The Board took a break at 10:54 a.m., and reconvened at 11:05 a.m.

Proxy Voting

Government Relations Officer Chris Collins reviewed new proxy issues. Mr. Collins stated that there were no changes to the current proxy instructions. Mr. Collins noted that due to the Coronavirus, Proxy season will last longer than it has in the past because of regularly scheduled meetings being pushed back. Following comments, the Board thanked Mr. Collins for his presentation.

SUMMARY OF INVESTMENT TRANSACTIONS

Barbra Phillips moved and Frank Weglarz seconded that the following summary of investment transactions made in compliance with the Ohio Revised Code Section 3309.15 during the period of **February 1, 2020** through **February 29, 2020** hereby be approved. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
US Equities	\$ 94.8
Non-US Equities	123.1
Fixed Income	429.5
Multi-Asset Strategies	36.9
Private Equity Capital Calls	16.7
Real Asset Capital Calls	0.2
Opportunistic	3.3
Cash Equivalents	458.9

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
US Equities	\$ 91.4	\$ 22.3
Non-US Equities	130.1	6.1
Fixed Income	380.1	5.0
Multi-Asset Strategies	3.6	(1.0)
Private Equity distributions	14.9	n/a
Real Asset distributions	2.0	n/a

Opportunistic	0.4	(0.2)
Cash Equivalents	472.5	n/a

SUMMARY OF INVESTMENT TRANSACTIONS

James Rossler moved and James Haller seconded that the following summary of investment transactions made in compliance with the Ohio Revised Code Section 3309.15 during the period of **March 1, 2020** through **March 31, 2020** hereby be approved. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
US Equities	\$ 60.6
Non-US Equities	245.3
Fixed Income	591.9
Multi-Asset Strategies	27.4
Private Equity Capital Calls	16.0
Real Asset Capital Calls	43.4
Opportunistic	18.0
Cash Equivalents	674.3

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
US Equities	\$ 34.1	\$ (7.0)
Non-US Equities	239.2	(40.6)
Fixed Income	624.6	18.3
Multi-Asset Strategies	57.2	(6.5)
Private Equity distributions	5.9	n/a
Real Asset distributions	8.3	n/a
Opportunistic	0.8	(0.6)
Cash Equivalents	914.6	0.1

EXECUTIVE DIRECTOR'S UPDATE

COVID-19 Response Update

Executive Director Richard Stensrud commended staff's ability to transition to working remotely while maintaining efficiency and the quality of customer service. Mr. Stensrud stated that more than 7,000 voice messages have been returned by SERS' member services team (MST), and the processing of applications is operating at nearly 80% compared to levels seen last year. Mr. Stensrud stated that staff continues to process refund applications. Additionally, staff has conducted three retirement webinars.

Mr. Stensrud stated that at the end of May, staff will be implementing a phased in approach to the return of some MST staff to the office, consistent with best practices of the governor and national authorities. Mr. Stensrud stated that he and staff are being cautious in order to protect the safety of SERS staff, tenants, and visitors. This phased in approach will take place throughout the month of June; however, there will still be a substantial number of people working from home through June. Mr. Stensrud noted that going forward, he and staff will review what SERS' operating model should look like in the future, and will continue discussing this matter with the Board.

Mr. Stensrud stated that there still continues to be a number of legacy retirees who have not chosen to switch from paper benefit checks to EFT. He reported that given the pandemic limitations on business operations, staff saw an opportunity to remind retirees of the benefit of switching to EFT, and to that end a letter was sent to those legacy retirees encouraging them to switch to EFT. Mr. Stensrud reported that more than 1,000 have now made the switch. Following further discussion, the Board agreed that a plan should be developed to mandate that all remaining retirees receiving paper checks switch to EFT.

On a sadder note, Mr. Stensrud stated that Aetna reports that 127 participants in SERS' Medicare plan are in-patient care, and 18 deaths have occurred as a result of the pandemic.

Advocacy Groups

Mr. Stensrud stated that he and staff continue to remain in contact with SERS' advocacy groups, keeping them informed about our response to the COVID-19 pandemic, the services that continue to be available, as well as postponements and cancellations of system-sponsored events. Mr. Stensrud noted that feedback from stakeholders has been positive regarding SERS response to the crisis and our continuing efforts to support our members, retirees, and employers despite the difficult circumstances.

Mr. Stensrud stated that due to pandemic restrictions SERS' annual OASBO/SERS update with their Legislative and Education Finance Committees scheduled for April 21st was cancelled. The SERO Annual meeting scheduled for May 12th was also cancelled.

Mr. Stensrud noted, however, that SERS is actively looking at creative ways for staff to continue to engage with stakeholders, including through the expanded use of webinars. Mr. Stensrud stated that staff is also working to educate all interested parties that SERS is financially stable and does not have the problems seen in pension systems in other parts of the country.

Mr. Stensrud stated that a decision has been made by the Court of Appeals regarding the lawsuit brought against SERS by OAPSE, with the appellate court has affirming the trial court's dismissal of the case. Mr. Stensrud expressed appreciation for the work done by SERS' internal and outside legal counsel.

Ohio Retirement Study Council

Mr. Stensrud stated that the April 9th and May 14th ORSC meetings were cancelled, and while the next regularly scheduled meeting is Thursday, June 11th, the ORSC remains at the call of the Chairman.

Mr. Stensrud noted that as required, the draft SERS budget was submitted to the ORSC, and it is anticipated that the budget will be reviewed at a potential June meeting of the ORSC.

State Legislative Activity

Mr. Stensrud stated that the Ohio General Assembly passed a significantly amended version of HB 197 to address COVID-19 related issues at the end of March. In addition to making temporary adjustments to accommodate changes for the Ohio primary election, waive school testing, and other emergency measures, the bill included three provisions of interest for the retirement systems.

- Continued flexibility for open meetings law to allow for remote participation.
- Allow for the delay of any retirement board elections scheduled to take place the remainder of 2020. (SERS does not have any scheduled board elections during this period.)
- Waived the two-month pension forfeiture period for re-employed retirees who return to work for five specific OPERS-covered employers: Department of Rehabilitation and Correction; Department of Youth Services; Department of Mental Health and Addiction Services; Department of Veterans Services and; the Department of Developmental Disabilities.

Mr. Stensrud noted that the government relations staff met by phone with the lead sponsors of HB 514, HB 515, and HB 516 at the end of March. Representatives Kelly (D-Cincinnati) and Ghanbari (R-Bowling Green) appreciated the outreach, but are understandably focused on other priorities at the moment. They urged SERS staff to remain in touch about the legislation. The bills have been referred to the House Committee on Financial Institutions, and no hearings have been scheduled at this point.

Mr. Stensrud discussed new legislation recently proposed by Representative Stephanie Howse, to establish an auto-enrollment retirement savings program for private sector employees. The legislation calls for the program to be administered by the OPERS Board with additional appointed members from the House of Representatives, representing employees, and the Senate, representing employers. It would use employee contributions only and be a defined benefit plan. Mr. Stensrud noted that OPERS has expressed concerns regarding its proposed role.

Federal Legislative Activity

Mr. Stensrud stated that Congress has also taken action related to COVID-19, and recapped that several major bills have been passed and enacted in a very short period of time. Key provisions for retirement systems include:

- In the Families First Act (HR 6201) additional paid leave is provided for employees for specified reasons related to COVID-19. Legal staff worked with SERS counterparts from the other systems to determine how such leave should be treated regarding contributions to the systems and service credit.
- As part of the CARES Act (HR 748) all workers and retirees below certain income limits are eligible for a refundable tax rebate payment. SERS posted information on the SERS website to help members and retirees understand how to ensure they are included in those payments.
- The CARES Act also included provisions to liberalize distribution and loan options. A new "coronavirus-related distribution" can be made available to qualified individuals, and the 10% early distribution penalty tax will not apply to such a distribution. This affects the tax impact of certain refunds.
- Despite the unprecedented amount of relief that has been provided by Congress so far in response to COVID-19, there are expectations that additional relief legislation will be considered that could include assistance for state and local governments. Mr. Stensrud noted that concern was being expressed by some members of Congress that if any funding is provided to state and local governments that it cannot be applied toward public employee pension benefits. Mr. Stensrud stated that staff would remain watchful for any proposals that could impact public sector retirement plans.

Operation Feed

Mr. Stensrud stated that staff's participation in the Operation Feed campaign (April 15 – May 15) was different this year due to the pandemic. Staff were offered two ways to donate this year, either online or by text. Both methods allowed staff to donate whatever dollar value they liked, and gave them the option of paying the online fee for the MidOhio Foodbank. Mr. Stensrud reported that staff donated \$1,071 to the effort.

Board Self-Evaluation

Mr. Stensrud stated that following the presentation from Global Governance Advisors (GGA) during the February Board Retreat, an interest was expressed in obtaining a proposal from GGA to assist the Board in developing a Board self-evaluation program. Mr. Stensrud noted that this has been a discussion topic at various times previously, with the Board declining to pursue such a program. Mr. Stensrud stated that given the renewed interest in this topic, and a proposal was solicited from GGA. Mr. Stensrud stated that to provide a point of comparison with respect to process and cost, he also solicited a second proposal from another well-regarded firm, Mosaic Governance Advisors. Mr. Stensrud asked for guidance on whether and how to move forward.

Following a brief discussion, the Board agreed that board self-evaluations are important to good board governance. The Board also noted, however, that it believes the Board functions very well with respect to governance. The Board noted that for the present, pension sustainability must remain the focus of their attention. Concluding, the Board expressed an interest in working together on board self-evaluations at some future time, with the option of utilizing a consultant if needed.

Quarterly Financials

Chief Financial Officer Tracy Valentino provided an update on quarterly financials.

- Contributions increased slightly as a result of higher payroll and an increase in enrollment.
- Benefits continue to level off. There's been a slower growth in retirees and the impact of the COLA freeze continue to keep benefit level consistent with previous year.
- Health Care (HC) continues to see a decrease in expenses in the HC fund; aging out and medical management are controlling costs.
- Administrative expenses are within budget and on target; currently at approximately 73% of the annual budget. 94% of what is expected budgeted year-to-date. Expenses are expected to be lower for the year due to the impact of COVID-19. Travel, training, and member and employer education expenses are expected to be significantly under-budget due to stay-at-home orders.

LEGISLATIVE REPORT

**STATE LEGISLATION BOARD REPORT
133rd General Assembly
(Prepared by Chris Collins as of May 8, 2020)**

SB10 THEFT IN OFFICE PENALTIES Steve Wilson (R-Maineville) To expand the penalties for theft in office based on the amount stolen and to include as restitution audit costs of the entity that suffered the loss.

Current Status: 10/29/2019 - Re-Referred to Committee

HB326 PUBLIC EMPLOYEE RETIREMENT-DISABILITY BENEFIT Adam Miller (D – Columbus) To allow a Public Employees Retirement System or School Employees Retirement System disability benefit recipient elected to certain offices to continue receiving a disability benefit during the term of office.

