



Staff Education Association Retirees VEBA

Newsletter

April 2017 – vol. 7

SEARV 2016-2017 –

This past year has been one of working to get the Trust into a solid investment strategy with an eye toward the future. Markets this year have made that quite a challenge. The Board appointed an Investment Sub-Committee to oversee our investment strategy on a continual basis, and approve changes as required by changing market conditions. Committee members are Bob Hockenberger (Chair), Paul Gonzalez, Garrett Harbron, and investment advisor Josh Smittkamp of Dover Consulting.

Medicare Part ‘B’ Supplement

We had an excellent response to the Transamerica survey done last year. The almost unanimous response was very positive. As a result, the Board decided to continue with Transamerica as our Medicare Supplement provider.

Auditor Review

As a part of the Board’s fiduciary responsibility to periodically review vendors, HBK CPAs (formerly Norman, Jones, Enlow and Co.) were evaluated. As a result of that evaluation the Board decided to make a change and sent out Request for Proposals to four firms. Following receipt of the RFP responses, and thorough review and analysis by the Trustees, the decision was made to hire Salter and Company, LLC to serve as auditors for the Trust. We have started the audit for 2016 and look forward to working with Salter.

International Foundation of Employee Benefit Plans

All members of the Board of Trustees have become members of the International Foundation of Employee Benefit Plans. We believe this will offer educational opportunities as well as the ability to interact with other like organizations. The International Foundation of Employee Benefit Plans is a nonprofit organization, dedicated to providing the diverse

employee benefits community with objective, solution-oriented education, research and information.

For more information, go to ifebp.org.

Divorce and Spouse Eligibility

Prior newsletters have discussed eligibility for participation in the SEARV benefits plan, eligibility under the Trust, and how divorce may impact that eligibility. Recently, several situations have occurred that make it worthwhile for us to once again review the rules of not only the Trust but the Trust Agreement when it comes to divorce and spouse eligibility. Our Trust is a closed Trust which means we will not add new participants. If you were not married by May 11, 2010 or you (the retiree) divorce, your new spouse or divorced spouse is not eligible for benefits under Trust. The Board has reaffirmed the following position:

The Trust adopts as its formal position and reaffirms the designation of the Class and the right to participate in the Trust as set forth in the Settlement Agreement, and affirms the revisions to the Trust previously made to include domestic partners and OEA retired managers.

To explain further, all initial participants eligible for benefits were determined on May 11, 2010 at the time of the final court hearing approving the settlement. The Managers group was added through a separate settlement agreement. The Settlement Agreement approved by the court says that, in order to participate a person:

(b) is a retired employee of OEA who was a member of PSU at the time of his or her retirement and who retired on or before the date on which the COURT grants PRELIMINARY APPROVAL to the PROPOSED SETTLEMENT, or is a DEPENDENT or surviving spouse of such a person; or (c) is currently employed by OEA and is a member of PSU who was hired on or before August 31, 2000, and who, subsequent to the COURT granting PRELIMINARY APPROVAL to the PROPOSED SETTLEMENT, retires from the OEA while still a member of PSU, **or is a spouse of such a person on the date the COURT grants PRELIMINARY APPROVAL to the PROPOSED SETTLEMENT, and any DEPENDENT of such a person.** (emphasis added)

The reason for all of this is simple: the Trust, as it is defined, cannot be adding or changing who receives benefits. We would never be able to plan future benefits for the Class if the number and scope of participants is a moving target.

Prescription Drug Outlook –

The Trust continues to monitor the outlook as it pertains to prescription drug coverage. You may have read about the industry and the impact of compounded drugs on prescription drugs. As you may know this area of your health care coverage is the most expensive for the Trust and continues to go up annually. So far, we have been able to maintain coverages at a very high level and will do all we can to continue that practice.

Turning 65?

