



# NEWSLETTER

Issued by PUBLIC EMPLOYEE RETIREES, INC.

659-F Park Meadow Rd., Westerville, Ohio 43081-2879

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APRIL, MAY, JUNE 1998

## LEGISLATIVE REPORT

By John Gilchrist



The Ohio General Assembly continues its work on a major piece of legislation dealing with disability retirement — H.B. No 648. The bill has passed the House and is being heard

by the Senate Ways and Means Pension Systems Subcommittee. (We anticipate that by the time you read this, the bill may have already passed the Senate and be on its way to the governor for his signature.)

Two provisions that were of concern to some of our members have been amended. The earlier drafts of the proposal would have required a disability recipient to provide copies of federal and state tax information. This provision has been removed and is replaced by a provision that requires an annual statement of earnings and gives the board the authority to request additional information. The second provision that caused concern was the provision that would require a recipient to agree to obtain additional medical treatment as a condition of continued eligibility for disability benefits. The bill requires each board to promulgate rules on this subject. PERS already has a rule that states the type of treatment that can be mandated will be non-invasive treatment.

As they relate to PERS, other provisions in the bill provide the following:

1. When PERS (and the other retirement systems) begins the process of adopting an administrative rule, it must submit a copy to the Ohio Retirement Study Council. This would give the Council the ability to work with JCARR on the proposed rule. (Section 145.09)

2. The bill provides that in the direct  
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## MARK YOUR CALENDAR

Yes, it's that time again. Time to mark Tuesday, Sept. 22 on your calendar. That is the date of the PERI 1998 Annual Meeting in Columbus.

You'll want to get together with PERI members and leaders from around the state for information about legislation and your pension benefits and for fellowship.

## SEEKS PERS BOARD SEAT

In September PERS retirees will elect a new board member to represent them. William Wilcox, retiree representative since 1980, has indicated he will not seek re-election.

Thomas Skipton, PERI treasurer, has announced that he will seek to fill the PERS seat. He has been active in PERI state and county chapter affairs. Before retirement he served the Ohio School Employee Retirement System for 33 years.

## SOCIAL SECURITY OFF-SET UPDATE

By William I. Winegarner, PERI Administrator

In the 1997 third quarter issue of the PERI Newsletter, I opened a discussion on the government pension offset. In that first article I asked for input from PERI members who were affected by this law. My follow-up article in the 1997 fourth quarter Newsletter shared some of the letters, pertaining to the subject, that members had received from their congressmen.

Since July of 1997, PERI has been focusing on the government pension offset issue. We have received over 500 letters, numerous phone calls, and an abundance of newspaper arti-

## PERI OFFICER CANDIDATE DEADLINE JUNE 1

Requests to be considered for nomination to the offices of president; 1st, 2nd, and 3rd vice presidents; and treasurer for the year 1998 need to be submitted in writing to the Nominating Committee, in care of PERI, 659-F Park Meadow Road, Westerville, Ohio 43081 no later than June 1, 1998. It is a requirement for consideration, that each request be accompanied with the candidate's resume and a letter stating his or her willingness to serve if elected.

Qualifications for the office of president are: member of PERI and a local chapter and two years on the Board of Directors. Qualifications for the vice president positions are: member of PERI and a local chapter and one year on the Board of Directors. Qualifications for the office of treasurer are: member of PERI and a local chapter and the approval of two-thirds of the Board of Directors.

cles and flyers on the subject. We carefully reviewed all of the letters and materials, then our Legislative Committee and Board of Directors prescribed a course of action that we should take at this time.

It has been reported there are about 250,000 people nationwide who are affected by the offset. Since this number is a very small percentage of the voting public, it will take a properly timed effort to effect a policy change. Keep in mind that canceling the offset would cost the Social Security Administration \$300 million per year

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## LEGISLATIVE REPORT

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transfer of service between the non-uniform employee retirement systems (PERS, State Teachers Retirement System, School Employees Retirement System) and the uniform employee retirement systems (Police and Firemen's Disability and Pension Fund and Highway Patrol Retirement System), one system shall transfer to the other system the following amounts: (1) the member's accumulated contributions for each year of service, including any payments for purchased military service; (2) the lesser of the employer contributions which were made for each year of service or the employer contributions which would have been made for each year of service had the member rendered such service in the other retirement system involved; (3) annual compound interest on the above amounts from the last day of the year for which the service credit was earned or in which the military service was purchased to the date the transfer is made.