Current Status: 11/12/2019 House Insurance, (First Hearing)

HCR13 GENDER REPRESENTATION Thomas West (D- Canton), Sara Carruthers (R-Hamilton) - To encourage equitable and diverse gender representation on the boards and in senior management of Ohio companies and institutions.

Current Status: 11/12/2019 House Civil Justice, (Second Hearing)

HB46 STATE GOVT EXPENDITURE DATABASE Dave Greenspan (R- Westlake) - To require the Treasurer of State to establish the Ohio State Government Expenditure Database

Current Status: 01/22/2020 Substitute Bill Accepted

HB530 OPERS PROTECTION Diane Grendell (R- Chesterland) - Regarding state retirement system fiduciary duties, Public Employees Retirement System management fees and employee pay, and creating the Committee on Pension Salaries and Fees

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB514 BROADCAST RETIREMENT BOARD MEETINGS Brigid Kelly (D - Cincinnati) Haraz Ghanbari (R – Perrysburg) - To require the state retirement systems to publicly broadcast board meetings.

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB515 RETIREMENT SYSTEMS - FINANCIAL DISCLOSURES Brigid Kelly (D - Cincinnati) Haraz Ghanbari (R – Perrysburg) - To require the boards of the state retirement systems to disclose certain financial information regarding alternative investments.

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB516 FORMER STATE RETIREMENT PERSONNEL Brigid Kelly (D - Cincinnati) Haraz Ghanbari (R – Perrysburg) Regarding the prohibition against the state retirement systems doing business with a former state retirement system employee, officer, or board member.

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB197 OMNIBUS MEASURES ON CORONAVIRUS Jena Powell (R-Arcanum) Derek Merrin (R-Monclova) To continue essential operations of state government and maintain the continuity of the state tax code in response to the declared pandemic and global health emergency related to COVID-19, to make appropriations, and to declare an emergency.

Current Status: 03/27/2020 SIGNED BY GOVERNOR; eff. 3/27/20

FEDERAL LEGISLATION BOARD REPORT
116th United States Congress
(Prepared by Chris Collins as of May 8, 2020)

H.R. 141

SPONSOR: Rep. Rodney Davis (R-IL)

LAST ACTIONS: House - 01/31/2019 Referred to the Subcommittee on Social Security

CAPTION: Social Security Fairness Act of 2019

COMMENT: Repeals the GPO and WEP. 245 co-sponsors; nine Ohioans

S. 521

SPONSOR: Sen. Sherrod Brown (D-OH)

LAST ACTIONS: Senate - 02/14/2019 Referred to Committee on Finance

CAPTION: Social Security Fairness Act of 2019

COMMENT: Repeals the GPO and WEP. 38 co-sponsors.

H.R.3934

SPONSOR: Rep. Kevin Brady (R-TX)

LAST ACTIONS: House - 07/24/2019 Referred to the House Committee on Ways and Means.

CAPTION: To amend title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with non-covered employment, and for other purposes.

COMMENT: 45 co-sponsors; three Ohioans

H.R.4540

SPONSOR: Rep. Richard Neal (D-MA)

LAST ACTIONS: House - 09/27/2019 Referred to the House Committee on Ways and Means.

CAPTION: To amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with non-covered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

COMMENT: 141 co-sponsors; four Ohioans

H.R.4763

SPONSOR: Rep. Kaptur, Marcy (D-OH)

LAST ACTIONS: House - 10/18/2019 Referred to the House Committee on Energy and Commerce.

CAPTION: To extend the limited wraparound coverage pilot program for an additional 5 years, and for other purposes.

COMMENT: Eight co-sponsors, all of whom are Ohioans.

H.R.748

SPONSOR: Courtney, Joe (D-CT)

LAST ACTION: 03/27/2020 Became Public Law No: 116-136.

CAPTION: CARES Act (Coronavirus Aid, Relief, and Economic Security Act)

COMMENT: Initially introduced as a repeal of the health care “Cadillac Tax.” 369 co-sponsors; 14 Ohioans. Ultimately became vehicle for COVID-19 relief legislation.

MEMORANDUM

To: Chris Collins, Government Relations Officer

From: Carol Nolan Drake, Federal Liaison

Date: May 6, 2020

Re: Federal Legislative and Regulatory Report

OVERVIEW

Highlights for April include: the continued effort by the federal government and states to limit the spread of the COVID-19 virus and address the economic impact of the global pandemic; the passage of another piece of legislation by the U.S. House of Representatives and Senate to provide stimulus dollars to impacted businesses; education to ensure that retirees receive rebate payments from the earlier stimulus package; advocacy to raise the cap on HRA Excepted Benefit Plans; communication on the next phases of legislation to determine whether surprise medical billing, lowering prescription drugs, Medicare Part D restructuring (and its impact on EGWPs) would be included; and education on state and local funding issues that are developing to ensure that legislation is not passed that would impact public pension plans.

The House of Representatives delayed its return to Washington, D.C. until Monday, May 11, with the first voting day set for Tuesday, May 12. The schedule shows only eight voting days in May. The House is still considering whether to institute remote voting in cases of emergency given that 435 members need to travel to Washington, D.C. from their home states. Speaker Nancy Pelosi (D-CA) has indicated that the House will take up legislation to increase funding for small businesses, i.e., CARES Act 2, and expand support for Americans impacted by job losses and health care coverage.

The Senate returned to session on Monday, May 4. From the news accounts, the Senate operations are quite different now. Senators are practicing social distancing and many staff members are still working from home. Senate President Mitch McConnell (R-KY) has expressed a desire to take up legislation that would limit the liability of businesses that could be sued by employees, vendors or other parties due to the COVID-19 virus. Democratic Senators, including Senator Sherrod Brown (D-OH) have voiced concerns with any effort to limit business liability with a broad stroke, particularly if companies did not put safeguards in place for their workers after the national emergency was declared.

The resolution which Senator Rob Portman (R-OH) introduced in March, S. Res. 548, to amend the Standing Rules of the Senate to enable the participation of absent Senators during a national crisis, now has 16 cosponsors. On April 30, Senators Portman and Thomas Carper (D-DE) held a virtual Roundtable to discuss continuity of Senate operations and remote voting in times of crisis. While the Resolution has bipartisan support from Republicans, Democrats and Independents, it has not moved.

CORONAVIRUS STIMULUS PACKAGE 3.5

The Senate Amendment to H.R. 266, the “Paycheck Protection Program and Health Care Enhancement Act,” is the latest Coronavirus stimulus bill to pass. It is called the Phase 3.5 package to distinguish it from earlier bills. The bill was passed to replenish funding for the Small Business Administration’s Paycheck Protection Program (PPP) that ran out quickly and the Economic Injury Disaster Loan (EIDL) program. Included in the bill are funds for hospitals, health care providers, and funding for testing development to help the states and businesses as they seek to reopen.

The Senate voted by voice vote, given that they were not called back to Washington. The House vote, which took place in the chamber on April 23, was 388-5, with one member voting present, who was Rep. Justin Amash (I-MI). All the Ohio House and Senate delegation members supported the bill, which was signed by President Trump on April 24. The bill appropriates another \$484 billion to address the economic downturn in several ways. The language includes:

- Another \$310 billion to the Paycheck Protection Program after banks distributed the initial \$349 billion from the previous bill. The terms for the loans include a provision that the loans will be forgiven by the federal government if at least 75% of the money is used to keep employees on the payroll. The EIDL program received another \$20 billion.

After the first tranche of money was used up by larger businesses, some of whom are now returning the money, Congress appropriated \$60 billion in this bill to be given to community financial institutions and credit unions. One of the criticisms that arose from the earlier bill is that many small businesses did not have established relationships with financial institutions and therefore missed out on the initial loans.

- The bill provides \$75 billion to “[P]revent, prepare for, and respond to Coronavirus, domestically or internationally, for necessary expenses to reimburse ...eligible health care providers for health care related expenses or lost revenues that are attributable to Coronavirus.”
- The amount of \$25 billion is included for a Coronavirus testing program, to “prevent, prepare for, and respond to Coronavirus, domestically or internationally, for necessary expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID–19 tests to effectively monitor and suppress COVID–19.”
- Several provisions are included for reports to be issued by the Secretaries of specific federal agencies to Senate and House Committees as the funds are distributed and later when the funding has been expended. The Office of the Inspector General, within the Department of Health and Human Services, is given the authority to report to Senate and House Committees after the final stimulus payments are made.

Rep. Steve Chabot (R-OH), ranking member of the House Committee on Small Business, was concerned enough to write an Op-ed in the Cincinnati newspaper, on April 29, to urge small businesses to contact their local banks or credit unions to apply for the Paycheck Protection Program. Rep. Chabot recommended that businesses not wait “because there’s no telling for sure just how long these additional funds will last.”

In early April, Senators Mitt Romney (R-UT) and Jon Tester (D-MT) wrote a letter to President Trump asking him to ensure that the oversight requirements which Congress included in the \$2.2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act would be followed by his administration. As I reported in the last Federal Report, the bill required that a special Inspector General be appointed, a Congressional Oversight Committee and a Pandemic Response Accountability Committee (PRAC) be created. The Trump Administration has resisted oversight outside of the Cabinet Secretaries’ responsibilities within the bill.

Congress is still discussing whether the next stimulus package should provide funding for state and local governments. After the president of the Illinois Senate, Don Harmon (D), wrote a letter to Senator Richard Durbin (D-IL) on April 14, the debate intensified whether stimulus dollars should be used to help states pay down their pension obligations. Senate President Mitch McConnell (R-KY) commented that perhaps some states should be able to declare bankruptcy to alleviate debts due to the pandemic, rather than seek federal dollars. On the Democratic side, several members have stated that federal dollars could be used to temporarily help states cover their budget shortfalls due to lower revenues.

Several national organizations, such as NASRA, NCTR and NCPERS have discussed with their memberships how to communicate on the solvency of public pension funds with Congressional members and stakeholders. Chris Collins, Government Relations Officer, and I had a call on May 5 with the Federal Legislative Director for Ohio Governor Mike DeWine (R) to discuss how Ohio’s General Assembly, Retirement Study Council and the Boards of Trustees already have oversight over the pension funds.

NEXT STIMULUS PACKAGE

The Democratic House would like to pass the next piece of legislation upon its return. The bill, called CARES Act 2, after the first CARES legislation which passed in April, would provide additional funding. The ideas considered thus far include additional money for food stamps since many Americans are struggling to afford groceries, the U.S. Postal Service, community health centers, broadband for parts of the country without internet capabilities, housing relief, more money for small businesses, states and municipalities, unemployment insurance, Multiemployer Pension Plans, and infrastructure (although Speaker Pelosi seems to have backed away from infrastructure funding at this time). The Speaker indicated that over \$1 trillion may be needed for states and municipalities alone.

