

Second Quarter 2002

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Legislative Report By John Gilchrist

Compared to the past two years, this legislative year has not been as demanding. It seems that over the past few years, we have cleared our plate of a number of legislative issues that had been pending for some time. Having said this, there still are a number of legislative proposals pending before the Ohio General Assembly that we are following. They include:

Two legislative proposals—one introduced in the House and one in the Senate—that would allow for a partial lump sum payment when one retires. (This program would not affect or be available to those who are currently retired.) This program has been labeled the PLOP program. More specifically these companion bills would create in PERS, STRS, and SERS the option for those about to retire of receiving retirement benefits as a partial lump-sum followed by a reduced monthly allowance. At the time of retirement an individual could make application for a lump sum amount of not less than six times the monthly amount, nor more than 36 times that amount. The total amount paid as a lump sum and a monthly benefit must be the actuarial equivalent of the amount that would have been paid had the lump sum not been selected. In short, the cost for this program would be fiscally neutral for the retirement systems. Since we have determined that these Bills, as proposed, would not harm our retirement system, we will simply keep our eye

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A Message From Your President

In this second quarter of 2002, there are many issues that cause concern for our members and your PERI Board of Directors.

On the state level, we are still uneasy with the door being opened to the controversial issue of “defined contributions.” We are disturbed with the escalation of workers retiring and then being rehired: receiving pensions plus salaries for the same job. We are concerned because some individuals have been appointed to three years of high-pay positions, or had their salaries tripled for three years, so they can receive pensions based on the

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*We welcome your
input and questions.
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A Message From Your President *(continued from page 1)*

higher amount. We do not fully understand why the PERS investment specialist staff did not detect the potential for financial downfall for Mercury Finance, Enron Corporation and Global Crossing. We want to know the logic behind certain state employees being able to purchase additional credits when others cannot.

On the federal level, we continue to push for the elimination of the government pension offset and windfall elimination provisions of the Social Security Administration rules.

I want to thank those of you who have mailed us articles and information on these and many other topics of concern to our members. I thank God that we have such a wonderful retiree association that will monitor and address these issues on our behalf.

We have been planning and conducting many exciting activities to help our volunteer leadership. The Chapter and Education Committee has been conducting training seminars for our officers and district representatives. On April 24 our district and chapter legislative chairs attended a special meeting in Columbus, in order to bring them up to speed on legislative issues. Throughout May and June there will be four educational seminars for our chapter presidents.

With the coming of spring, my husband, Richard, and I are looking forward to visiting the district annual meetings and many local chapters. I would like to meet you in person at these events, and hope that you will attend.

In closing, I want you to remember that the issues we are dealing with are important, but not life threatening. We need to keep our eyes open to protect our pension system and our individual pensions, but our retirement years are to be enjoyed. So let us each enjoy them and take the time to have fun as we work together.

Legislative Report *(continued from page 1)*

on their progress through the legislature.

Another proposal, House Bill 404, would allow certain county and independent agricultural society employees to join PERS. There has been much discussion on this issue at the State House. Many wonder if these individuals are truly public employees. Allowing them to participate in PERS could jeopardize PERS' standing with the IRS. In addition, if these individuals are allowed to participate, there will certainly be others who will come forward to seek participation in PERS. At this point in the process, we are monitoring the activities.

House Bill 528 proposes that up to \$10,000 in state, federal, and military retirement benefits be exempt from the personal income tax. As you may recall, this concept has been introduced into the General Assembly a number of times in the past. Although PERI supports this provision, we realize that it is doubtful that it will pass because of the budget crunch here in Ohio and Washington, D.C.. The bill would cost the state alone millions in lost revenues.

Another legislative proposal, Senate Bill 238, would reduce the retirement benefits provided to any public official who is found to have accepted bribes in the course of his duties. We will continue to watch developments on this proposal.

Lastly, I would like to inform you that the Ohio Department of Aging has launched a long-term care guide website. Information on this website will allow Ohioans to view a nursing home's compliance record, services, costs, and satisfaction surveys among other things. The site is www.LTCOHIO.org. Visitors to the site can tailor their search to meet their needs by choosing homes in a certain area of the state, by facility name, and by services provided.

Deferred Compensation Financial Issues

Many issues that public employees face during their working years continue into retirement. New flexible withdrawal options, tax law changes affecting minimum distribution payments and rollover opportunities.

