

# MEMBER'S REPORT

The quarterly newsletter for active and retired OP&F members and their survivors

## MESSAGE FROM THE EXECUTIVE DIRECTOR

### Funding issue a priority again in 2025



Mary Beth Foley, Esq.

Dear OP&F members,

As we head into the new year, we again have important legislation at the Ohio Statehouse. The funding issue for OP&F is still a concern for our long-term health. However, your benefits are secure. Our investment program is strong and our fund administration is excellent.

If you have been reading our newsletter and other communications, I'm sure you are aware of House Bill 296 and Senate Bill 194 that were introduced in this legislative session.

Your assistance resulted in a historic 66-25 vote in the Ohio House in favor of our bill. This is the first time since 1986 that a legislative body agreed that it was time for a change in the employer contributions. This puts us in an excellent position for 2025 and the new General Assembly.

Meanwhile, OP&F members have seen contribution increases (as recent as 2015) and also changes detrimental to their benefits (including increase in the minimum retirement age and cost-of-living adjustment changes).

As I have said to legislators, cities need to stop making excuses and pay what they owe to public safety workers. I will never give in, never give up in this fight to get our fair share.

We will be asking for your support as these efforts move forward.

Happy new year and as always, be safe.

Best regards,

*Mary Beth Foley*

Mary Beth Foley, Esq.

Executive Director

### Charity Champions gives to Akron Police support center

OP&F's Charity Champions initiative raised money for three police and fire charities in 2024. OP&F donated a total of more than \$15,000 to three worthy causes last year: the Bob Denton Safety Forces Support Center in Akron, the Columbus Firefighters 4 Kids campaign and Stockhands Horses for Healing. The money is raised entirely from OP&F employees. We look forward to continuing these gifts in 2025. Pictured, OP&F trustee Clay Cozart (Akron Police) accepts a check from Executive Director Mary Beth Foley.



## U.S. SENATE PASSES SOCIAL SECURITY BILL TO REPEAL WEP AND GPO

The repeal, a decades-long priority for public employee advocates, was passed in the U.S. Senate on Dec. 21, after being approved by the House of Representatives in November. President Biden is expected to sign the bill into law. The Social Security Fairness Act will deliver higher Social Security benefits to millions of public sector retirees, including police and firefighters.

The legislation to repeal the Windfall Elimination Provision and the Government Pension Offset has been reintroduced in each Congress for decades but had not received a vote in either chamber until 2024.

Passage was a major victory for advocates who argue the deductions unfairly hurt those who collected pensions but also worked jobs covered by Social Security.

The WEP and GPO are two provisions of Social Security that reduce or sometimes eliminate benefits for public employees, as well as their surviving spouses. Those impacted by WEP and GPO total about 2.4 million, including firefighters, teachers, law enforcement officers and many others.

### Tax information for Member's receiving on-duty disability benefits

OP&F is required by the Internal Revenue Service to file a Form 1099-R for each person to whom a distribution of \$10 or more has been made for the tax year. OP&F reports all distributions to the IRS as reportable income, regardless of the taxable or non-taxable nature of the benefits. Please contact the IRS directly for information on filing requirements.

If the distribution is non-taxable, then Box 2a is completed with \$0.00. If a benefit recipient does not file an annual tax filing to reflect this non-taxable distribution, they will likely receive a notice from the IRS because they were unable to match the income reported by OP&F to the benefit recipient's filing of reportable income. Members should contact OP&F if they receive such a notice. OP&F can then mail a letter to the benefit recipient that outlines the applicability of the private letter ruling to the benefit recipient's specific benefits so that they can forward this to the IRS.

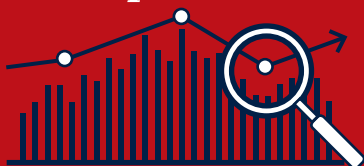
OP&F is not a third-party designated power of attorney with the IRS and therefore cannot provide information directly to the IRS on a member's behalf.