Senate Republicans have expressed a desire to pass legislation that would limit COVID-19-related liability for businesses and for health care workers. Senate President McConnell has mentioned that tort reform is a priority and that the appropriations need time to be distributed. He believes that Congress should see how these programs are working before passing more legislation. In the interim, many additional trade and professional associations are seeking funding for their memberships. For example, the Small Business Administration's Paycheck Protection Program set a limit for their loan eligibility for businesses and 501(c)(3) nonprofit groups that have less than 500 employees.

On May 5, a bipartisan group of Ohio delegation members and many other Representatives wrote to House and Senate Leadership, asking that hospitals be considered in future legislation. Eighty-seven members, including Reps. Bob Gibbs (R-OH), Marcy Kaptur (D-OH), Joyce Beatty (D-OH), Anthony Gonzalez (R-OH), Tim Ryan (D-OH), Mike Turner (R-OH), Marcia Fudge (D-OH), Steve Stivers (R-OH), Bill Johnson (R-OH), Troy Balderson (R-OH), and David Joyce (R-OH), signed a letter to House and Senate leadership to express support for future legislation to include "a provision that forgives Medicare accelerated payments interest rates and pursues full loan forgiveness for hospitals and other providers." A copy of the letter may be read here:

<https://gibbs.house.gov/sites/gibbs.house.gov/files/documents/GibbsKaptureBipartisanHospitalandHealthSystemLoanForgivenessLetter%20May%202020.pdf>

STIMULUS PAYMENTS

The Internal Revenue Service (IRS) is alerting Americans to be vigilant and look out for people who are falsely claiming that they can transfer their stimulus payments to debit or electronic cards. Of course, the scammers steal the stimulus payments in the process. The IRS is warning people to avoid the text and email messages that are being sent out under the auspices of the IRS. As the IRS said, "We will not reach out to anyone via text, via phone, via email." More information is here:

<https://www.irs.gov/newsroom/irs-enhances-get-my-payment-online-application-to-help-taxpayers>

One stumbling block to the outreach is the fact that many Americans that do not have access to the internet and Ohio is a state with some areas in which internet capabilities are limited. Low-income citizens and the elderly may not be able to afford internet access, or have the equipment necessary to log into the internet and file the online IRS forms. In the past, citizens may have visited their local library to access the internet. As you know, the libraries are closed temporarily. We have asked the staff that work for the House Committee on Ways and Means, Subcommittee on Social Security, to ask the IRS to create and communicate that a simple tax form is available which people can fill out to receive their stimulus payments.

PANDEMIC BILLS

Several bills have been introduced in April to address a variety of pandemic response issues. A few of the noteworthy ones include:

- Rep. Adam Schiff (D-CA) introduced H.R. 6548, the "National Commission on the COVID-19 Pandemic in the United States Act," on April 17;
- Rep. David Cicilline (D-IL) introduced H.R. 6480, the "Global Pandemic Planning Act," on April 10;

- Rep. Austin Scott (R-GA) introduced H.R. 6611, for “Making supplemental appropriations for fiscal year 2020 for the Department of Agriculture to respond to the COVID-19 pandemic, and for other purposes,” on April 23;
- Rep. Max Rose (D-NY) introduced H.R. 6610, on April 23, to “establish the Cabinet-level position of Director of Pandemic and Biodefense Preparedness and Response in the Executive Branch with the responsibility of developing a National Pandemic and Biodefense Preparedness and Response Strategy, to prepare for and coordinate the response to future pandemics, biological attacks, and other major health crises, including coordinating the work of multiple government agencies, and for other purposes;”
- Rep. Frank Lucas (R-OK) introduced H.R. 6599 on April 23, to “provide for coordination of research and development for pandemic disease prediction, forecasting and computing and for other purposes;” and
- Rep. Joyce Beatty (D-OH) cosponsored H.Res. 467, a resolution, “Recognizing the essential contributions of frontline health workers to strengthening the United States national security and economic prosperity, sustaining and expanding progress on global health, and saving the lives of millions of women, men, and children around the world.”

SERS WRAPAROUND PLAN

The advocacy on the Wraparound Plan legislation, H.R. 4763, to move the bill introduced last year by Rep. Kaptur, has continued. During a call on May 5 with representatives from the offices of Reps. Marcy Kaptur (D-OH) and Tim Ryan (D-OH) with SERS and me, we discussed the opportunity to attach authorizing language to an appropriation bill later this year. Both staff members indicated that the COVID-19 pandemic legislation is taking up much of the House’s time. They were concerned that the Wraparound Plan reauthorization language may not be added to an upcoming bill. Rather, language could be similar to last year’s appropriation bill, asking CMS to reauthorize the program and report back to the Committee. CMS declined to issue a report or extend the program last year.

We also discussed a request for CMS to raise the \$1800 per family cap for HRA Excepted Benefit Plans. We explained that during our outreach to CMS recently, we heard that CMS was considering a number of regulatory changes to help plan sponsors, hospitals, doctors and citizens deal with costs arising from the pandemic. We were told by our CMS representative that he would discuss raising the cap with his colleagues at Treasury and the Department of Labor. We will continue this path while we pursue legislative authority for Wraparound Plans.

On April 29, SERS and I joined a call with representatives from Blue Cross Blue Shield and a company called FURTHER. We discussed the HRA Excepted Benefit Plan, the advocacy to raise the cap and whether they are aware of other plan sponsors that have offered the HRA plan option starting in January 2020. Neither BCBS nor FURTHER knew of any other HRA Excepted Benefit Plans.

WINDFALL ELIMINATION PROVISION

The “Social Security Fairness Act of 2019,” which provides for the full repeal of WEP and GPO, has not been brought to the floor for a vote, and the Committee on Ways and Means has not had a hearing on it during the pandemic emergency. As of this report, nine Ohio Representatives have signed on to H.R. 141, which has 245 cosponsors including nine members from Ohio, who are Reps. Tim Ryan (D-OH), David Joyce (R-OH), Steve Stivers (R-OH), Bob Gibbs (R-OH), Marcy Kaptur (D-OH), Michael Turner (R-OH), Marsha Fudge (D-OH), Joyce Beatty (D-OH) and Troy Balderson (R-OH).

Chairman Richard Neal’s (D-MA) WEP reform bill, H.R. 4540, the “Public Servants Protection and Fairness Act,” has 141 cosponsors now, including cosponsors Reps. Marcy Kaptur (D-OH), Tim Ryan (D-OH), Joyce Beatty (D-OH) and Marcia Fudge (D-OH). Rep. Kevin Brady’s (R-TX) version of WEP reform, H.R. 3934, the “Equal Treatment of Public Servants Act of 2019,” has 45 cosponsors as of this date, with three from Ohio, Reps. Bob Latta (R-OH), Michael Turner (R-OH) and Anthony Gonzalez (R-OH). At this date, neither bill has a Senate companion bill. There has been no progress on either bill.

The Senate companion bill for full repeal of WEP and GPO, S. 521, the “Social Security Fairness Act,” was introduced by Senator Sherrod Brown (D-OH) and has not added to the 38 cosponsors, including five Republicans and two Independents. There has been no action in the Senate and Senator Rob Portman (R-OH) is still not one of the co-sponsors.

SOCIAL SECURITY ADMINISTRATION (SSA)

The SSA has issued new warnings to recipients about scams that are popping up across the country as recipients receive their stimulus payments. The SSA released the following information to make sure that recipients are not tricked “out of your money and personal information:”

If you receive calls, emails, or other communications claiming to be from the U.S. Treasury Department, the Internal Revenue Service, the Social Security Administration, or another government agency offering COVID-19 related grants or economic impact payments in exchange for personal financial information, or an advance fee, or charge of any kind, including the purchase of gift cards, please do not respond. These are scams. [Visit Treasury’s website](#) if you suspect economic impact payment fraud. [Report Social Security scams about COVID-19.](#)

Below are some of the scams we know about, but there can be many variations: The Inspector General of Social Security, Gail S. Ennis, is warning the public about fraudulent letters threatening suspension of Social Security benefits due to COVID-19-related office closures. We will not suspend or discontinue benefits because our offices are closed to the public for in-person service. [Read this and other fraud advisories.](#)

The U.S. Department of Health and Human Services (HHS) Office of Inspector General is alerting the public about fraud schemes related to COVID-19. For example, scammers are offering COVID-19 tests to Medicare beneficiaries in exchange for personal details, including Medicare information. However, the services are unapproved and illegitimate. [Learn about this and other COVID-19 fraud from HHS.](#)

The link is here for more details: <https://www.ssa.gov/coronavirus/>

There has been no movement on the bill, H.R. 860, the “Social Security 2100 Act,” introduced by Rep. John Larson (D-CT). The bill has 208 cosponsors, who are all Democrats. All members of Ohio’s Democratic delegation are cosponsors, Reps. Joyce Beatty, Marcia Fudge, Tim Ryan and Marcy Kaptur. The identical Senate bill is S. 269, introduced by Senator Richard Blumenthal (D-CT). Senator Chris Van Hollen (D-MD) is still the only cosponsor.

H.R. 2302, the “Protecting and Preserving Social Security Act,” introduced by Rep. Theodore Deutsch (D-FL) still has only eight co-sponsors, including Rep. Marcy Kaptur (D-OH). This bill, like the “Social Security 2100” bill, H.R. 860, would make improvements in the old-age, survivors, and disability insurance program and provide for Social Security benefit protection. It has not moved forward.

MEDICARE AND MEDICAID

During a webinar on April 30, hosted by the Public Sector HealthCare Roundtable, Andrew MacPherson, senior policy advisor, discussed the previous bills that provided COVID-19 appropriations. Mr. MacPherson indicated that there are eleven trends that could emerge post-COVID for plan sponsors, including telemedicine, testing, bio-pharma and health disparities. He also mentioned a letter from the Roundtable which is being drafted, which will praise bipartisan action to address the pandemic and highlight the efforts which plan sponsors are taking to provide relief to public sector workers. The Roundtable will request that Congress:

- Protect access to high-quality health care coverage and improve Medicare;
- Address the impact of social isolation and loneliness as a result of physical distancing;
- Pass critical, bipartisan legislation to lower prescription drug prices (i.e. Prescription Drug Pricing Reduction Act of 2019 with key changes to Part D restructuring policies); and

- Ban surprise medical billing for treatment of COVID-19 and pass the Alexander-Murray-Pallone-Walden surprise billing compromise.

Neither H.R. 1346, the “Medicare Buy-In and Health Care Stabilization Act of 2019,” a bill with 50 Democratic cosponsors, to provide individuals who are ages 50 to 64 to buy into Medicare,” or S. 470, the “Medicare at 50 Act,” with 20 Democratic cosponsors, the companion Senate bill that Senator Sherrod Brown (D-OH) co-sponsored, has advanced.

