

**OEA Retirement Systems Update**  
**Report to the OEA Board of Directors: September 2024**

**Please distribute to other OEA members**

**SERS Board Approves 2.5% COLA for 2025**

On Thursday, September 19, 2024, the SERS Board unanimously approved a 2.5% cost-of-living allowance (COLA) for eligible SERS retirees. This COLA amount is the maximum allowed under state law for SERS. The 2.5% COLA will be paid to SERS retirees in calendar year 2025.

Statute allows SERS to provide a cost-of-living allowance based on the Consumer Price Index over a twelve-month period (June to June). That figure was 2.9%. However, state law does cap the COLA amount at 2.5% and further notes that COLA payments are subject to further reduction or elimination if such payments would have a material impact on the solvency or health of the retirement plan. SERS reported investment earnings of 9.61% over the past fiscal year and an improving funded status. Given these factors, the Board voted in support of a 2.5% COLA.

In further action, the Board elected to continue to not allocate any of the 14% employer contribution to the health care fund. The health care fund has a solvency of over 40 years and receives an employer surcharge of 1.5% of payroll. The Board determined that the full employer contribution was needed for pension benefits which are statutorily required as opposed to health care which is discretionary.

**Sponsors of GPO-WEP Repeal Push for Floor Vote**

Work continues to try to fully repeal the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). These are provisions of federal law that unfairly punish public service by reducing earned Social Security benefits or spousal and survivor benefits when a public sector retiree collects a pension from a jurisdiction (such as Ohio) where they did not contribute to Social Security.

U.S. Senator Sherrod Brown (D-Ohio) is a lead sponsor of the Social Security Fairness Act (S. 597) which would fully repeal GPO-WEP. This legislation now boasts 62 bipartisan cosponsors—a filibuster proof majority of the Senate. Senator Brown and OEA have called upon Senate leadership to bring the bill to the floor for a vote.

H.R. 82 is companion legislation in the U.S. House of Representatives. The bill has 327 bipartisan cosponsors. The sponsors of the bill have started a discharge petition to try to bring the bill to the floor for a vote. Such a petition would require 218 signatures, a majority of Congress. OEA is calling upon members of the Ohio Congressional delegation to sign the petition and support the bill. You can contact your legislator and urge their support by [clicking here to take action](#).

### **Health Care Premiums Remain Flat for Most STRS Retirees**

During its August meeting, the STRS Board approved 2025 premiums for its health care plan offerings. More than 90% of current enrollees will have no premium increase. The monthly premium for career employees is \$141 for those in Medicare and \$319 for those under 65 years old.

In other notes from the August meeting, STRS posted a 10.5% investment return for FY 2024. The Board's investment consultant noted this continues strong returns for STRS as its return of 8.8% over the past five years ranked in the top 8% of public pension funds in the United States.

Additionally, the Board elected Michael Harkness to fill a vacancy for active employees on the Board. The vacancy was a result of the retirement of Steven Foreman. Mr. Harkness is an intervention specialist from Akron and serves as Vice President of the Akron Education Association.