The bill also provides that in the direct purchase of such service, the member shall pay into the present retirement system an amount equal to the member's accumulated contributions refunded by the former retirement system, including any payments for purchased military service, with annual compound interest. Upon receipt of the member's payment, the present retirement system shall notify the former retirement system, which shall transfer the lesser of the employer contributions which were made for each year of service had the member rendered such service in the present retirement system, with annual compound interest. Under current law, no employer contributions are transferred between the non-uniform employee retirement systems and the uniform systems. (Sections 145.295 and 145.31)

3. Allows the University of Akron Police to transfer their service credit from SERS to PERS-Ie. (Section 145.33)

4. Within 14 days of receiving an application for disability benefits, PERS (and the other retirement systems) is to notify the employer that an application has been filed; the employer is to forward to the board a

statement certifying the member's job description and any other information required by the board to process the application. (Section 145.35)

5. PERS (and the other retirement systems) is to adopt rules requiring each disability benefit recipient, as a condition of continuing to receive disability benefits to agree in writing to receive medical treatment and submit medical reports regarding the treatment, unless it is determined that treatment would no longer be helpful or advisable. (Section 145.35) (PERS currently has a rule that requires non-invasive treatment.)

6. PERS (and the other retirement systems) is to file yearly reports that specify the disability experience of each employer including the total of applications granted or denied. (Section 145.33)

7. Current law requires a recipient to file an annual statement of earnings and current medical information. Under the bill, a recipient will be required to file any other information required in rules adopted by the board. Gone from the bill are the provisions that specifically require recipients to file tax records.) Failure to provide this information results in the suspension of the benefit, if failure continues for more than one year, the benefit could be terminated. (Section 145.362) In addition, there is a pending amendment that provides that the board may waive the filing if the board's physician certifies that the disability is ongoing.

8. Eliminates the so-called "marriage penalty" and allows a surviving spouse to remarry at any age without forfeiting the monthly survivor benefits in PERS, STRS and SERS. (Current law already provides this benefit for HPRS. Currently, surviving spouses may remarry at age 55 or older without any forfeiture of benefits in these systems. The bill does not eliminate a similar penalty for surviving spouses in PFDPF for fiscal reasons. (Section 145.45) There is a pending amendment that states that benefits to a surviving spouse that were terminated under current law due to a remarriage will resume upon enactment of the bill.

9. Requires the Ohio Retirement Study Council to establish a task force to examine the feasibility of coordinating benefits between the Bureau of Workers' Compensation and a retirement system.



*PERI District Representative Phil DeLuca, left, presents a plaque to Jefferson County Chapter Past President Stanley Jarzebeck for 10 Years of service to the chapter. New President Harry Crouch is in the background.*

## LIFE MEMBERS KEEP IN TOUCH

We need your help. Over the past several months we have spent over 120 working hours in an effort to locate life members who have moved without letting us know their new address. Please keep us in mind when you are moving. We have a toll-free number 1-800-247-7374 that you can call to give us the new information. Remember you need us in addition to PERS.

## SOCIAL SECURITY

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for every \$100 in lost offset. The cost of totally eliminating the offset would run into billions of dollars per year.

Congress is very well acquainted with these figures. They are also aware that Social Security is in a weak financial position. Consequently they are currently setting up study groups to examine the whole Social Security issue. Because of this, we have chosen this time to inform all of the U.S. Representatives and Senators from Ohio about our concerns on this issue.