HEALTH CARE

While we had heard last month that efforts to move legislation to address surprise medical billing may be delayed until November 30, we have heard more recently that Congress may see a need to address the issue sooner. The COVID-19 medical expenses for patients and the ensuing expenses for hospitals to acquire medical supplies, such as ventilators, personal protective equipment (PPE) and additional ICU space for COVID-19 positive patients, could be significant. One of the sticking points is whether arbitration clauses should be included in lieu of traditional legal challenges for diagnoses, treatment and billing issues. The health care extenders package was approved until November 30. Congress may believe that it cannot wait until then to deal with surprise medical billing issues.

On April 27, the U.S. Supreme Court issued an 8-1 decision on the lawsuit involving the \$12 billion risk corridor program that was set up as a “temporary financial incentive to stabilize premiums and encourage participation in the insurance exchanges.” Justice Sonia Sotomayor issued the majority opinion and said, “We conclude that [the ACA] established a money-mandating obligation, that Congress did not repeal this obligation, and that petitioners may sue the Government for damages in the Court of Federal Claims.”

Rep. Joyce Beatty (D-OH) signed a letter with other members urging President Trump to reconsider the administration’s Affordable Care Act lawsuit to repeal the remainder of the law. It was reported this week that Attorney General William Barr suggested that the administration tone down its push to repeal the ACA, however, President Trump said the suit will continue.

As reported, S. 3333 was introduced by Senator Lisa Murkowski (R-AK) to “amend the Public Health Service Act to provide for the implementation of curricula for training students, teachers, and school personnel to understand, recognize, prevent, and respond to signs of human trafficking and exploitation in children and youth, and for other purposes.” While there are 15 cosponsors, neither Ohio Senators Brown nor Portman have signed on to the bill.

PRESCRIPTION DRUGS

Senator Chuck Grassley (R-IA) has expressed a desire to include language to lower drug prices in future stimulus bills, along with Senator Ron Wyden (D-OR). Discussions will continue as the COVID-19 priorities are addressed.

As reported, Rep. Dave Joyce (R-OH) introduced H.R. 5239, the “Prescription Drug Price Reporting Act,” last year, cosponsored by Rep. Anthony Gonzalez (R-OH), to require reporting on prescription drug expenditures under group health plans and prescription drug price changes. The companion bill in the Senate, S.1664, was introduced by Senator Rick Scott (R-FL). The bill would create a public, consumer-friendly federal database of drug pricing information and compels drug companies to explain any price increases. Neither bill has moved.

RETIREMENT SECURITY

On April 20, the American Benefits Council (ABC) sent a letter to Congress, asking it to include the bill, the “Securing and Enabling Commerce Using Remote and Electronic Notarization Act,” in the next Coronavirus relief package. The bipartisan bill, S.3533, (companion bill is H.R. 6364), which was introduced in March by Senators Mark Warner (D-VA) and Kevin Cramer (R-ND) would permit the nationwide use of remote online notarizations:

We are writing to highlight an issue of increasing importance to families across the country. There is an acute need to update a rule requiring spousal consent to certain pension plan distributions

to be witnessed in the physical presence of a plan representative or notary; such a physical presence requirement is directly contrary to the critical health needs of the country. In fact, as discussed further below, for safety reasons, the Federal Thrift Savings Plan has just waived the requirement that spousal consent be notarized at all. Private-sector families deserve safety protections just like federal workers.

A full copy of the letter may be read here: <https://www.americanbenefitscouncil.org/pub/?id=20F772FE-1866-DAAC-99FB-3BDDE4FE89D6>

Rep. Jimmy Panetta (D-CA) introduced H.R. 6257, the "Public Service Retirement Fairness Act of 2020." The bill is a companion to S. 1431, the "Retirement Security and Savings Act of 2019," a bill introduced last May by Senators Rob Portman (R-OH) and Ben Cardin (D-MD).

SECURITIES AND EXCHANGE COMMISSION (SEC)

The SEC has created a summary of operational initiatives, market-focused actions, guidance and targeted assistance and relief, investor protection efforts and other work in response to the effects of COVID-19. It provides "background and more specific context as to how the SEC is continuing to work with investors and other market participants as it executes its mission during this period of collective, national challenge." The website includes information on Agency Operations: Transition to Telework and Continuity of Operations; Market Monitoring and Engagement with Market Participants; Guidance and Targeted Regulatory Assistance and Relief; Enforcement, Examinations and Investor Education; and Effect on Comment Periods for Certain Pending Actions. The link is here: <https://www.sec.gov/sec-coronavirus-covid-19-response>

The Investor Advisory Committee (IAC), which provides investor perspectives to the SEC held a virtual public meeting on May 4, 2020. The agenda included two discussion items:

- Public Company Disclosure Considerations in the COVID-19 Pandemic Context; and
- Public Company Shareholder Engagement/Virtual Shareholder Meetings in the COVID-19 Pandemic Context

On April 24, the SEC announced the establishment of an internal, cross-divisional COVID-19 Market Monitoring Group. The group will "assist in the SEC's efforts to coordinate with and support the COVID-19-related efforts of other federal financial agencies and other bodies, including the President's Working Group on Financial Markets (PWG), Financial Stability Oversight Council (FSOC) and the Financial Stability Board (FSB), among others." To read the full release, please use this link: <https://www.sec.gov/news/press-release/2020-95>

The SEC has proposed to modernize the framework for fund valuation practices. On April 21, the SEC issued a press release that said:

[I]t has voted to propose a new rule that would establish a framework for fund valuation practices. The rule is designed to clarify how fund boards can satisfy their valuation obligations in light of market developments, including an increase in the variety of asset classes held by funds and an increase in both the volume and type of data used in valuation determinations.

The full release may be read here: <https://www.sec.gov/news/press-release/2020-93>

On April 28, the SEC posted Questions & Answers by the Division of Investment Management (DIM). In the response to a question from an investment advisor, the staff indicated that investment advisors should disclose whether they have received a loan from the Paycheck Protection Program (PPP) to help them cover payroll during the pandemic. They said, "As fiduciaries, advisors are required to disclose to clients all material facts related to their advisory relationships with clients." The circumstances leading advisors to seek PPP loans or other types of financial help are material facts. These disclosures should include "the nature, amounts and effects of such assistance." The full Q&A may be viewed here: <https://www.sec.gov/investment/covid-19-response-faq>

REPORTS

The U.S. Census has extended the date for individuals to complete the Census until October 31, 2020. Thus far, the Census Bureau has reported that over “70 million households have responded to date, representing over 48% of all households in America.” The full release may be viewed here: <https://www.census.gov/newsroom/press-releases/2020/statement-covid-19-2020.html>

On April 23, the Pew Center on the States released a new report entitled, “How the Market Downturn Could Affect Public Pension Funds.” The Pew Center noted that states and cities face a host of short- and long-term challenges. The full report may be accessed here: <https://www.pewtrusts.org/en/research-and-analysis/articles/2020/04/23/how-the-market-downturn-could-affect-public-pension-funds>

The Employee Benefit Research Institute (EBRI) issued its latest research on April 20, on the “Impact of the COVID-19 Pandemic on Retirement Income Adequacy: Evidence From EBRI’s Retirement Security Projection Model®.” The analysis finds:

- Market volatility may be the largest factor during this crisis in increasing retirement savings shortfalls and decreasing savings surpluses, especially in a worst-case scenario.
- However, for the youngest workers, permanent termination of the defined contribution (DC) plans under \$10 million in assets could have a large impact.
- Match suspensions by plan sponsors, contribution suspensions by workers, increases in withdrawals, and decreased eligibility do not have as much impact when spread over all U.S. households. (However, they may have a significant influence on those impacted by these factors.)

A summary of the report may be read here: <https://www.ebri.org/content/impact-of-the-covid-19-pandemic-on-retirement-income-adequacy-evidence-from-ebri-s-retirement-security-projection-model>

OTHER NEWS

On April 13, the U.S. Supreme Court announced that it will hear oral arguments by telephone conference on May 4, 5, 6, 11, 12 and 13 for several postponed cases due to the Coronavirus outbreak. The cases include access to President Donald Trump’s financial records and the Trump administration’s defense of its expanded “conscience exemption” for objectors to providing contraceptive health insurance under the Affordable Care Act.

ACTIVITIES:

1. Set up and participated in a call with SERS and the Office of Governor Mike DeWine’s Federal Director to discuss state and local government assistance from the federal government.
2. Set up and participated in a call with SERS and the Offices of Reps. Marcy Kaptur and Tim Ryan to discuss legislative priorities for 2020 and HRA Excepted Benefit Plans.
3. Set up and participated in a call with representatives from SERS, Blue Cross Blue Shield, and Further, to discuss HRA Excepted Benefit Plans.
4. Participated in the NCPERS, GR Network calls and the Roundtable webinar to discuss COVID-19 issues and potential Congressional activity.
5. Conference calls with SERS representatives to discuss the Wraparound Plans bill, advocacy on prescription drug bills and the Coronavirus impacts on pension plans, retirees and members.
6. Provided a Memorandum on the provisions of the Phase 3.5 bill that would be of interest to SERS.
7. Monitored bills from the Committees on Appropriations, Finance, and others related to public pensions, COVID-19, retirement security, health care, prescription drugs, Social Security and kept informed of relevant House and Senate Committee hearings and witnesses.
8. Reviewed bills that were introduced by members of the Ohio delegation or other House/Senate members on issues that could impact SERS, retirement security and/or health care.
9. Reviewed public notices or proposed rules from the SEC, HHS/CMS and regulatory agencies.
10. Monitored organizations, such as the Social Security Administration, American Benefits Council, AHIP, BMA, AARP and other entities on pension, investment, and/or health-care-related issues.
11. Reviewed reports and newsletters from CII, ICGN, NASRA, NCTR, NCPERS, and the Public Sector HealthCare Roundtable, Social Security, retirement issues and prepared the Federal Policy Memo.

EXECUTIVE SESSION

At 12:22 p.m., Barbra Phillips moved and James Haller seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(6) to discuss a security matter. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

The Board returned to open session at 12:58 p.m.

The Board took a break at 1:00 p.m., and reconvened at 1:31 p.m.

FINAL FILING OF PROPOSED AMENDED AND NEW ADMINISTRATIVE RULES

Legal Counsel discussed with the Retirement Board the following proposed new and amended administrative rules: 3309-1-09 Federal taxation; 3309-1-32, Cost of living; base allowance change; 3309-1-35 Health care; 3309-1-37 Surviving spouse or dependent may purchase credit; 3309-1-43 Service credit established under retirement incentive plan; 3309-1-55 Responsibility for health care coverage; and 3309-1-64 Supplemental health care coverage, that have been reviewed by JCARR and are ready for final adoption by the Board.

Jeffrey DeLeone moved and Frank Weglarz seconded that amended rules 3309-1-09, 3309-1-32, 3309-1-35, 3309-1-43, and 3309-1-64, and new rules 3309-1-37 and 3309-55 be adopted. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

3309-1-09 Federal taxation.

