



December 2, 2024

The Honorable Jeffrey LaRe
Chairman
Ohio House Financial Institutions Committee
77 S. High Street, 13th Floor
Columbus, Ohio 43215

Dear Chairman LaRe:

The Ohio Public Employees Retirement System (OPERS) appreciates the opportunity to provide testimony in support of Senate Bill 6 (SB6), as passed by the Ohio Senate, and is respectfully requesting that the members of the House Financial Institutions Committee (Committee) approve the bill, without amendments.

OPERS is the largest public retirement system in Ohio and the 14th largest public retirement system in the nation. Currently, we have more than \$115 billion in assets under management, which will be used to provide secure retirement benefits for Ohio's public servants. More than 1.1 million active, inactive, and retired public employees – almost one of out every 10 Ohioans – will rely on OPERS in some way for their retirement needs.

As we previously noted in our testimony to the Senate Finance Committee, OPERS is already in full compliance with both the letter and spirit of SB6. OPERS is currently subject to statutory fiduciary duties of care and loyalty which require us to act “solely in the interest of ... [our] participants and beneficiaries; for the exclusive purpose of providing benefits to participants and beneficiaries and defraying reasonable expenses of administering the ... system.”¹

This means that we are already charged with considering and maximizing the value of any investments we make with our members' accumulated retirement contributions. By law, we cannot subordinate our members' interests in the security of their retirement benefits to any other consideration.

With that said, we do have serious concerns that the proposed amendments risk moving us away from not only our well-established duties to our members, but also the original and intended purpose of SB6, which was to emphasize and amplify those duties.

As passed by the Ohio Senate, SB6 simply and clearly states that our primary purpose *must* be to fulfill the fiduciary duties codified in ORC Section 145.11(A). The proposed amendments

¹ Ohio Revised Code, Section 145.11(A)



attempt to add language that shifts the focus from our members and their interests to other considerations and purposes. *OPERS does not exist to protect or further any industry or cause other than providing its members with true retirement security.* There is no benefit to our members or the State of Ohio in qualifying that statement.

For almost 90 years, OPERS has provided its members – your constituents – with secure retirement benefits, in good times and bad. Of the more than \$7 billion in pension benefits and health care coverage we pay out annually, almost 90% remains in Ohio, helping to create jobs and sustain local economies throughout the State. As the Committee considers how best to support Ohio's public retirees, we ask that you remember our record of success and allow us to continue prioritizing the interests of our members and providing them with the secure and sustainable retirement benefits that they have earned.

We have said many times publicly, and to many of you personally, that OPERS does not invest, divest, or otherwise act in a way that would harm its members. We invite every member of the Committee to visit OPERS and ask questions about how we create our investment policies, deploy our members' retirement savings, and ultimately, provide our members with retirement security. We encourage these conversations, so that you, and our members, can be confident in our stewardship of the funds that have been entrusted to us.

Like Americans generally, our members have individual and closely held beliefs that range across the political and ideological spectrum; we sincerely believe that it would be inappropriate and short-sighted for OPERS to wade into those debates and try to pick winners and losers using our members' retirement funds.

As we noted previously, we respectfully request that the Committee approve SB6, as passed by the Ohio Senate. A seemingly well-intentioned amendment could have unforeseen consequences for Ohio's public retirement systems and their members.

If you have questions or comments regarding OPERS' testimony, please do not hesitate to contact Gordon Gatien at 614-222-2924.

Sincerely,

A handwritten signature in cursive script that reads "Karen E Carraher".

Karen Carraher
Executive Director