#### Want to update your tax withholdings?

Forms are available at [op-f.org](http://op-f.org) to change both federal and state taxes being withheld from OP&F's benefit payments. Look for the IRS Form W-4P Withholding Certificate for Pension or Annuity Payments and the Withholding Certificate for Ohio State Income Tax by clicking on the Member Forms link on OP&F's website.

These forms are also available by calling OP&F's Customer Service Department at 1-888-864-8363. If a member or beneficiary moves out of state, OP&F does not automatically stop the Ohio State withholding. Members and beneficiaries must submit a request in writing to stop Ohio tax withholding from their OP&F benefits.

## PORTFOLIO -update-



### OP&F's Investment Portfolio Value

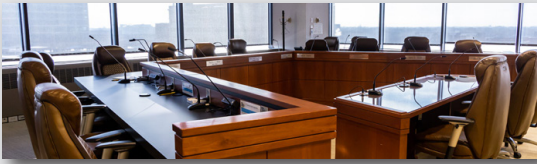
As of Dec. 30 value:  
\$18.7 billion

End of Nov. value:  
\$19.1 billion

End of Oct. value:  
\$18.8 billion

*\* values may be internally estimated*

## 2025 Board of Trustee meetings



Eight Board of Trustees meetings are scheduled for 2025 at OP&F headquarters, 140 E. Town Street in downtown Columbus.

Jan. 28-29

March 11-12

April 29-30

June 17-18

Aug. 26-27

Sept. 23-24

Oct. 28-29

Dec. 2-3

## 2025 Direct Deposit dates for benefit checks

### Check date:

Jan. 1

Feb. 1

March 1

April 1

May 1

June 1

July 1

Aug. 1

Sept. 1

Oct. 1

Nov. 1

Dec. 1

Jan. 1, 2026

### Deposit date:

Jan. 3

Feb. 3

March 3

April 1

May 1

June 2

July 1

Aug. 1

Sept. 1

Oct. 1

Nov. 3

Dec. 1

Jan. 2, 2026

## Medicare retirees must enroll through Alight to receive stipend

With open enrollment for health care comes an abundance of marketing campaigns aimed at Medicare-eligible retirees. Many television commercials feature celebrities claiming that retirees could be missing Medicare benefits and to call to enroll. These ads can be misleading and could cause you to lose your OP&F health care stipend.

# alight

OP&F and Alight Retiree Health Solutions remind Medicare retirees that to be eligible for the stipend they must enroll in a plan through Alight. If you have questions, call Alight at 1-844-290-3674.

## Scheduled health care reimbursement dates for 2025

*Below are the 2025 dates Alight will send recurring health care premium reimbursements to a member's financial institution. Remember that it then may take the financial institution 2-3 days to post the reimbursement to a member's personal account.*

Wednesday, Jan. 8

Friday, Feb. 7

Friday, March 7

Monday, April 7

Wednesday, May 7

Friday, June 6

Tuesday, July 8

Thursday, Aug. 7

Monday, Sept. 8

Tuesday, Oct. 7

Friday, Nov. 7

Monday, Dec. 8

## HERE'S HOW TO RECEIVE YOUR 1099-R ONLINE



OP&F requests members to elect to receive their 1099-R statements electronically in place of a paper statement. Electronic statements provide fast, safe, and secure delivery and storage with the ability to always find your statement when you need it. This added convenience and security means less worry for our members.

Members can access the Form 1099-R by going to [op-f.org](http://op-f.org) and logging into their OP&F Member Self-Serve account. The Form 1099-R can be viewed and printed from the Member Documents link. Only OP&F members who have a Member Self-Serve account can retrieve and print tax forms online. OP&F recommends logging into the Member Self-Serve system on or after Jan. 31, 2025, to confirm you have all the Form 1099-Rs issued.

OP&F members may choose to download the Form 1099-R for tax reporting purposes and avoid receiving the form in the mail. This not only saves the cost of mailing the form, but it is also environmentally friendly and secure.