- (A) For purposes of this rule, "benefit" refers to a payment from the accumulated contributions of the member or the employer, or both, under Chapter 3309. of the Revised Code and includes an account refund, pension, annuity, disability benefit, or survivor benefit.
- (B) Notwithstanding any provision in rules of school employees retirement system ("SERS") or Chapter 3309. of the Revised Code to the contrary, distributions to members and beneficiaries shall be made in accordance with section 401(a)(9) of the Internal Revenue Code of 1986, 26 U.S.C. 401(a)(9), and the following:
 - (1) The entire interest of a member shall be distributed to the member:
 - (a) Not later than the required beginning date; or
 - (b) Beginning not later than the required beginning date over the life of the member and a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code.
 - (2) The required beginning date means April first of the calendar year following the later of:
 - (a) The calendar year in which the member attains ~~age seventy and one-half~~ seventy-two years of age; or
 - (b) The calendar year in which the member retires.
 - (3) If distribution of a member's benefit has begun in accordance with section 401(a)(9) of the Internal Revenue Code, and the member dies, any survivor benefits will be distributed at

least as rapidly as under the plan of payment selected and effective as of the date of the member's death.

(4) If a member dies before the distribution of the member's interest has begun in accordance with section 401(a)(9) of the Internal Revenue Code, the entire interest of the member will be distributed within five years after the death of such member. However, if a benefit is payable to or for the benefit of a designated beneficiary within the meaning of section 401(a)(9) of the Internal Revenue Code, the benefit may be distributed, in accordance with applicable regulations, over the life of such beneficiary, or over a period not extending beyond the life expectancy of the beneficiary, provided that such distributions begin not later than one year after the date of the member's death. If the beneficiary is the surviving spouse of the member, distributions shall not be required to begin, pursuant to this section, until the end of the calendar year in which the member would have attained age ~~seventy-two~~ ~~seventy-two and one-half~~. When the beneficiary is the surviving spouse and the surviving spouse dies before distributions commence, then the surviving spouse shall be treated as the member for purposes of this rule.

(5) Any death benefit amount payable under Chapter 3309. of the Revised Code must comply with the incidental death benefit requirements of section 401(a)(9)(G) of the Internal Revenue Code.

(C) When the retirement system is required to make a distribution in accordance with section 401(a)(9) of the Internal Revenue Code, and a member or retirant does not respond after notification of such event, the following shall apply notwithstanding any provision in SERS rules or Chapter 3309. of the Revised Code to the contrary.

(1) If the member is not eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall refund the member's account as authorized in section 3309.42 of the Revised Code.

(2) If the member is eligible for a retirement allowance pursuant to section 3309.34 or 3309.35 of the Revised Code, the retirement system shall calculate and pay a benefit as authorized in section 3309.36 or 3309.343 of the Revised Code, as a plan B, effective on the required beginning date as provided in paragraph ~~(A)(2)~~ (B)(2) of this rule.

(a) The member cannot purchase or receive any service credit after the effective date of the retirement allowance.

(b) A member who commences receipt of a retirement allowance under this rule, and who is married, may, not later than one year after the payment commenced, elect a plan of payment under division (B)(1), (B)(3)(b), or (B)(3)(c) of section 3309.46 of the Revised Code provided the spouse is named as the beneficiary. The election shall be made on a form provided by the retirement system and shall be effective on the later of the effective date of the retirement allowance or the marriage. Any overpayment may be recovered as provided in section 3309.70 of the Revised Code.

(c) If the member also was eligible for health care coverage pursuant to SERS rules and Chapter 3309. of the Revised Code, the member may, not later than sixty days after the commencement of payment of the retirement allowance, enroll for such health care coverage on a form provided by the retirement system. The effective date shall be no earlier than the first of the month after the retirement system receives the member's enrollment form.

- (3) If the retirant is eligible for a benefit pursuant to section 3309.344 of the Revised Code, the retirement system shall calculate and pay a single lump sum benefit as authorized in section 3309.344 of the Revised Code. If such retirant also is eligible for an annuity, the retirant may return the lump sum payment within sixty days of the receipt of the payment and request an annuity on a form provided by the retirement system.
- (4) If the benefit payment of a deceased member's spouse is subject to section 401(a)(9) of the Internal Revenue Code, then the retirement system shall treat the spouse as if the spouse was the member for the purposes of this rule.

(D)

- (1) Effective for the limitation year beginning on January 1, 2012, the final regulations promulgated April 5, 2007 with respect to section 415 of the Internal Revenue Code, 26 U.S.C. 415 are incorporated herein by reference. The 5.5 per cent interest rate assumption established by the Pension Funding Equity Act of 2004, which is applicable to any actuarial adjustments required because the member or retirant elects a form of payment to which section 415(b)(2)(E) of the Internal Revenue Code and section 417(e)(3) of the Internal Revenue Code, 26 U.S.C. 417(e)(3) apply based on the form of benefit and not the status of the plan, shall be effective as of that same date.
- (2) "Limitation year" is the year used in determining whether the limits set forth in section 415 of the Internal Revenue Code have been exceeded with respect to a member or retirant in the plan describe in sections 3309.18 to 3309.70 of the Revised Code. The limitation year for the plan is the calendar year.

(E) Effective January 1, 2007, to the extent required by section 401(a)(37) of the Internal Revenue Code, 26 U.S.C. 401(a)(37) and notwithstanding any provision in Chapter 3309. of the Revised Code to the contrary, the survivor of a member on a leave of absence to perform military service with reemployment rights described in section 414(u) of the Internal Revenue Code, 26 U.S.C. 414(u), where the member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under Chapter 3309. of the Revised Code had the member resumed employment and then terminated employment on account of death.

(F) If there is a termination of the plan described in Chapter 3309. of the Revised Code or a complete discontinuance of contributions to the plan, the rights of each affected member, retirant, and beneficiary to the pension, annuity, or benefits accrued at the date of termination or discontinuance of contributions, to the extent then funded, are non-forfeitable.

Promulgated Under: 111.15

Statutory Authority: 3309.04

Rule Amplifies: 3309.03, 3309.34, 3309.344, 3309.36, 3309.44, 3309.45,
3309.46, 3309.50

Prior Effective Dates: 5/1/18, 4/10/14, 4/1/13, 9/26/10, 4/3/09, 1/6/09 (Emer.)

3309-1-32 Cost-of-living; base allowance change

(A) For purposes of this rule:

- (1) "Base allowance" means the benefit amount due a benefit recipient on the later of July 1, 1979 or the effective date of such benefit, as adjusted pursuant to this rule. A base allowance excludes subsequent allowances for cost-of-living pursuant to section 3309.374 of the Revised Code, reimbursements for medicare part "B" pursuant to section

3309.69 of the Revised Code, or additional annuity payments pursuant to section 3309.47 of the Revised Code.

- (2) "Benefit" means a periodic payment under an allowance, pension, or benefit granted under Chapter 3309. of the Revised Code, other than an annuity paid under section 3309.341 of the Revised Code.
- (3) "Benefit amount" means the amount due a benefit recipient on the effective date of such benefit.
- (4) "Benefit recipient" means an age and service retiree, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retiree or disability benefit recipient.

(5) "CPI-W" means the consumer price index for urban wage earners and clerical workers, not seasonally adjusted, U.S. city average, "All items 1982-84=100."

(B) A base allowance upon which a cost-of-living is calculated shall be adjusted when any of the following occur:

- (1) The enactment of any statutory ad hoc allowance increase but only if such statutory authority provides that such increase become part of the base allowance.
- (2) Recalculation of a retiree's benefit due to a change in a plan of payment as permitted in section 3309.46 of the Revised Code.
- (3) Recalculation of a benefit recipient's benefit amount after an audit.
- (4) If a benefit recipient waives any portion of a benefit amount pursuant to section 3309.662 of the Revised Code, the base allowance shall be the portion being paid. If a waiver is revoked, the base allowance shall be the amount allowed under this rule.

(C) For purposes of this rule and section 3309.374 of the Revised Code, the percentage increase in the CPI-W shall be determined by calculating the percentage change between the CPI-W for June of the immediately preceding calendar year and the CPI-W for June of the next preceding calendar year.

~~(C)(D)~~ (1) The recipient of any allowance, pension, or benefit that was effective before April 1, 2018 shall be eligible to receive an increase under section 3309.374 of the Revised Code upon receiving an allowance, pension, or benefit for twelve months.

- (2) (a) The recipient of any allowance, pension, or benefit that becomes effective on or after April 1, 2018 shall be eligible to receive an increase under section 3309.374 of the Revised Code upon attainment of the fourth anniversary of the allowance, pension, or benefit.

(b) For purposes of paragraph ~~(C)(2)(a)(D)(2)(a)~~ of this rule, a recipient shall be credited with anniversaries for any previous allowance, pension, or benefit attributable to the same member account in the retirement system that occurred on or after January 1, 2018.

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.374
Prior Effective Dates: 3/26/18, 4/2/10, 8/2/02, 1/2/93, 11/23/79, 12/24/76

3309-1-35 Health care.

(A) Definitions

As used in this rule:

- (1) "Benefit recipient" means an age and service retirant, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retirant or disability benefit recipient.
- (2) "Member" has the same meaning as in section 3309.01 of the Revised Code.
- (3) "Age and service retirant" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code. A former member with an effective retirement date after June 13, 1986 must have accrued ten years of service credit, exclusive of credit obtained after January 29, 1981 pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code.
- (4) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the Revised Code.
- (5) "Dependent" means an individual who is either of the following:
 - (a) A spouse of an age and service retirant, disability benefit recipient, or member,
 - (b) A biological, adopted or step-child of an age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member or other child in a parent-child relationship in which the age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member has or had custody of the child, so long as the child:
 - (i) Is under age twenty-six, or
 - (ii) Regardless of age is permanently and totally disabled, provided that the disability existed prior to the age and service retirant's, disability benefit recipient's, or member's death and prior to the child reaching age twenty-six. For purposes of this paragraph "permanently and totally disabled" means the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than twelve months.
- (6) "Health care coverage" means any of the following group plans offered by the system:
 - (a) A medical and prescription drug plan;
 - (b) Limited wraparound coverage, which provides limited benefits that wrap around an individual health insurance plan; or
 - (c) An excepted benefit health reimbursement arrangement, which provides reimbursement of medical expenses incurred under an individual health insurance plan.
- (7) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for health care coverage for the recipient or the recipient's eligible

dependents.

- (8) "Employer" and "public employer" have the same meaning as in section 3309.01 of the Revised Code.

(B) Eligibility

- (1) A person is eligible for health care coverage under the school employees retirement system's health care plan so long as the person qualifies as one of the following:

- (a) An age and service retiree or the retiree's dependent,
- (b) A disability benefit recipient or the recipient's dependent,
- (c) The dependent of a deceased member, deceased age and service retiree, or deceased disability benefit recipient, if the dependent is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code,
- (d) The dependent child of a deceased member, deceased disability benefit recipient, or deceased age and service retiree if the spouse is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code and the spouse elects to be covered.

- (2) Eligibility for [SERS](#) health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of this rule, except that a dependent described in paragraph (A)(5)(b)(i) of this rule shall cease to qualify on the first day of the calendar year following the dependent's twenty-sixth birthday.