As a member of Ohio Deferred Compensation you may be unaware of some recent changes:

New Flexibility now offered:

You are now able to change the amount of your payments from the program, including partial lump sum payments! Also, you do not have to “elect” a payment date and be forced to wait until that date to withdraw your money. As a retiree, you can request a withdrawal any time in any amount or even stop your payments if you are under 70 ½ years of age.

Minimum Distribution Payments Decreased!

Due to the new tax reform law recently passed, the actuarial life expectancy tables have been increased. You may now stretch your payments longer than before and could reduce your payments further if you’d like to!

What you need to know about rollovers?

The new tax law provides the ability to combine tax-deferred accounts. For example, 401(k), 403(b), 457 and IRA’s can all be combined. All of these types of tax-deferred plans have various rules and restrictions.

Our program offers a wide variety of investment options from highly respected mutual fund companies and a Guaranteed Return Option currently paying 6.15%. Our program offers these options at no additional cost to you! For participants in payout, the fee is waived, for all other members it is \$2 per quarter. An outstanding value!

Before combining accounts you should learn about the rules, fees, commissions, penalties and investment options, so that an informed decision can be made.

If you have questions about your options in retirement, please call us at 1-877-644-6457 or e-mail us at www.ohio457.org.

Thanks to Our Many Supporting Legislators

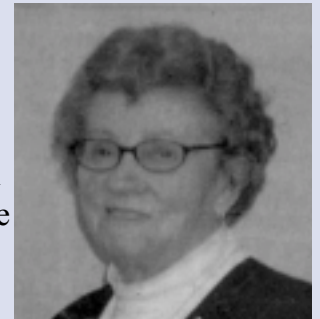
The PERI Board of Directors and the organization’s nearly 50,000 retired state employees wish to thank those members of the Ohio General Assembly who have continually supported issues that insure the fiscal well being of our pension system and the protection of our pensions and benefits. Since we know who you are, and you know who you are, we will not list names. We do, however, want to let you know how appreciative we are of your willingness to invest your time to listen and learn, so you can make informed decisions!

PAST PRESIDENT HONORED

PERI’s past president, Deloris Fischbach, received a commendation from Auglaize County’s Community League of Women, and we wanted to echo that to you.

In Auglaize County, she was the first and only woman mayor of New Knoxville, serving from 1972-1983, and again from 1988-2000. Before that, she was a teacher there, and she also operated a convenience store. She also served as president of both the Auglaize County Mayors’ Association and the Ohio Mayors’ Association; she was a trustee of the Ohio Municipal League and secretary of the Auglaize County Health Department Advisory Board.

The list goes on. This is a woman of great dedication and commitment. She lives the principle of giving back to the community.



She served on the PERI board from 1987-1994, stepping in as President when Carl James died in 1992, until 1994 when she was succeeded by Al Boos. Under her leadership, PERI became further computerized, with the implementation of barcodes and report printing which gets the member lists to the chapters in a much quicker fashion than was ever possible before. As busy as she has always been, when she was needed by PERI, it became her first priority, and she did an excellent job for us.

District Round-up Report

PERI's 11 districts are constantly busy throughout the year promoting the activities of the association. Many retirees contribute their spare time and various talents to improve the organization for today and the future. Below is a round-up of some of their activities on your behalf. If you would like to participate in your local chapter, contact the PERI office for details at (614) 891-6868 or call toll free at 1-800-247-7374.

District 1

On April 8, PERI Second V. P. Don Moyer and District 1 Representative Jack Wymer met with three past officers of the Fulton County chapter. A letter is being mailed to all Fulton County retirees informing them of the chapter's activities and encouraging them to attend a future meeting. On April 9 both Moyer and Wymer met in Hicksville with members of Defiance County chapter 30. In an effort to reach even more retirees, Eldora Sines, President of chapter 30, mailed out 60 hand-written postcards to PERI members who live in her county.

District 4

Hamilton County chapter 2 has the potential of being the largest chapter in District 4, and its officers are working toward that goal. Today there are over 1,913 PERI members in the county. County Chapter President Noel Stephenson reports that at their last meeting in April, representatives from Medical Mutual and Aetna US Healthcare gave presentations on their programs and answered questions from the audience. The next meeting is Tuesday, June 11 at 1:30 p.m. at Drake Hospital with a program on Social Security issues. For more information, or to be included on the meeting notification mailing list, call Noel Stephenson at (513) 891-1034.

District 9

The Spring District meeting will be held May 9 at Robson's Restaurant on Main St.in Coshocton at 11:30 a.m. All District 9 chapters will hold their regular meetings that day and they are welcoming new members. PERI retirees in District 9 are encouraged to participate and work for full benefits of retired members. For more information call Beverly Sycks at (740) 622-2076.