To register for Member Self-Serve, go to [op-f.org](http://op-f.org) and click the link for Log In, in the upper right corner. Next, look for the Members link to register and follow the instructions on the screen.

### **Reminder...**

If a member dies, the family must contact OP&F, their health care carrier and Alight Retiree Health Solutions to stop any auto premium reimbursements. This also helps to avoid any overpayments that need to be re-paid.

To opt-out of the mailing,

- Members must log into their account from the Member Self-Serve area of the OP&F website;
- Choose Document Preferences;
- Select to opt-out of the mailing.

Members must have an email address to use the opt-out feature. If you have any questions, contact OP&F's Customer Service at 1-888-864-8363.

### **If your 1099-R is returned to OP&F, it may trigger suspension of benefits**

It is important for you to keep your address current with OP&F so that benefits can be timely paid to you. If an IRS Form 1099-R is returned to OP&F as undeliverable we will reach out to the benefit recipient using the contact information on file.

If OP&F is unable to contact the benefit recipient to update this information, steps will be taken to suspend the benefit until the correct information is received. In 2024, OP&F received 831 returned 1099-R tax forms by the USPS, and 19 benefit payments were suspended due to returned 1099-R forms for benefit recipients who were unable to be contacted. Returned 1099-R forms also cause OP&F to manually process them which is burdensome and costly to administer.

# 5 WAYS TO IMPROVE YOUR FINANCIAL HEALTH

By Jean Folger

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## 1 Do the Math: Calculate Your Net Worth and Your Budget

Rather than ignoring your finances and leaving them to chance, a bit of number crunching can help you evaluate your current financial health and determine how to reach your short- and long-term financial goals.

### Calculating Net Worth

As a starting point, it is important to calculate your net worth: the difference between what you own and what you owe. To calculate your net worth, start by making a list of your assets (what you own) and your liabilities (what you owe). Then, subtract the liabilities from the assets to arrive at your net-worth figure.

Your net worth represents where you are financially. It's normal for the figure to fluctuate over time. Calculating your net worth one time can be helpful, but the real value comes from making this calculation on a regular basis (at least yearly). Tracking your net worth over time allows you to evaluate your progress, highlight your successes, and identify areas requiring improvement.

Net worth is highly dependent on age. It's common for a younger investor to have a low or negative net worth when they start their career, while an older individual might have a higher net worth further in their career.

### Calculating a Personal Budget

Equally important is developing a personal budget or spending plan. Created on a monthly basis, a personal budget is an important financial tool because it can help you plan for future costs, reduce unnecessary spending, save for future goals, and prioritize where you put your money.

There are numerous approaches to creating a personal budget, but all involve making projections for income and expenses. The income and expense categories you include in your budget will depend on your situation and can change over time. Common income categories include:

- Disability benefits
- Interest and dividends
- Rents and royalties
- Retirement income
- Salaries/wages
- Social Security
- Tips
- Alimony
- Child support

### General expense categories include:

- Childcare/eldercare
- Debt payments (car loan, student loan, credit card)
- Education (tuition, books, supplies)
- Entertainment and recreation (sports, hobbies, books, movies, DVDs, concerts, streaming services)
- Food (groceries, dining out)
- Giving (birthdays, holidays, charitable contributions)
- Housing (mortgage or rent, maintenance)
- Insurance (health, home/renters, auto, life)
- Medical/Health Care (doctors, dentists, prescription medications)
- Personal (clothing, hair care, gym, professional dues)
- Savings (retirement, education, emergency fund, specific goals such as a vacation)
- Special occasions (weddings, anniversaries, graduations, bar/bat mitzvahs)
- Transportation (gas, taxis, subway, tolls, parking)
- Utilities (phone, electric, water, gas, cell, cable, internet)

A budget is only useful if it is followed. After you prepare a personal budget, track your income and spending across categories. Then, refine your budget based on what actually happened.