- (3) Except for a dependent described in paragraph (A)(5)(b) of this rule, eligibility for [SERS](#) health care coverage shall terminate when the person is not enrolled in Medicare part B and on or after January 1, 2016 commences employment that provides access to a medical plan with prescription coverage through the employer, or if employees of that employer in comparable positions have access to a medical plan available through the employer, provided the medical plan with prescription drug coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to fulltime employees as defined by the employer. For purposes of this paragraph, employer means a public or private employer.

[\(4\) On or after January 1, 2021, eligibility for SERS health care coverage shall terminate when a person listed in paragraph \(B\)\(1\) of this rule becomes eligible for Medicaid and is ineligible for Medicare. For purposes of this rule, a benefit recipient and their dependent\(s\) shall be presumed to be eligible for Medicaid if their gross monthly SERS benefit is less than the percentage of the federal poverty level used by the Ohio Department of Medicaid to determine Medicaid eligibility under Chapters 5160 and 5160:1 of the Administrative Code. Upon request, a benefit recipient presumed to be eligible for Medicaid must provide SERS with satisfactory proof of ineligibility for Medicaid in their state of residence within ninety days from the date of SERS' request.](#)

(C) Enrollment

- (1) Except as otherwise provided in this rule, an eligible benefit recipient may enroll in school employees retirement system's health care coverage only at the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefits pursuant to section 3309.45 of the Revised Code.

- (2) An eligible spouse of an age and service retiree or disability benefit recipient may only be enrolled in the system's health care coverage at the following times:

- (a) At the time the retiree or disability benefit recipient enrolls in school employees retirement

system's health care coverage.

(b) Within thirty-one days of the eligible spouse's:

(i) Marriage to the retirant or disability benefit recipient; or

~~(ii) Voluntary or involuntary termination of health care coverage under medicaid; or~~

(ii) ~~(iii)~~ Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.

(c) Within ninety days of becoming eligible for medicare.

(3) An eligible dependent child of an age and service retirant, disability benefit recipient, or deceased member may be enrolled in the system's health care coverage at the following times:

(a) At the time the retirant, disability benefit recipient, or surviving spouse enrolls in school employees retirement system's health care coverage.

(b) Within thirty-one days of the eligible dependent child's:

(i) Birth, adoption, or custody order; or

~~(ii) Voluntary or involuntary termination of health care coverage under medicaid;~~

(ii) ~~(iii)~~ Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.

(c) Within ninety days of becoming eligible for medicare.

(D) Cancellation of health care coverage

(1) Health care coverage of a person shall be cancelled when:

(a) The person's eligibility terminates as provided in paragraph (B)(2) of this rule;

(b) The person's eligibility terminates as provided in paragraph (B)(3) of this rule;

(c) The person's eligibility terminates as provided in paragraph (B)(4) of this rule;

~~(d)(e)~~ The person's health care coverage is cancelled for default as provided in paragraph (F) of this rule;

~~(e)(d)~~ The person's health care coverage is waived as provided in paragraph (G) of this rule;

~~(f)(e)~~ The person's health care coverage is cancelled due to the person's enrollment in a medicare advantage plan or medicare part D plan as provided in paragraph (H) of this rule;

~~(g)(f)~~ The health care coverage of a dependent is cancelled when the health care coverage of a benefit recipient is cancelled; or

~~(h)(g)~~ The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, division (D) of section 3309.41 of the Revised Code, or division (D) of section 3309.392 of the Revised Code.

(E) Effective date of coverage

- (1) The effective date of health care coverage for persons eligible for health care coverage as set forth in paragraph (B) of this rule shall be as follows:
 - (a) For a disability benefit recipient or dependent of a disability benefit recipient, health care coverage shall be effective on the first of the month following the determination and recommendation of disability to the retirement board or on the benefit effective date, whichever is later.
 - (b) For an age and service retiree or dependent of an age and service retiree, health care coverage shall be effective on the first of the month following the date that the retirement application is filed with the retirement system or on the benefit effective date, whichever is later.
 - (c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, health care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retiree's death, or the first of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retiree's death.

(F) Premiums

- (1) Payment of premiums for health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and supplemental health care coverage under rule 3309-1-64 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage.
- (3) After cancellation for default, health care coverage can be reinstated as provided in paragraph (I) of this rule, or upon submission of an application for reinstatement supported by medical evidence acceptable to SERS that demonstrates that the default was caused by the benefit recipient's physical or mental incapacity. "Medical evidence" means documentation provided by a licensed physician of the existence of the mental or physical incapacity causing the default. Health care coverage reinstated after termination for default shall be effective on the first of the month following the date that the application for reinstatement is approved and payment for the total amount in default is received.
- (4) A person enrolled in SERS' health care plan cannot receive a premium subsidy unless that person is:
 - (a) A dependent child.
 - (b) An age and service retiree:
 - (i) An age and service retiree with an effective retirement date before August 1, 1989; or
 - (ii) An age and service retiree with an effective retirement date on or after August 1,

- 1989 and before August 1, 2008 who had earned fifteen years of service credit; or
- (iii) An age and service retirant with an effective retirement date on or after August 1, 2008 who had earned twenty years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who:
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
 - (c) A disability benefit recipient:
 - (i) A disability benefit recipient with an effective benefit date before August 1, 2008; or
 - (ii) A disability benefit recipient with an effective benefit date on or after August 1, 2008 who:
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding separation from SERS service.
 - (d) A spouse:
 - (i) A spouse or surviving spouse of an age and service retirant or disability benefit recipient with an effective retirement date or benefit date before August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;
 - (ii) A spouse or surviving spouse of an age and service retirant or disability benefit recipient with an effective retirement date or benefit date on or after August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who:
 - (a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or
 - (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.
 - (iii) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date before August 1, 2008; or
 - (iv) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date on or after August 1, 2008, and the member;

- (a) Was eligible to participate in the health care plan of his or her employer at the time of death or separation from SERS service; or
- (b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding the member's death or separation from SERS service.
- (e) For purposes of determining eligibility for a subsidy under paragraph (F)(4) of this rule, when the last contributing service of an age and service retiree, disability benefit recipient, or member was as an employee as defined by division (B)(2) of section 3309.01 of the Revised Code, the health care plan participation requirement shall be if the individual would have been eligible for the public employer's health care plan if the individual were an employee as defined by division (B)(1) of section 3309.01 of the Revised Code.
- (f) Any other individual covered under a SERS health care plan shall be eligible for a premium subsidy under the standard set forth for spouses.
- (g) In all cases of doubt, the retirement board shall determine whether a person enrolled in a SERS health care plan is eligible for a premium subsidy, and its decision shall be final.

(G) Waiver

- (1) A benefit recipient may waive health care coverage by completing and submitting a SERS waiver form to SERS.
- (2) The health care coverage of a benefit recipient's dependent may be waived as follows:
 - (a) For non-medicare eligible dependents, the benefit recipient may waive their coverage by completing and submitting a signed written request to SERS on their behalf.
 - (b) For medicare eligible dependents, the dependent may waive their coverage by completing and submitting a signed written request to SERS.

(H) Medicare advantage or medicare part D

SERS shall cancel the health care coverage of a benefit recipient or dependent who enrolls in a medicare advantage or medicare part D plan that is not offered by the system.

(I) Reinstatement to SERS health care coverage

- (1) An eligible benefit recipient, or dependent of a benefit recipient with health care coverage, whose coverage has been previously waived or cancelled may be reinstated to SERS health care coverage by filing a health care enrollment application as follows:
 - (a) The application is received no later than ninety days after becoming eligible for medicare. Health care coverage shall be effective the later of the first day of the month after becoming medicare eligible or receipt of the enrollment application by the system;
 - (b) The application is received no later than thirty-one days after ~~voluntary or~~ involuntary termination of coverage under medicare. Health care coverage shall be effective the later of the first day of the month after termination of coverage or receipt of proof of termination and the enrollment application by the system; or
 - (c) The application is received no later than thirty-one days after involuntary termination of coverage under another plan, medicare advantage plan, or medicare part D plan with proof of such termination. Health care coverage shall be effective the later of the first day of the month after termination of the other plan or receipt of proof of termination

and the enrollment application by the system.

- (2) An eligible person whose coverage was cancelled pursuant to paragraph ~~(D)(1)(g)~~ (D)(1)(h) of this rule shall be reinstated to SERS health care plan when benefit payments are reinstated.
- (3) An eligible person whose coverage was cancelled pursuant to paragraph (D)(1)(b) of this rule may be reinstated to SERS health care plan when they no longer have access to the medical plan of an employer by filing a health care enrollment application within thirty-one days of the employment ending.
- (4) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled and who is enrolled in medicare parts A and B or medicare part B only on December 31, 2007 may be reinstated to SERS health care coverage by filing a healthcare enrollment application during the period of time beginning October 1, 2007 and ending November 30, 2007. Health care coverage shall be effective January 1, 2008.
- (5) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled pursuant to paragraph (H) of this rule and who is enrolled in medicare parts A and B or medicare part B only on June 30, 2009 may be reinstated to SERS health care coverage by filing a health care enrollment application during the period of time beginning May 21, 2009 and ending July 15, 2009.
- (6) An eligible benefit recipient who had an effective retirement or benefit date on or after August 1, 2008, who qualifies for a premium subsidy under paragraph (F)(4) of this rule, and whose coverage has previously been waived as provided in paragraph (G) of this rule, may be reinstated to school employees retirement system health care coverage by submitting a complete health care enrollment application on or before December 14, 2012. Health care coverage shall be effective January 1, 2013.
- (7) An eligible benefit recipient for whom SERS is transferring funds to another Ohio retirement system in accordance with paragraph (G) of rule 3309-1-55 of the Administrative Code may be reinstated to SERS health care coverage by submitting a health care enrollment application during open enrollment periods for health care coverage starting January 1, 2015 or January 1, 2016.

(J) Medicare part B

- (1) A person who is enrolled in SERS' health care shall enroll in medicare part B at the person's first eligibility date for medicare part B.
- (2)
 - (a) The board shall determine the monthly amount paid to reimburse an eligible benefit recipient for medicare part B coverage. The amount paid shall be no less than forty-five dollars and fifty cents, except that the board shall make no payment that exceeds the amount paid by the recipient for the coverage.
 - (b) As used in paragraph (J) of this rule, an "eligible benefit recipient" means:
 - (i) An eligible person who was a benefit recipient and was eligible for medicare part B coverage before January 7, 2013, or
 - (ii) An eligible person who is a benefit recipient, is eligible for medicare part B coverage, and is enrolled in SERS' health care.
- (3) The effective date of the medicare part B reimbursement to be paid by the board shall be as follows:

(a) For eligible benefit recipients who were a benefit recipient and were eligible for medicare B coverage before January 7, 2013 the later of:

(i) January 1, 1977; or

(ii) The first of the month following the date that the school employees retirement system received satisfactory proof of coverage.