Start early! If you need to sign up for Medicare and Social Security we recommend that you visit your local Social Security office - especially if you try online and have any difficulties. We continue experiencing some challenges with retirees failing to sign up in a timely manner. Please give us as much notice as you can, as it is imperative that you complete your paperwork and get it in to Charlie and Michele at least 30 days prior to your turning 65. Remember that failure to sign up in a timely manner could result in a gap in coverage as well as a penalty for late sign up for Medicare part 'D' prescription drug coverage. Remember the TPA is there to help you as are your Board representatives. Do not hesitate to call.

SEARV/CORE RELATIONSHIP:

CORE once again had a successful membership year and annual meeting. Please try to attend this year annual meeting. CORE is celebrating the start of its 14th year.

Treasurer Jim Prater has asked that everyone send in their annual dues. Please send your 2016 CORE dues to Jim Prater at 2000 Malvern Road, Columbus 43221. Dues are \$20 (\$40 for husband and wife if both are or will be covered by SEARV when they reach age 65). You can email Jim at prater2000@columbus.rr.com or call 814-486-7597 if you have questions.

Also, don't forget to attend the luncheons coordinated by Denny Roberge. They are a great way to both stay connected with fellow retirees and to stay updated on the issues of the day.

Vendors –

General Counsel – Cook and Logothetis, LLC

Counsel is responsible for making sure the Trust is run in compliance with state and federal laws that control tax exempt VEBA Trusts. They also advise the Board with respect to legal matters associated with Trust administration. Please do not contact counsel directly, but you may ask questions or communicate through the TPA CW Breitsman Associates.

Third Party Administrator (TPA) – CW Breitsman Associates, LLC

Charlie Breitsman charlie@cw-b-a.com

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The TPA is responsible for handling the day to day administration of the Trust including interfacing with all of the other vendors, records retention, and interface with Trust members and the Ohio Education Association concerning Trust matters.

Custodial Bank – Huntington National Bank

The bank is the initial holder of funds and investments monies. Questions concerning banking need to be directed through the TPA.

Medicare Supplemental Provider – Transamerica Premier Life Insurance Company

The Medical supplemental carrier is contracted on an annual basis. You may communicate directly with the provider concerning your account or you may contact the TPA for assistance and contact information.

Transamerica Premier Life Insurance – Company Customer Service: 1-800-752-9797

Prescription Drug Provider (PDP) – United HealthCare/OptumRx

The Prescription Drug (Part D) provider is contracted on an annual basis. You may communicate directly with the provider concerning your account or you may contact the TPA for assistance and contact information.

UHC Customer Service: 1-888-556-6648

Investment Advisors – Dover Consulting Group, Josh Smittkamp

The investment advisor assists the Board in creating and maintaining the Trust's formal investment policy, and works with investment providers to ensure the Trust investments are in compliance with the guidelines that policy establishes. They also provide investment reporting to the Board on a regular basis.

Auditors – Salter and Company, LLC

As required by law and for the prudent management of the Trust, independent auditors are engaged to review the finances of the Trust and provide annual reports in compliance with federal and state laws.

Other Actions of the Board –

In addition to those items mentioned above the Board took the following actions:

- Renewed the term of Trustees John Wardell and Paul Gonzalez for 3 more years ending 2019
- Monitored the performance of the supplement providers and other vendors.
- Determined annual budgets

- Approved investment strategies

How are we doing? –

Your Board of Trustees would like to thank all of you for your support and having the confidence in us to allow us to serve as your Trustees on the Board of the Staff Education Association Retirees VEBA Trust. Your feedback is always welcomed and we will work to keep you informed. Please don't hesitate to contact any of the Trustees or the TPA with your questions.

SEARV Board of Trustees

The Board of Trustees is comprised of five (5) members; three (3) members whom are "Class Members" and two (2) members whom are "Public Trustees", as required under the VEBA Trust Agreement.

John Wardell, Chairman SEARV Board of Trustees

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Please visit the SEARV web site.

www.SEARVeba.com

Please notify Michele or Charlie of any address or contact information changes