Once you've made the appropriate projections, subtract your expenses from your income. If you have money left over, you have a surplus, and you can decide how to spend, save, or invest the money. If your expenses exceed your income, however, you will have to adjust your budget by increasing your income (adding more hours at work, getting a raise, or picking up a second job) or by reducing your expenses.

## 2 Manage Lifestyle Inflation

Most individuals will spend more money if they have more money to spend. As people advance in their careers and earn higher salaries, there tends to be a corresponding increase in spending, a phenomenon known as “lifestyle inflation.”

Even though you might be able to pay your bills, lifestyle inflation can be damaging in the long run because it limits your ability to build wealth. Every extra dollar you spend now means less money later and during retirement, and higher disposable income today doesn’t guarantee higher income in the future.

As your professional and personal situation evolves over time, some increases in spending are natural. You might need to upgrade your wardrobe to dress appropriately for a new position, or, as your family grows, you might need a house with more bedrooms. With more responsibilities at work, you might find that it makes sense to hire someone to mow the lawn or clean the house, freeing up time to spend with family and friends and improving your quality of life.

As you enter into different phases of life, re-evaluate your personal budget to have it reflect the right conditions in your life. When preparing a list of your expenses, evaluate which costs are truly needed and which you can go without.

A helpful scenario is to consider what changes you would make if you were to receive a pay cut at work. If your income were to be cut by 20%, how would that impact your spending or saving?

## 3 Recognize Needs vs. Wants, and Spend Mindfully

It’s in your best interest to be mindful of the difference between “needs” and “wants.” Needs are things you have to have in order to survive: food, shelter, healthcare, transportation, and a reasonable amount of clothing. It’s also important to set aside money each month for savings, although that is much more contingent on your other needs being met first.

Conversely, wants are things you would like to have but don’t require for survival. These costs may be engrained in our daily lives, so they may feel like needs. Whether it’s a streaming subscription that you use several times per week or a morning treat that is now part of your daily routine, wants are items that are non-essential.

This line between “wants” and “needs” is blurred for essentials when there is no defined level of either. A car is a good example. Depending on your city’s public transportation, you might be able to make the case that a car is a “want.” However, for the many of us who consider it a “need,” what type of car is appropriate? What is an appropriate balance between a higher car payment and a nicer vehicle?

Your needs should get top priority in your personal budget. Only after your needs have been met should you allocate any discretionary income toward wants. Again, if you do have money left over each week or each month after paying for the things you really need, you don’t have to spend it all.

Saving money for the future is a need as long as your current physical needs (food, shelter, transportation) are met. In addition, some argue that obtaining a 401(k) match by your employer is a high priority.

## 4 Start Saving Early

It’s often said that it’s never too late to start saving for retirement. That may be true (technically), but the sooner you start, the better off you’ll likely be during your retirement years. This is because of the power of compounding.

Compounding involves the reinvestment of earnings, and it is most successful over time. The longer earnings are reinvested, the greater the value of the investment, and the larger the earnings will be.

To illustrate the importance of starting early, assume you want to save \$1,000,000 by the time you turn 60, and you expect to earn 5% interest each year.

- If you start saving when you are 20 years old, you would have to contribute \$655 a month—a total of \$314,544 over 40 years—to be a millionaire by the time you hit 60.
- If you start saving when you are 40 years old, you would have to contribute \$2,433 a month—a total of \$583,894 over 20 years.
- If you start saving when you are 50 years old, you would have to contribute \$6,440 each month—a total of \$772,786 over 10 years.

The sooner you start, the easier it is to reach your long-term financial goals. You will need to save less each month and contribute less overall to reach the same goal in the future.

## 5 Build and Maintain an Emergency Fund

An emergency fund is just what the name implies: money that has been set aside for emergency purposes. The fund is intended to help you pay for things that wouldn't normally be included in your personal budget. This includes unexpected expenses such as car repairs or an emergency trip to the dentist. It can also help you pay your regular expenses if your income is interrupted.