(b) For eligible benefit recipients not covered under paragraph (J)(3)(a) of this rule, the later of:

(i) The first month following the date that the school employees retirement system received satisfactory proof of coverage, or

(ii) The effective date of SERS health care.

(4) The board shall not:

(a) Pay more than one monthly medicare part B reimbursement when a benefit recipient is receiving more than one monthly benefit from this system; nor

(b) Pay a medicare part B reimbursement to a benefit recipient who is eligible for reimbursement from any other source.

Promulgated Under: 111.15

Statutory Authority: 3309.04

Rule Amplifies: 3309.69

Prior Effective Dates: 1/2/20, 5/3/19, 10/13/16, 8/13/15, 12/4/14, 7/12/14, 1/1/14, 3/8/13, 1/7/13 (Emer.), 9/30/12, 8/14/11, 9/26/10, 7/1/10 (Emer.), 6/11/10, 8/10/09, 5/22/09 (Emer.), 1/8/09, 8/8/08, 12/24/07, 9/28/07 (Emer.), 3/1/07, 1/2/04, 6/13/03, 11/9/98, 8/10/98, 1/2/93, 7/20/89, 3/20/80, 1/1/77

3309-1-37 Surviving spouse or dependent may purchase credit.

(A) For purposes of section 3309.451 of the Revised Code and this rule, "dependent" means a "qualified child" or "qualified parent" as those terms are defined in division (B)(2) of section 3309.45 of the Revised Code.

(B)

(1) A spouse or dependent of a deceased member who wants to purchase service credit pursuant to section 3309.451 of the Revised Code must deliver a written request to purchase service to the school employees retirement system before they receive payment of a benefit under section 3309.44 or 3309.45 of the Revised Code.

(2) Eligibility shall be determined upon receipt of a written request.

(3) Service credit shall be purchased in accordance with the laws and policies of the retirement system in effect at the time of purchase.

(4) Benefit payments shall commence on the first of the month following the date the purchase of service credit is completed.

(C) Service credit purchased under section 3309.451 of the Revised Code shall be included in the member's total service credit as of the member's date of death.

(D) The commencement of benefit payments to a spouse or dependent not subject to paragraph (B) of this rule shall not be delayed due to a request to purchase service.

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.451
Prior Effective Dates: 4/1/16, 1/2/93, 12/24/76

3309-1-43 Service credit established under retirement incentive plan.

~~Authority provided in section 3309.33 of the Revised Code as enacted in Substitute H.B. 410 in the 115th General Assembly.~~

(A) Upon adoption of a ~~R~~retirement ~~i~~ncentive ~~P~~plan in accordance with section 3309.33 of the Revised Code, the employer shall notify the school employees retirement system on an official form approved by the school employees retirement board and attached as an appendix to this rule.

(B) The cost to the employer for each year of credit purchased will be determined by factors recommended by the school employees retirement system actuary which yield an amount equal to the additional liability of the amount purchased. Actuarial cost will be revised no more than once annually and shall apply only to new credit established after such revision is approved by the school employees retirement board.

(C)

(1) Employers may make equal payments to the ~~school employees~~ retirement system for the cost of the year or years of credit purchased over the number of years equal to the number of years purchased under the employer adopted plan.

After the thirtieth of June of the year in which the service is purchased, interest, compounded annually, shall be calculated on the remaining payments at the rate established for other purchased credit.

(2) Purchase of partial years is not permitted.

(3) Notwithstanding paragraph (C)(1) of this rule, governing authorities of community schools shall pay the cost of the service credit purchased in one payment made within thirty days of receipt from ~~SERS~~the retirement system of the calculated cost.

(D)

(1) An employee may initiate action to retire under the locally adopted retirement incentive plan in accordance with section 3309.33 of the Revised Code by completing the employee section of ~~the~~ form adopted by the school employees retirement board, attached as an appendix to this rule, and filing such form with the employer.

~~(2) Upon receipt of the form, the employer must complete the employer section of the form. Subsequently, the form must be completed by the employer and filed it with the school employees retirement system board within ninety days of the effective date of retirement, but in no event shall the employer file the form it be filed later than the earlier of the last day of the month preceding the employee's date of retirement or the expiration date of the plan. The employer's completion of the employer portion of the form constitutes the employer's acceptance of liability for the cost of the additional service credit. The effective date of the purchase of service under a retirement incentive plan shall be the date the retirement system receives the completed form.~~

- (3) Upon receipt of the completed form, the retirement system shall notify the employee by letter that service credit has been purchased for the employee under the retirement incentive plan. The date of this letter shall constitute the date the employee received notice that service credit has been purchased for the employee.
- (4) The retirement system must receive the employee's valid retirement application within ninety days of the employee's receipt of notice.
- (5) The employee's effective date of retirement must be within ninety days of the employee's receipt of notice.
- (6) If an employee does not retire within ninety days of receiving notice, withdraws their application for retirement, or dies before their effective date of retirement and/or before the retirement system received a valid application, the purchase of service credit on behalf of the employee under section 3309.33 shall be cancelled and any amounts received from the employer refunded.

~~For purposes of section 3309.33 of the Revised Code and this rule, the effective date of the purchase of service under a retirement incentive plan shall be the date SERS receives the completed form.~~

~~(E) Employees who retire under section 3309.33 of the Revised Code shall not forfeit any rights or privileges provided in rules of Chapter 3309-1 of the Administrative Code in existence at the time of retirement.~~

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.33
Prior Effective Dates: 4/1/16, 9/6/83 (Emer)

3309-1-55 Responsibility for health care coverage.

(A) This rule amplifies division (F) of section 3309.69 of the Revised Code.

(B) For the purpose of this rule:

- (1) "Age and service retirant" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code.
- (2) "Available coverage" means any of the following provided by another Ohio retirement system: a group plan, or a payment, stipend, or reimbursement provided for the purpose of obtaining medical or prescription drug coverage. Coverage shall be considered available if the individual is eligible for the coverage, regardless of whether the individual waived or declined to accept or enroll in the coverage. Coverage shall not be considered available if only provided as a dependent of another person.
- (3) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the

Revised Code.

(4) "Survivor benefit recipient" means a beneficiary receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code.

(C) Except as otherwise provided in this rule, this retirement system shall be the system responsible for health care coverage for its eligible benefit recipients.

(D) An individual otherwise eligible for health care coverage from this system may not enroll in this system's coverage if the individual also has available coverage in the following circumstances:

(1) The individual is only eligible for health care coverage from this system as a dependent of an eligible benefit recipient; or

(2) The individual is an age and service retirant or disability benefit recipient in both this system and another Ohio retirement system and the benefit recipient has less service credit in this system than in the other system. Where the service credit is the same in each system, the individual may not enroll in this system's health care coverage if the employee contributions in the account upon which the benefit in this system is based are less than the employee contributions in the account upon which the benefit in the other system is based; or

(3) The individual is a survivor benefit recipient in this system and receiving an age and service retirement or disability benefit from another Ohio retirement system; or

(4) The individual is a survivor benefit recipient in both this system and another Ohio retirement system and the benefit effective date in this system is later than the benefit effective date in the other system.

(E) Each individual enrolled in health care coverage provided by this system shall notify the system of other available coverage at the time of enrollment in this system's coverage, and whenever the individual becomes eligible for any available coverage.

Promulgated Under: 111.15

Statutory Authority: 3309.04

Rule Amplifies: 3309.375, 3309.69

Prior Effective Dates: 4/1/16, 7/12/14, 1/7/13, 12/10/09, 3/1/07, 5/2/01, 8/10/98

3309-1-64 Supplemental health care coverage.

(A) Definitions

(1) "Benefit recipient," "Member," "Age and service retirant," "Disability benefit recipient," and "Dependent" shall have the meanings set forth in paragraph (A) of rule 3309-1-35 of the Administrative Code.

(2) "Supplemental health care coverage" means any dental or vision plan offered by the school employees retirement system.

- (3) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for the supplemental health care coverage for the recipient or the recipient's eligible dependents.

(B) Eligibility

- (1) A person is eligible for supplemental health care coverage under this rule so long as the person meets the eligibility requirements in section 3309.69 of the Revised Code and rule 3309-1-35 of the Administrative Code for the retirement system's health care coverage.

- (2) Eligibility for supplemental health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of rule 3309-1-35 of the Administrative Code. [A person described in paragraph \(B\)\(4\) of rule 3309-1-35 of the Administrative Code shall remain eligible for supplemental health care coverage under this rule.](#)

(C) Enrollment

- (1) An eligible benefit recipient may only enroll in one or more supplemental health care plans as follows:

- (a) At the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefit pursuant to section 3309.45 of the Revised Code;
- (b) At the time the benefit recipient reinstates previously waived or cancelled health care coverage as provided in paragraph (I) of rule 3309-1-35 of the Administrative Code;
- (c) Within thirty-one days after involuntary termination of another dental or vision plan; or,
- (d) During the retirement system's open enrollment period.

- (2) An eligible dependent of an age and service retiree or disability benefit recipient may only enroll in one or more supplemental health care plans as follows:

- (a) At the time the age and service retiree or disability benefit recipient enrolls in the supplemental health care plan;
- (b) During the retirement system's open enrollment period so long as the age and service retiree or disability benefit recipient is also enrolled in the supplemental health care plan; or
- (c) Within thirty-one days after involuntary termination of another medical, dental, or vision plan, so long as the age and service retiree or disability benefit recipient is also enrolled in the supplemental health care plan.

(D) A person's supplemental health care coverage shall be cancelled when:

- (1) The person's eligibility for health care coverage terminates as provided in paragraph (B)(2) of rule 3309-1-35 of the Administrative Code;
- (2) The supplemental health care coverage of a dependent is cancelled when the supplemental health care coverage of a benefit recipient is cancelled;
- (3) The person's supplemental health care coverage is cancelled for default as provided in paragraph (F) of this rule;
- (4) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the

Revised Code, division (F) of section 3309.39 of the Revised Code, or division (D) of section 3309.41 of the Revised Code;

- (5) The benefit recipient elects to cancel the supplemental health care coverage for the following calendar year during the open enrollment period; or
- (6) The benefit recipient elects to cancel health care coverage under paragraph (D) of rule 3309-1-35 of the Administrative Code.

(E) Effective date of coverage

- (1) When a benefit recipient elects to enroll in supplemental health care coverage during an open enrollment period, the effective date of coverage shall be the first day of the calendar year following the open enrollment period.
- (2) When a benefit recipient elects to enroll in supplemental health care coverage upon receipt of a benefit, the effective date of coverage shall be as follows:
 - (a) For a disability benefit recipient or dependent of a disability benefit recipient, the supplemental health care coverage shall be effective on the first day of the month following approval of the benefit or the benefit effective date, whichever is later.
 - (b) For an age and service retiree or dependent of an age and service retiree, the supplemental health care coverage shall be effective on the first day of the month following the date that the retirement application is filed with the retirement system or the benefit effective date, whichever is later.
 - (c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, the supplemental health care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retiree's death, or the first day of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retiree's death.