PERI sent a letter, with a sampling of letters from our members, to all of Ohio's congressmen and women on March 9, 1998. The letter requested that they give serious consideration to HR 2273 (and S 1365). Those are the two bills that are currently under consideration in the House and Senate, respectively. To date we have received a response from Senators Glenn and DeWine and Representatives Kasich, Gillmor, and Regula.  
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## **The History of PERI**

# **PERI GROWS TOWARD FOUNDERS' DREAM**

by H.E. FRISBEE, Newsletter Editor

In the last 14 years, PERI has grown in membership, influence at the State Legislature, recognition in Ohio's counties, use of new technology, and in the ability to tackle tough political questions when members' pensions and health care are concerned. During those years, I have edited the PERI Newsletter and have had an inside view of the organization's progress.

In 1984 much of the action was centered around Columbus, even though there were board members from Toledo, Cleveland, Steubenville, Cincinnati and Dayton. None had county or regional responsibilities.

At that time there were about a dozen county chapters; now there are more than 90. Some metropolitan counties have more than one. In the late 1980s, there was rapid expansion of local chapters, with special organizing efforts by Albert Boos, Paul Gerstner, Jacob Boesel and other board members.

Over the years the action was gradually extended into all sections of the state. In 1984 Ohio was divided into two PERI sections. The Western Area had six eight-county districts under the leadership of vice president James Sanders, while the Eastern Area had five districts under Sam Gaylord. The goal was to have a district representative from each of the 11 districts on the state board. This plan was finally fully staffed by 1990. Each representative now oversees PERI chapters in his or her district.

At that time PERI was still trying to cover legislative action in Ohio through volunteer representatives. But it was becoming obvious that such legislative people could not keep up with what was happening at the Statehouse.

Board members decided that a professional lobbyist was needed. In 1986 John Gilchrist became legislative agent for PERI. He also represents several other similar organizations. This means that he spends much of his time working with legislators and others involved with control of public employee retirees' pension funds and health care, and can watch developments closely. His work has allowed PERI to fulfill its claims of monitoring legislative matters in Ohio.

Life membership, started a few years earlier, had reached 1959 members in 1985. Today we have about 5,500 of these members on our membership list.

Obviously, key players in the PERI organization have been the district representatives on the board of directors. These men and women volunteer countless hours and days of their time and give enthusiastic efforts to keep the programs strong. Over time, some of them have become officers. Since 1984, 45 volunteer representatives have helped steer PERI and bring messages of needs from the grassroots local chapters to the state level and have returned with information to help PERS beneficiaries understand their pension and health care benefits and opportunities.

Sometimes when quick action is needed on a pending bill or other emergency, these representatives have worked through their chapter leaders and members to let legislators know member needs and goals.

In 1990, the board voted to limit terms to a total of three consecutive years. Members are elected each year and can be reelected for up to three terms. Then, after an absence of at least a year, they can be reelected to the board again.

Computers were introduced into the office in 1988 and, under the direction of Alan Frisbee, they gradually brought PERI operations into modern office procedures. They have greatly speeded up handling of memberships and office business.

In 1993 William Winegarner was hired as administrator to improve office efficiency. He has been able to reduce office costs and improve communications with PERI members, local chapters and PERS administrators.

In recent years, PERI relationships with both the state lawmakers and with PERS leadership have been strengthened. Now there is much more cooperation with these groups.

Back in the 1980s treasurers Herb White, Tom Ridenour and Art Musser warned that the organization was in a deficit spending situation. Dues were increased from \$5 to \$7.50 for annual memberships and from \$70 to \$90 for life members. Dan Hollern, the next treasurer, updated many of the

records and began to get the organization on good financial ground. Now, Tom Skipton has further updated office records and, helped by increased PERI membership, has put the finances on a stable status.

Maybe a sign of the new more responsible mission has been the more intense and problem-challenging monthly meetings. In 1984 the office was on South High Street. Then office manager Edith Bauer would make noontime reservations for lunch at nearby Lazarus dining room. To meet this deadline, the 10 o'clock meetings had to end by 11:45. Now the meetings continue as long as there are matters to be discussed, often lasting until 1 p.m.