Although the traditional guideline is to save three to six months' worth of living expenses in an emergency fund, the unfortunate reality is that this amount would often fall short of what many people would need to cover a big expense or weather a loss in income. In today's uncertain economic environment, you might want to aim for saving at least six months' worth of living expenses—more if possible.

Keep in mind that establishing an emergency backup is an ongoing mission. Odds are that as soon as it is funded, you will need it for something. Instead of being dejected about this, be glad that you were financially prepared and start the process of building the fund again.

### How Do I Calculate My Net Worth?

To calculate your net worth, make a list of everything you own and the value of each item. Then, make a list of all of your debts (like

credit card debt, car loans, student loans, etc.). The difference between these two lists is your net worth. It represents the amount of money you could have if you sold everything you own and paid off your obligations.

### What Is Compounding?

Compounding occurs when you grow money on top of the money you've already grown in the past. By saving money at an earlier age, your money is more likely to grow faster due to compounding.

### How Much Money Should I Save Each Month?

Your top priority each month is to pay for your essentials. Focus on costs like shelter, food, and transportation first. After your needs have been met, it's often advised to try and save at least 10% of your take-home income. Remember, just because you have the money doesn't mean you should spend it. If you're able to save more now, you'll have greater earning potential in the future.

### How Big Should My Emergency Fund Be?

Everyone's emergency fund will be different. It's often advised to have three- to six months of expenses saved in case of an emergency. This amount might be adjusted depending on your job security and your responsibilities—for example, if you have children.

### The Bottom Line

Personal finance principles can be excellent tools for achieving financial success. It's important to consider the big picture and build habits that help you make better financial choices, leading to better financial health.

## ANNUAL ACTUARIAL VALUATION SHOWS OP&F STILL COMPLIES WITH FUNDING REQUIREMENTS

OP&F's independent actuary, CavMac, presented its annual report on the system's funding status at the Board of Trustees meeting on Oct. 30. Despite chronic underfunding of police contributions, the actuarial valuation showed that OP&F's funding period is now 29.77 years, which is still in compliance with Ohio's requirement of 30 years or less. The latest funding period is a slight increase from Jan. 1, 2023, when it was 26.71 years. The funding period shows the time it will take to fully pay all pension obligations if assumptions in place are met.

The funding ratio for OP&F decreased to 68.1 percent as of Jan 1, 2024, from 70.0 percent the previous year. The funded ratio is designed to show the amount of actuarial assets compared to the actuarial accrued liability.

The passage of legislation currently under consideration in the Ohio House (House Bill 296) and Senate (Senate Bill 194) would considerably improve OP&F's long-term funding status by changing the funding formula from OP&F employers, which has not been adjusted for nearly 40 years.



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Monday-Fridays 8 am-4:30 pm EST

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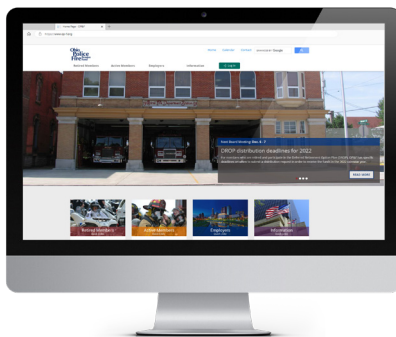
**IMPORTANT DATES**

Jan. 28-29 .....Board of Trustees meetings  
March 11-12 .....Board of Trustees meetings  
April 29-30 .....Board of Trustees meetings

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**RETURN SERVICE REQUESTED**

**DO WE HAVE YOUR EMAIL ADDRESS?**



If your email address is not on file, please add or update it securely on the Member Self-Serve area of the OP&F website. You may also complete a Change of Address form and email or send it to OP&F at 140 E. Town Street, Columbus, OH 43215.

**SUSPECT DISABILITY FRAUD? CALL 844-FRAUD HOTLINE (844-372-8345)**