(F) Premiums

- (1) Payment of premiums for supplemental health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and health care coverage under rule 3309-1-35 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage. The benefit recipient shall be ineligible for reinstatement of coverage until payment for the total amount in default is received.

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.69
Prior Effective Dates: 5/3/19, 1/1/14

ADMINISTRATIVE BUDGET EXECUTION AND MANAGEMENT

Board member Dan Wilson requested a discussion by the Board pertaining to the execution of the annual budget. Mr. Wilson stated that he wanted to ensure that the Board is being prudent, and believes that the Board should be more engaged in the budget expenditure process, rather than simply adopting an annual budget as presented and then handing it off to the Executive Director for execution. Mr. Wilson suggested the Board consider some parameters and/or guidelines surrounding the execution of the annual budget, including a possible tiered approach to expenditure authority.

The Board discussed finding a balance in being more engaged in the process, but in a manner that's unobtrusive to the job of staff. The Board agreed that it is not necessary to be in the weeds of administering the budget; however, if there are specific concerns the Board has, there should be a mechanism for addressing them. The Board expressed their interest in having information about cost of an engagement as it is being executed, and not just the cost of a preliminary scope of project. The Board agreed that all parties involved need to be clearer with expectations and what information will be provided.

Mr. Stensrud acknowledged the importance of transparency and accountability in knowing both what is being proposed as expenditures and how those funds are being spent, as well as having the ability to engage in discussions of particular expenditures. Mr. Stensrud offered to provide more detail on budgeted items and what is covered in each of the major budget categories. Mr. Stensrud noted that while staff does provide the Board with a high level summary of what is being spent, each budget category is a compilation of a number of specific expenditure items. Mr. Stensrud said more detailed information could be provided, including on Board-driven projects, and other areas of particular interest of the Board. Mr. Stensrud also said that more information can be provided on how expenditures are proceeding on such projects. Mr. Stensrud expressed confidence that these matters could be addressed in a way that provides good, ongoing transparency. The Board encouraged Mr. Stensrud to move forward on such measures.

REVIEW SERS FY 2021 ADMINISTRATIVE BUDGET

Chief Financial Officer Tracy Valentino presented SERS FY2021 administrative budget. Ms. Valentino emphasized that the budget process is ongoing, and that this year was different from year's past as a result of the pandemic and work-from-home.

Ms. Valentino's presentation of the proposed FY2021 included an overview of the budget process used to compile the budget request, accomplishments in FY2020, and continuing or new projects in FY2021. Ms. Valentino provided a high level comparison of the FY2020 and the FY2021 proposed budget that included identification of significant changes between years. Ms. Valentino presented a walk-through of each major budget category, and the significant activities proposed for FY2021 that impacted the budget request, including capital expenditures.

Ms. Valentino continued with the presentation of the proposed FY2021 budget for OSER Broad Street, including capital improvements anticipated in the next year.

Following questions and a brief discussion, the Board thanked Ms. Valentino for the presentation.

BALLOT CERTIFICATION – RETIREE MEMBER

The Executive Director submitted the following certification of the Judge on the canvass of the vote for the election of one retiree board member to the retirement Board for the term beginning July 1, 2020:

March 3, 2020

To the Retirement Board of the
School Employees Retirement System of Ohio:

This is to certify that we, as Judges, appointed by the Retirement Board of the School Employees Retirement System, met in the office of the Retirement System on March 3, 2020, for the election of one retiree board member to the Retirement Board to serve for a term of four (4) years, beginning July 1, 2020.

Catherine Moss	9,286
Beverly Woolridge	6,993
Write-in	16
Blank/Invalid	113
Abstain	0
Total	16,408



Name: Samuel A. Peppers III
Office: Ohio Attorney General



Name: Francis R. Schwinne
Office: Auditor of the State of Ohio

James Rossler moved and Barbra Phillips seconded that the certification be accepted and made a matter of record and that Catherine Moss be declared an elected retiree member of the Retirement Board for a term of four years beginning July 1, 2020. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz and Daniel Wilson. Abstain: Catherine Moss. The motion carried.

EXECUTIVE SESSION

At 2:56 p.m., Frank Weglarz moved and Barbra Phillips seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

The Board returned to open session at 2:58 p.m.

The Board continued with the Health Care Report.

HEALTH CARE REPORT

PRESENTATION OF 2021 SELF-INSURED RATES BY ACTUARY

Alisa Bennett, FSA, Principal and Consulting Actuary from Cavanaugh McDonald, presented proposed 2021 health care rates for SERS' self-insured medical plans and prescription drug coverage.

Ms. Bennett first reviewed the data and assumptions used to calculate 2021 base rates. She presented medical and prescription drug trends both with and without projected COVID-19 costs. Ms. Bennett noted that the impact of the virus is still uncertain. The timing and severity of a potential second wave are also unknown. Adding consideration of COVID-19, the trend rate projection was an 11.4% increase in total cost for the self-insured non-Medicare plan for 2021. Medicare prescription drug costs and indemnity plan rates were also presented by Ms. Bennett.

The Board thanked Ms. Bennett for the presentation.

2021 HEALTH CARE REVIEW AND BENEFIT CONSIDERATIONS

Director of Health Care Services Christi Pepe, Director of Health Care Services, continued with an overview of the 2020 and 2021 health care program.

Ms. Pepe expressed to Board members that much of the COVID-19 impact on the health care plan is expected not to be realized until 2021 due to deferred medical claims, also noting the potential increase in overall claims, and uncertain expenses and investment revenue.

Ms. Pepe stated that no benefit changes are proposed for the Aetna Choice or Aetna Medicare Plans. Although the actuary recommended a slight increase for the Medicare prescription plan, staff is waiting on final medical rates from the fully insured Aetna medical plan to determine whether any Medicare premium change will be recommended to the Board in June. Ms. Pepe stated that given the actuary's recommended upward trend for the self-insured Aetna Choice Plan, a premium increase may be required for the non-Medicare plan. Ms. Pepe reminded the Board that although the actuary had recommended a slight increase to the non-Medicare rate for 2020, this increase was not implemented.

Ms. Pepe presented the Board with information pertaining to AultCare and PrimeTime final proposed rates, comparing these to SERS Aetna plans. Ms. Pepe stated that historically, SERS has achieved savings by offering the PrimeTime and AultCare plans. The savings advantage to SERS has been eliminated as the population has changed and PrimeTime rates have increased. The total 2020 cost to SERS for enrolling in these plans when compared to Aetna was \$845,796.

Ms. Pepe offered several PrimeTime benefit and cost options for the Board's consideration. The Board requested that staff discontinue the PrimeTime plan and transfer its enrollees to the Aetna Medicare

Advantage plan for 2021. PrimeTime enrollees will pay lower monthly premiums with some benefit changes under the Aetna Medicare plan. Ms. Pepe noted that SERS could continue to offer the lower-premium pre-Medicare AultCare Plan, however, AultCare will need to determine whether SERS enrollees will be able to continue beyond 2020.

Ms. Pepe further reported that Delta Dental and VSP Vision rates will remain unchanged for 2021. Both plans' contracts expire next year when they will be re-bid.

The Board thanked Ms. Pepe for the presentation.

KNOW YOUR RX COALITION – 1ST QUARTER RESULTS

Lucy Wells, RPh, Clinical and Operations Director with the Know Your Rx Coalition, presented results of the organization's work on SERS' behalf for the first quarter of 2020.

Ms. Wells stated that the Pharm-Assist offering contacts SERS retirees with lower-cost prescription alternatives, guides retirees to the lowest cost medication options (\$4 generic lists, copay card, etc.), and drives out wasteful spending due to questionable prescribing by some providers.

Ms. Wells stated that based on 590 retiree contacts, the Pharm-Assist program through March 2020 has resulted in \$51,295 in annual patient savings and \$374,494 in annual plan savings. Other recommendations and findings of the Know Your Rx Coalition yielded additional annualized savings, totaling \$900,935 after payment of the Know Your Rx fees, producing an 11.67 return on investment.

The Board expressed its appreciation for the unique knowledge and cost savings this organization brings to SERS and its members.

The Board continued with the review of calendar dates. Board member Hugh Garside stated that he may not be available for the June Board meeting. Board member James Rossler stated that he may not be available for the July Board meeting.

FUTURE CALENDAR DATES FOR 2020

AUDIT COMMITTEE MEETINGS

June 17 - 2:30 p.m. (Weds.)
September 16 - 2:30 p.m. (Weds.)
December 16 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

June 18 - 7:30 a.m. (Thurs.)
September 17 - 7:30 a.m. (Thurs.)
December 17 - 7:30 a.m. (Thurs.)

BOARD MEETINGS

June 18 and 19 (Thurs. and Fri.)
July 16 and 17 (Thurs. and Fri.)
September 17 and 18 (Thurs. and Fri.)
October 15 and 16 (Thurs. and Fri.)
November 19 and 20 (Thurs. and Fri.)

December 17 and 18 (Thurs. and Fri.)

****NOTE:** *The above dates are tentative*

EXECUTIVE SESSION

At 4:28 p.m., Frank Weglarz moved and James Rossler seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee. Upon roll call, the vote was as follows: Yea: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Barbra Phillips, James Rossler, Frank Weglarz, Daniel Wilson and Catherine Moss. The motion carried.

The Board returned to open session at 5:05 p.m.

The Board recessed at 5:08 p.m.

May 22, 2020

The Board reconvened at 8:32 a.m.

PENSION SUSTAINABILITY

In April, the SERS Board decided that for at least the next several sustainability sessions, the discussions would take place without a facilitator. The Board expressed its commitment to continuing the sustainability analysis, and given the work already done by the Board, the Board expressed its confidence that productive discussions could be held without outside assistance.

On May 22, the Board conducted a sustainability discussion session via Zoom with all Board members in attendance.

The session began with a reminder of the topics and issues discussed by the Board in previous sustainability sessions. The Board then revisited those matters for the purpose of deciding whether further discussion was warranted and/or whether additional information was desired.

Among the topics discussed were the following:

- The definition of a career employee;
- How the length of the work day or work year worked impacts the accrual of service credit;
- The appropriate income replacement ratios for career and non-career employees;
- The longer duration of benefit payments due to longer life expectancy;
- The appropriate final average salary (FAS) period;
- The appropriate vesting period to be eligible for service retirement and disability benefits, respectively;
- The appropriate level of income replacement from a disability benefit;
- Inactive members and refunding of employee retirement contributions; and
- The relevance of SERS members not participating in Social Security.

The Board requested that staff and SERS' actuaries provide additional information to support further Board discussion of these topics.

ADJOURNMENT

Catherine Moss moved that the Board adjourn to meet on Thursday, June 18, 2020 for their regularly scheduled meeting. The meeting adjourned at 10:34 a.m.

Catherine Moss, Chair

Richard Stensrud, Secretary