How to Select Your OPERS Retirement Plan

Three plans, your choice

Learning Objectives

- Eligibility
- Plan Overview & Fees
- Investments
- Additional Features
- Retirement Eligibility
- Refunding
- Plan Selection

Participation Question

Do you have money on account with OPERS from prior public employment?

A) Yes
B) No
C) Not sure
Who is Eligible to Select?

New OPERS members ARE eligible
- First time public employees
- Refunded your account

Existing OPERS members are NOT eligible
- Money on account
- Re-employed retirees

Your Plan Selection Deadline

180 days to make your plan selection
Enrollment period begins on the date employment begins

Selection deadline: XX/XX/XXXX

Are You in a Unique Situation?

Seasonal
Temporary
Intermittent
Police Academy

Call for assistance: 1-800-222-7577
Learning Objectives
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Take Notice of the Following
- How the benefit is calculated
- Who makes the investments
- Additional Features

The OPERS Plans: Your Choice
- **Traditional Pension Plan**: Retirement benefit determined by a formula
- **Member Directed Plan**: Retirement benefit determined by investment account balance
- **Combined Plan**: Retirement benefit determined by a formula plus Investment account balance
Traditional Pension Plan

10% employer contributions

Retirement and Additional Features

OPERS manages all investments

Payment Amount

Formula

2.2% x Final Average Salary x Service Credit

Member Directed Plan

10% your contributions

14% employer contributions

Retirement Account

Member manages investments

Retiree Medical Account

OPERS manages investments

Admin Costs

Mitigating Rate

To the Traditional Pension Plan

If the OPERS actuary determines that the number and demographic characteristics of members who have elected to participate in the Member-directed or Combined Plan results in a negative financial impact on the Traditional Pension Plan, a portion of the employer contribution may be withheld and credited to the Traditional Plan. Currently, the percentage withheld from employer contributions is 2.44% with an additional 1.06% withheld from plan forfeitures.
Member Directed Plan

Defined Contribution Account Fees

- Monthly fee deducted from your 10% contributions
- Monthly administrative costs deducted from your employer's 14% contributions

Payment Amount

Investment Account Balance × Annuity Factor

Combined Plan

- 10% of your contributions
- 14% of employer contributions
- 2.44% Mitigating Rate
- 11.56% to Retirement Account
- Mitigating Rate to Additional Features
- Member manages investments
- OPERS manages investments
- To the Traditional Pension Plan

If the OPERS actuary determines that the number and demographic characteristics of members who have elected to participate in the Member-directed or Combined Plan results in a negative financial impact on the Traditional Pension Plan, a portion of the employer contribution may be withheld and credited to the Traditional Plan. Currently, the percentage withheld from employer contributions is 2.44% with an additional 1.06% with held from plan forfeitures.
Combined Plan

PLAN OVERVIEW AND FEES

Defined Contribution Account Fees

- **$5**
  - Monthly fee deducted from **your** 10% contributions

- **N/A**
  - Monthly administrative costs deducted from your **employer’s** 14% contributions

Payment Amount

**Formula**

\[
1\% \times \text{Final Average Salary} \times \text{Service Credit} + \text{Investment Account Balance} \times \text{Annuity Factor}
\]

Learning Objectives

- Eligibility
- Plan Overview and Fees
- **Investments**
- Additional Features
- Retirement Eligibility
- Refunding
- Plan Selection
Choosing Your Investments

Choose an OPERS Target Date Fund
Simple, easy, automatically adjusts

OR

Build your own portfolio
OPERS core funds

Choosing Your Investment Options*

Method #1: Choose A Target Date Fund

- OPERS Target 2060 Fund
- OPERS Target 2055 Fund
- OPERS Target 2050 Fund
- OPERS Target 2045 Fund
- OPERS Target 2040 Fund
- OPERS Target 2035 Fund
- OPERS Target 2030 Fund
- OPERS Target 2025 Fund
- OPERS Target 2020 Fund
- OPERS Target Payout Fund

*The OPERS Investment Options are not guaranteed and their future performance cannot be predicted.

2050 Target Date Fund Example

- 88% Stocks
- 12% Bonds/Cash
- 69% Stocks
- 31% Bonds/Cash
- 30% Stocks
- 70% Bonds/Cash

Higher risk and reward
Lower risk and reward

INVESTMENTS

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Choosing Your Investment Options*

Choosing Your Investment Options*

Method #2: Build Your Own Portfolio

OPERS Non-Us Stock Index Fund
OPERS Small Cap Index Fund
OPERS Large Cap Index Fund
OPERS Stock Index Fund
OPERS Bond Index Fund
OPERS Stable Value Fund

*The OPERS Investment Options are not guaranteed and their future performance cannot be predicted.

