



Ohio Public Employees Retirement System

Retirement Decision Factors Survey

**Summary Report for
OPERS Board of Trustees
July 2011**

Purpose and Objectives of Survey

- **To address the OPERS Board's request to assess whether members are basing plans to retire on potential pension legislation and related plan changes or other factors.**
- **The objectives of this study are to understand current factors that are influencing members when making the decision to retire.**

Methodology

- **A quantitative survey was sent by email to 4,942 randomly selected members of Super Group A (the portion of Group A that is currently eligible to retire).**
- **1,573 surveys were completed and returned for a 32 percent total response rate.**
- **A similar, shorter survey was sent by email to 3,045 randomly selected retirees who have retired since December 1, 2010.**
- **842 surveys were completed and returned for a 28 percent total response rate.**

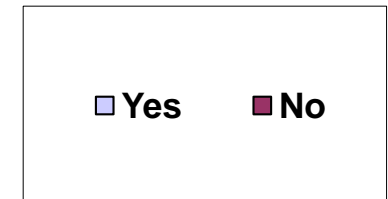
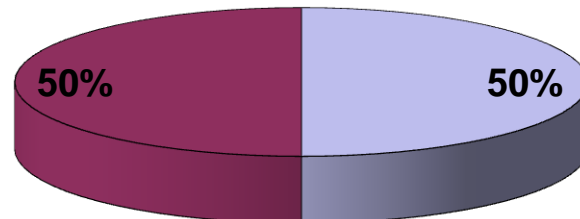
Survey Results

Super Group A

(the portion of Group A that is currently eligible to retire)

Retirement Within 12 Months

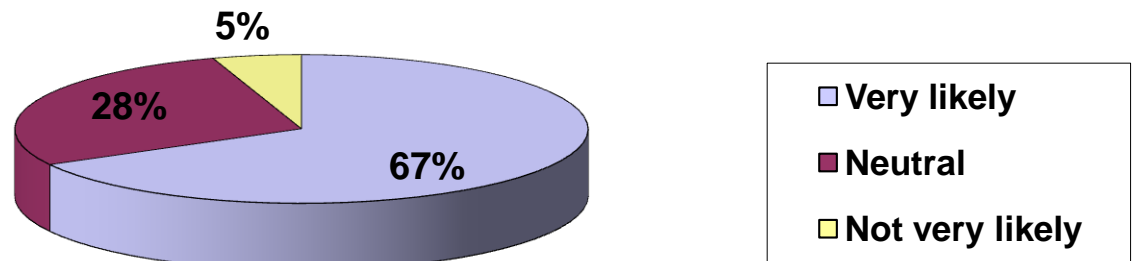
- Half (50%) of respondents said they are considering retiring within the next 12 months.



BASE: Total respondents (1,573)
Q1: Are you considering retiring within the next 12 months?

Likelihood of Retiring in Next 12 Months

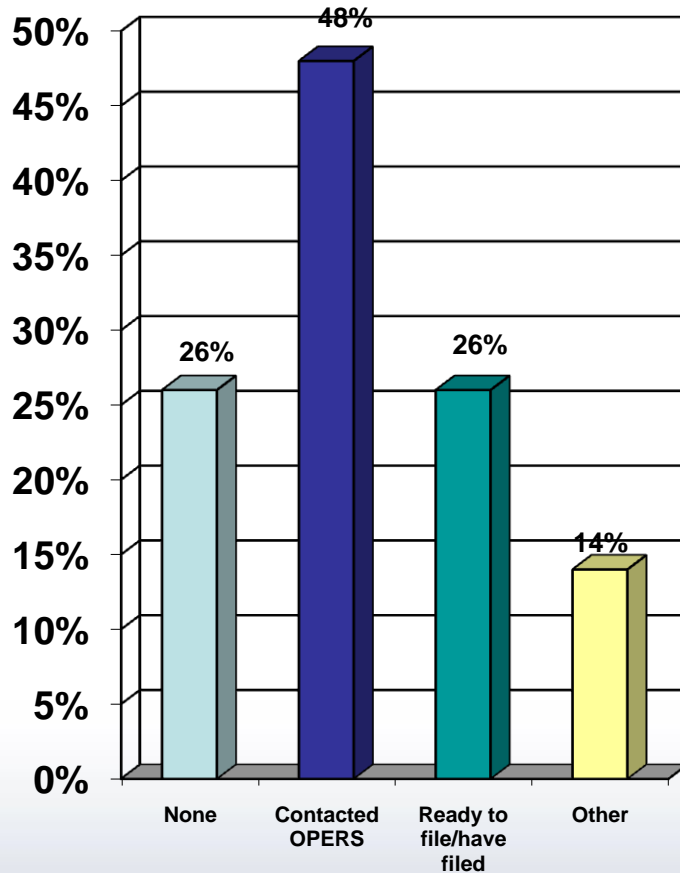
- More than two thirds (67%) of respondents who are considering retiring in the next 12 months said it is very likely that they will retire in the next 12 months.