When William Covert became president of PERI in late 1997, he took the leadership of a strong, influential and respected organization. It is now a force in Ohio public employee retiree action. With nearly 40,000 members it commands respect in matters of legislation. It has many voices speaking for PERS beneficiaries.

Yes, I have watched as the dream of PERI organizers has come true. The future looks exciting.

## **SOCIAL SECURITY**

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Each expressed concern over this complex issue and promised to work towards the most equitable solution in light of available resources.

It looks like these next two years are going to be critical ones in the structuring of future Social Security laws. We will keep you informed as we see areas where we can make a meaningful input.

## **PRESIDENT'S MESSAGE**

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We, as part of the Public Employees Retirement System of Ohio, (PERS), have a great retirement benefit package. It didn't come automatically; retirees before us fought for increases and additions. We, too, must fight to keep what we have and work diligently for growth.

## **DISTRICT REPRESENTATIVES**

The following districts will be electing a district representative and a state nominating committee member this year: 2, 4, 6, 8, 10. Please call your local chapter for the dates and times of your district's annual meeting where the voting for these positions will be conducted.

# A MESSAGE FROM YOUR PRESIDENT



The PERI Board of Directors recently met with Richard Schumacher, Executive Director of PERS, who spent more than three hours with us. He reviewed the activities of the retirement system, the PERS Board, the baby boomers' retirement status and their financial impact, the effect of fewer future public employees, and the role of the Ohio Retirement Study Council.

Mr. Schumacher delved into federal legislative activity relating to the retirement system. He covered the impact of Medicare coverage, HMO's, and

managed care, and discussed the influence of Social Security on the PERS system.

We deeply appreciate Mr. Schumacher's willingness to spend his time to share his views and to update us on current information. In turn, this information helps us in PERI to keep our members better informed.

I want to recognize those districts that have already held their spring district meetings. The chapter participation has been excellent and much has been accomplished. The even numbered districts (2, 4, 6, 8, 10) have chosen or will be selecting their district representatives for their new term. Congratulations to those representatives who were re-elected, and

welcome to the new members to the Board of Directors.

Districts 1, 3, 5, 7, 9 and 11 are discussing their current position and activities, becoming acquainted with the chapter officers and members, and are searching for possible candidates for next year's elections.

For more information, look to your district representative to bring news from the Board of Directors to your local chapter meetings. If you are not currently a member of a local chapter, and you want to be actively involved in preserving your pension benefits, please feel free to contact the PERI state office for information about any of the 93 PERI chapters in Ohio.

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## GOAL: MORE COUNTY CHAPTER MEMBERS

One of PERI's goals for 1998 is to increase membership, especially in our 93 county chapters. How and why should we do this?

There is strength in numbers. With more members, PERI would have more influence with legislators and other political groups. It would have the people and finances to tackle new and more ambitious programs. And it could help more PERS beneficiaries to understand their retirement system and how it can serve them better.

Between 1995 and April 1, 1998, PERI gained 5700 members. That's good, but what about the other 80,000 plus PERS beneficiaries who, for some reason, have not become members of PERI? As of April 1, there were 38,265 total state PERI

members. That is 31% of the potential 120,000 PERS beneficiaries.

Reports from our county chapters indicate that they had a total of 4600 members. This is only 11% of total PERI membership. We think that number should be much higher.

We want, yes we need more of those PERS beneficiaries as PERI members. Therefore, we are encouraging all chapters to form membership committees. At the 1998 PERI Annual Meeting, we will recognize the chapter in each district as well as the chapter in the state which has the highest percentage increase in members.

We hope each chapter member will enroll at least one new member during 1998 and that all PERI members will encourage others to join.

### Public Employee Retirees, Inc.

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 William I. Winegarner .....Administrator  
 Thomas Skipton .....Treasurer  
 Terri Lee .....Secretary  
 Albert H. Boos .....Past President  
 Howard E. Frisbee.....Editor

#### District Representatives

Bill S. Cook                      William J. Kuhner, Jr.  
 Felix DeLuca                      Mary McDowell  
 Lois Downour                      Albinus Miller  
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