Self-Directed Brokerage Account

Contributions ≥ $5,000 balance

16 OPERS Investment Options

8,000+ funds

Self-Directed Brokerage Account

Money Market
Fixed Income
Equity
Balanced
Index
Fund-of-funds

Learning Objectives

Eligibility
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Additional Features
Retirement Eligibility
Refunding
Plan Selection
**Traditional and Combined Plan**

**Pre-retirement Survivorship and Disability**

- **Survivor Benefits**
  - 18 Months
- **Disability Benefits**
  - 5 Years

**Member-Directed Plan**

**Pre-retirement Survivorship and Disability**

- **Value of your contributions**
  - Vested Balance of employer contributions at 20% per year
  - Vested balance of RMA at 10% per year

**Traditional and Combined Plan**

**ADDITIONAL FEATURES**

Current eligibility for **OPERS Health Care** in retirement is based on a minimum of **20 years** of service and an **age component**.

*Please note this presentation reflects information as of the date of presentation. There is no promise, guarantee, contract or vested right to access to health care coverage or a premium allowance. The board has the discretion to review, rescind, modify or change the health care plan at any time.*
### Retiree Medical Account - Vesting Schedule

Year 1 to 5 = 0%
Year 6 (72 months) = 10%
Year 7 = 20%
Year 8 = 30%
Year 9 = 40%
Year 10 = 50%
Year 11 = 60%
Year 12 = 70%
Year 13 = 80%
Year 14 = 90%
Year 15 = 100%

### Service Credit

<table>
<thead>
<tr>
<th>Purchase Service Credit?</th>
<th>Traditional Pension Plan</th>
<th>Member Directed Plan</th>
<th>Combined Plan</th>
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<tr>
<td>Yes*</td>
<td>No**</td>
<td>Yes*</td>
<td>No</td>
</tr>
</tbody>
</table>

*Refunded time must be purchased in the plan from which the member refunded.

**Can purchase contributing months. See Service Credit and Contributing Months Leaflet for details.

### Learning Objectives

- Eligibility
- Plan Overview and Fees
- Investments
- Additional Features
- Retirement Eligibility
- Refunding
- Plan Selection
### Traditional and Combined Plan

#### STATE AND LOCAL

<table>
<thead>
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<th>Unreduced Pension</th>
<th>Age</th>
<th>Service</th>
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### Traditional Plan Eligibility Example

**Example Assumes FAS of $35,000 and No Pay Increases**

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<th>Reduced</th>
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<th>Years of Service Credit</th>
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- **$156,120 over 10 years**

### Combined Plan Eligibility Example

**Example Assumes FAS of $35,000 and No Pay Increases**

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<tr>
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<td>38.8%</td>
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- **$70,800 over 10 years**

**Investment Account**
Member-Directed Plan

Age 55

Investment Account Balance

Annuity Factor

Learning Objectives

Eligibility
Plan Overview and Fees
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Additional Features
Retirement Eligibility
Refunding
Plan Selection

Refunding Differences

<table>
<thead>
<tr>
<th>Traditional Pension Plan</th>
<th>Member Directed Plan</th>
<th>Combined Plan</th>
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</thead>
<tbody>
<tr>
<td>100% plus interest</td>
<td>100% of value</td>
<td>100% of value</td>
</tr>
<tr>
<td>5 years 33% of eligible contributions</td>
<td>Year 1 = 20%</td>
<td>5 years 33% of eligible contributions</td>
</tr>
<tr>
<td>10 years 67% of eligible contributions</td>
<td>Year 2 = 40%</td>
<td>10 years 67% of eligible contributions</td>
</tr>
<tr>
<td></td>
<td>Year 3 = 60%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 4 = 80%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 5 = 100%</td>
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</tbody>
</table>
Learning Objectives

Eligibility
Plan Overview and Fees
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Plan Selection

Selection Tools

Review the plan selection webpage
www.opers.org/members/plan-select

Select a plan using the Plan Comparison Calculator
Accessible through your online account

Give us a call if you need assistance
1-800-222-7377

OPERS Website

New Personal Budgeting Webinar
The latest webinar is the Financial Wellness Program in the OPERS retirement system. Enhance your budgeting skills with tips and tools to help you manage your finances effectively. Attend the webinar now!
Selecting a Retirement Plan

Megan, you have a choice to make

Selecting a retirement plan

Each of the two retirement plans is different which is why we offer two retirement plans. This calculator is designed to help you choose your plan based on the information you provide. If your salary and the type of plan you choose, you'll need to review the benefits of each plan.

Why do I need to select a plan?

Employees are required to select a retirement plan when they initially join the agency. If you do not select a plan, your retirement contributions will be made by the agency at its discretion. You will have an opportunity to select a plan at any time during the open enrollment period.

What happens if I don't select a plan?

If you do not select a plan, your retirement contributions will be made by the agency at its discretion. You will have an opportunity to select a plan at any time during the open enrollment period.

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Plan Comparison Calculator

ENTER

Personal Information

- current salary

Retirement Assumptions

- expected age at retirement, annual salary increases

Investment Assumptions

- assumed average rate of return

Plan Selection

PLAN SELECTION

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Plan Selection
180 days to select one of the three plans

Investments
Chosen by OPERS, member or both

Retirement
Age and service credit or age, guaranteed lifetime payments
**Summary**

**Additional Features/Refunds**
Survivor, disability, RMA
differ by plan based on years of service

**Next Steps**
Establish an OPERS online account, run plan
comparison calculator, select plan

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THANK YOU.
QUESTIONS?