

## RETIREMENT SYSTEMS

### Agreement on Joint Retirement Passes in SB 42

During the “lame duck” legislative session, Senate Bill 42 was passed containing a number of changes sought by the state retirement systems. One amendment addressed a key agreement between STRS, SERS and OPERS on joint retirement. The agreement specifies that OPERS will not reduce service credit earned by members in STRS or SERS unless that time is overlapping with OPERS credit or would result in more than one year of service credit in a twelve month period. The joint retirement amendment also alters the formula of monetary transfers between systems and allows members the option of joint retirement or refund from an inactive system without penalty. OEA worked with the retirement systems and other stakeholders for over a year on this issue and supports the amendment.

SB 42 also included an amendment that will allow OPERS to reimburse retirees for Medicare A coverage for those who are not eligible for free Medicare A because of uninterrupted public employment where they did not pay into Medicare. Current law specifies that OPERS provide these individuals equivalent coverage. This change will allow approximately 10,000 current and future OPERS retirees to have Medicare A coverage and also select health care plans through the OPERS Medicare connector beginning in 2016.

### Express Scripts Medicare Claim Adjustments Are Underway

Express Scripts is currently mailing claim adjustment notices to some enrollees in its Medicare Part D plans nationwide. As an STRS Ohio enrollee with Medicare, you may receive one or more letters from Express Scripts informing you of an adjustment to your prescription drug plan account. Be advised these letters are notifications, not invoices.

Express Scripts Medicare enrollees who filled prescriptions at network retail pharmacies in late 2013 through early 2014 may have been charged incorrect amounts at the time of purchase. The mispricing resulted from a computer system error that occurred while Express Scripts was merging data systems with Medco Health Solutions. Express Scripts is currently reviewing individual claims and notifying enrollees whose accounts are impacted.

If you receive a claim adjustment notice from Express Scripts, here's what you should know:

- One notice is mailed for each claim in which you were undercharged or overcharged. As a result, you may receive more than one letter from Express Scripts. Each claim is being resolved individually rather than on an account basis to expedite the reconciliation process. Therefore, it is possible for you to receive letters indicating you have an open balance on your account and other letters indicating you have a refund.
- If the notice indicates you have an open balance on your account, you paid less than the actual amount owed for the medication. Express Scripts is not requesting payment at this time. Instead, any future refunds will be applied to the open balance until the balance is satisfied.
- If the notice indicates you have a refund, you paid more than the actual amount owed for the medication. A refund check from Express Scripts should be included with each letter. If a refund is owed for more than one claim, you will receive a separate check for each refund.
- Only impacted members will receive a notice from Express Scripts. If you do not receive a letter, your account is not being adjusted at this time.
- All questions should be directed to Express Scripts toll-free at 1-888-416-3326. Please have the notice from Express Scripts handy when you call. The “Payment Reference #” at the top of the letter will allow the customer service representative to access your claim and answer any questions you may have about your account. The name of the medication is not indicated on the letter to keep patient information private.

**SERS BOARD MEETING, Adele Matias  
Feb. 19, 2015**

**Summary of Investment Transactions**

**PURCHASES**

Approx. Cost in millions

|                           |          |
|---------------------------|----------|
| US Equities               | \$ 159.5 |
| Non-US Equities           | 130.3    |
| Fixed Income              | 246.9    |
| REITS                     | 157.1    |
| Multi-Asset Strategies    | 35.0     |
| Private Equity Cap. Calls | 48.4     |
| Real Estate Cap. Calls    | 16.8     |
| Opportunistic             | 35.4     |
| Short-term                | 244.9    |

**SALES**

|                              | Net Proceeds | Approx. Gain/Loss in millions |
|------------------------------|--------------|-------------------------------|
| US Equities                  | \$149.2      | \$ 14.9                       |
| Non-US Equities              | 150.7        | (10.2)                        |
| Fixed Income                 | 222.5        | (0.1)                         |
| REITS                        | 156.1        | 0.6                           |
| Multi-Asset Strategies       | N/A          | N/A                           |
| Private Equity distributions | 52.4         | N/A                           |
| Real Estate distributions    | 32.1         | N/A                           |
| Opportunistic                | N/A          | N/A                           |
| Short term                   | 233.0        | N/A                           |

Total Fund \$12.5 billion

SERS Dir. of Investments, Farouki Majeed presented the quarterly investment report. In it he reported that the US economy is on solid growth and performing better than most major economies. Farouki also presented a review of SERS' investment portfolios.

The Ohio legislator passed Senate Bill 42. The bill expressly authorizes school districts to levy a property tax exclusively for school safety and security purposes.

SERS and STRS report the introduction of federal HR711, the Equal Treatment of Public Servants Act has been well supported by members.

Executive Director, Lisa Morris is scheduling meeting with new legislators and has already met with the new members of the Retirement Study Council.