BASE: Members of Super Group A considering retiring in the next 12 months (784)

Q2: How likely is it that you will retire in the next 12 months? (Scale is 1 to 6, where one = not very likely and 6 equals very likely.)

Steps Taken to Begin the Retirement Process

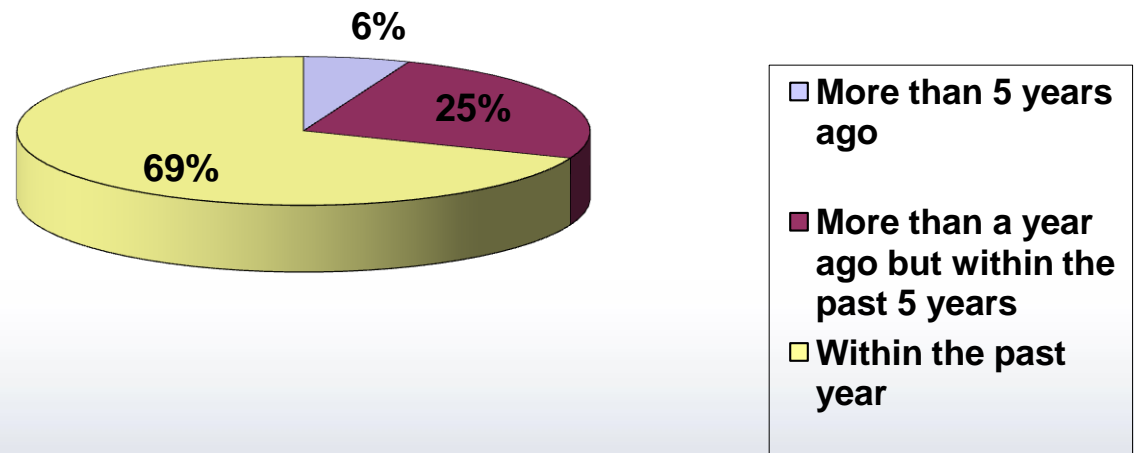


- About half (48%) of respondents who are considering retiring in the next 12 months said they have contacted OPERS (in person, by phone or online) to discuss options or request information.

BASE: Members of Super Group A considering retiring in the next 12 months (784)
Q3: What steps have you taken to begin the retirement process? (Check all that apply.)

Length of Time Since Deciding on the Timeframe for Retiring

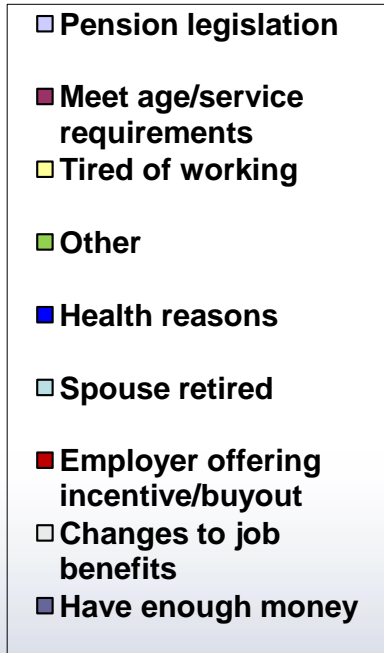
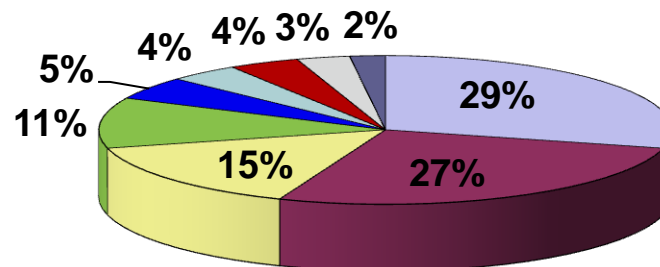
- Sixty-nine percent (69%) of respondents who are considering retiring in the next 12 months said they identified the timeframe in which they plan to retire within the past year.