District 10

The District 10 annual meeting will be held in Lorain County at the Holiday Inn in Elyria on Thursday, June 20. Punch will be served at 11:30 a.m. and lunch will be served at noon. Cutoff day for reservations is June 13. Cost of the meal is \$12.50. Members and retirees not wanting to eat are welcome to attend after lunch (approximately 1:00 p.m.) for the meeting.

District 11

The District 11 annual meeting will be held May 7 at the ITAM, 115 S. Meridian Road in Youngstown. Featured speakers are Retired State Senator Harry Meshel and Don Moyer, PERI 2nd Vice President. Cost of the lunch is \$7.00. Call Kitty McCabe (330) 758-8858 for reservations. Becky Somerville is pleased to announce that Ashtabula County is forming a new PERI chapter. If you live in Ashtabula County and would like to attend the meetings please call Becky Somerville at (330) 876-8634 for details. Effort is underway to find someone to help establish a chapter in Geauga County. If you can help, please contact Becky. Also, Becky wishes to thank all the District 11 chapter presidents for the great work they are doing!

Moyer Sets Four Statewide Chapter & Education Meetings

Don Moyer, PERI 2nd Vice President and Chairman of the organization's Chapter & Education committee, has scheduled four statewide meetings during the month of May to continue the process of educating presidents and vice presidents on the activities and functions of PERI's 11 districts.

Attendance at these meetings is of vital importance for our volunteers who have accepted chapter and district leadership positions. The information to be shared will provide insight to the activities of PERI and experiences of our state officers. Armed with this information, our chapter coordinators can become even more effective in their local areas.

"The future growth of PERI must be achieved at the local level," explained Moyer. "These training sessions have been geared to help local PERI leaders to be successful in guiding the growth of their local chapters and in promoting the goals and objectives of the organization overall."

Scheduled to attend each session will be representatives of PERI board of directors; John Gilchrist, the PERI legislative liaison; representatives of the PERS staff from Columbus and local presidents and past presidents of area chapters of PERI.

Members of the Ohio General Assembly representing these districts have also been invited to participate. Questions about these training sessions should be directed to Don Moyer at (740) 454-1111.

May 24 – Smithville, Ohio

Members of Districts 9, 10 and 11
The Barn Restaurant
10 a.m. to 2 p.m.
Lunch will be served

May 30 – Xenia, Ohio

Members of Districts 3, 4 and 6
Senior Center, Church St.
10 a.m. to 2 p.m.
Lunch will be served

May 29 – Athens, Ohio

Members of Districts 7 and 8
Senior Community Center, E. State St.
1 p.m. to 4 p.m.
No meal will be served

May 31 – Findlay, Ohio

Members of Districts 1, 2 and 5
Moose Lodge on Rt. 12
10 a.m. to 2 p.m.
Lunch will be served



PERI Chapter 91 in Cuyahoga County (in District 10) meets the second Tuesday of every month at 11:00 a.m. in the North Olmstead Senior Cabin, 28114 Lorain Road in North Olmstead. Officers for 2002 were sworn in at the January meeting. They are (l. to r.): Catherine Corey, treasurer; Claudette Barth, president; Henry Caster, first vice president; Joseph D. Stockstill, secretary; and Andrew Ludika, second vice president.

Ellsworth Szkudlarek Returning as District Three Representative



PERI has a new representative in District 3. Ellsworth Szkudlarek was appointed by the board to fill the unexpired term of District 3 Representative, Stanley

Wyllie. Mr. Wyllie had to step down due to health problems. Mr. Szkudlarek was a member of the Board from 1990 through 1992, since then he has remained active in the Montgomery County chapter. We will miss Mr. Wyllie, who served this District since 1999. We respect his heart of service, as he has served in many other organizations, and was listed in the 2000 "Who's Who in America". But we will welcome back Mr. Szkudlarek, with best wishes for both men.

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| William E. Covert | Past President |
| William I Winegarner | Administrator |
| John Gilchrist | Legislative Agent |
| Jim Fette | Editor |

DISTRICT REPRESENTATIVES

| |
|--|
| Jack Wymer 419-893-6142 |
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| Allen, Auglaize, Hardin, Mercer, Paulding, Putnam, Shelby, Van Wert. Ellsworth Szkudlarek 937-833-4675 |
| Champaign, Clark, Darke, Greene, Logan, Miami, Montgomery, Preble. Mary McDowell 513-424-7591 |
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