BASE: Members of Super Group A considering retiring in the next 12 months (784)
Q4: How long ago did you identify the timeframe in which you plan to retire?

Main Reason for Considering Retiring

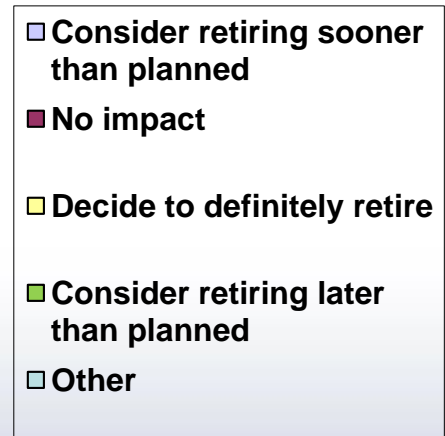
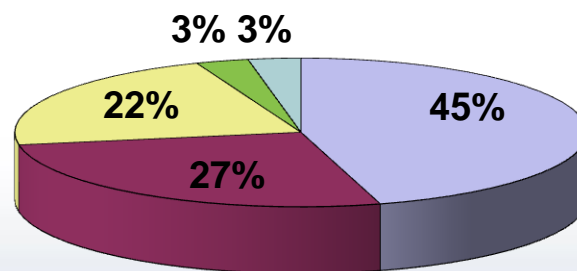
- Less than a third (29%) of respondents who are considering retiring in the next 12 months said the main reason they are considering retiring is the pending pension legislation.



BASE: Members of Super Group A considering retiring in the next 12 months (784)
Q5: What is the main reason you are considering retiring?

Effect of Potential Pension Legislation and OPERS Recommended Plan Design Changes on Plans to Retire

- Nearly half (45%) of respondents who are considering retiring in the next 12 months said the potential pension legislation and OPERS recommended design changes caused them to consider retiring sooner than planned.

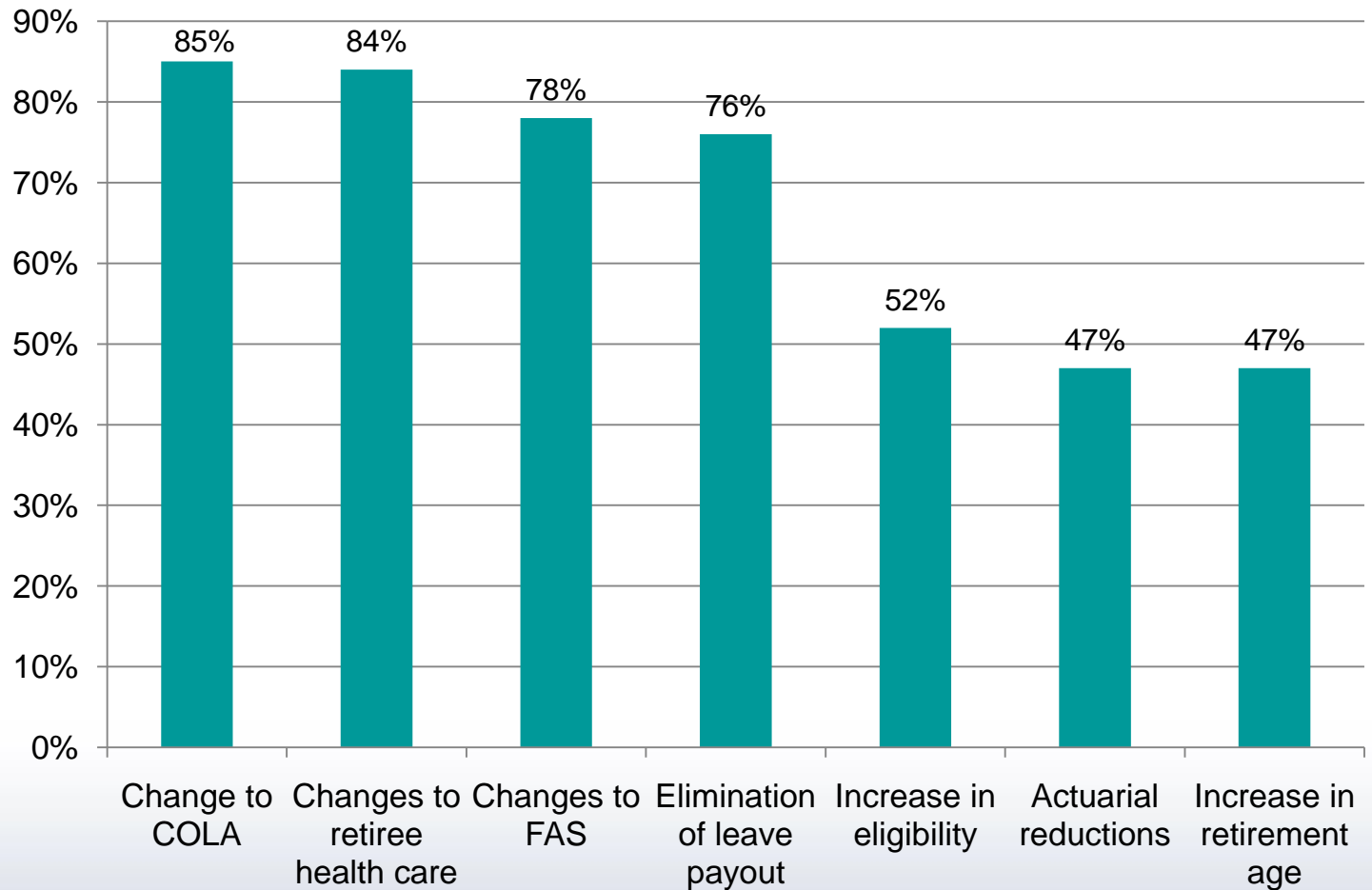


BASE: Members of Super Group A considering retiring in the next 12 months (784)

Q6: How have the potential pension legislation and OPERS recommended plan design changes affected your plans to retire?

Degree of Influence on Plans to Retire

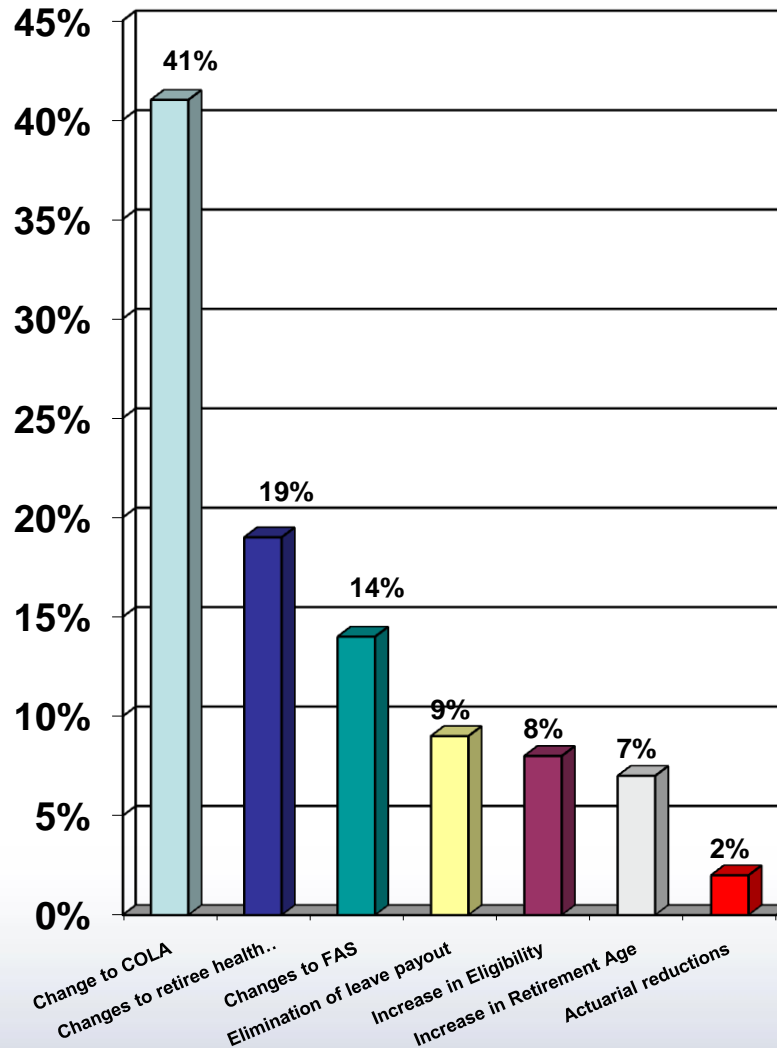
Percentage of respondents who rated “very important” (5 or 6 on a six point scale)



BASE: Members of Super Group A considering retiring in the next 12 months who said the potential pension legislation and OPERS recommended plan design changes had some impact on their plans to retire (572)

Q7: How important are each of the following factors related to the potential legislation and OPERS recommended plan design changes in influencing your plans to retire?

Most Impact on Plans to Retire

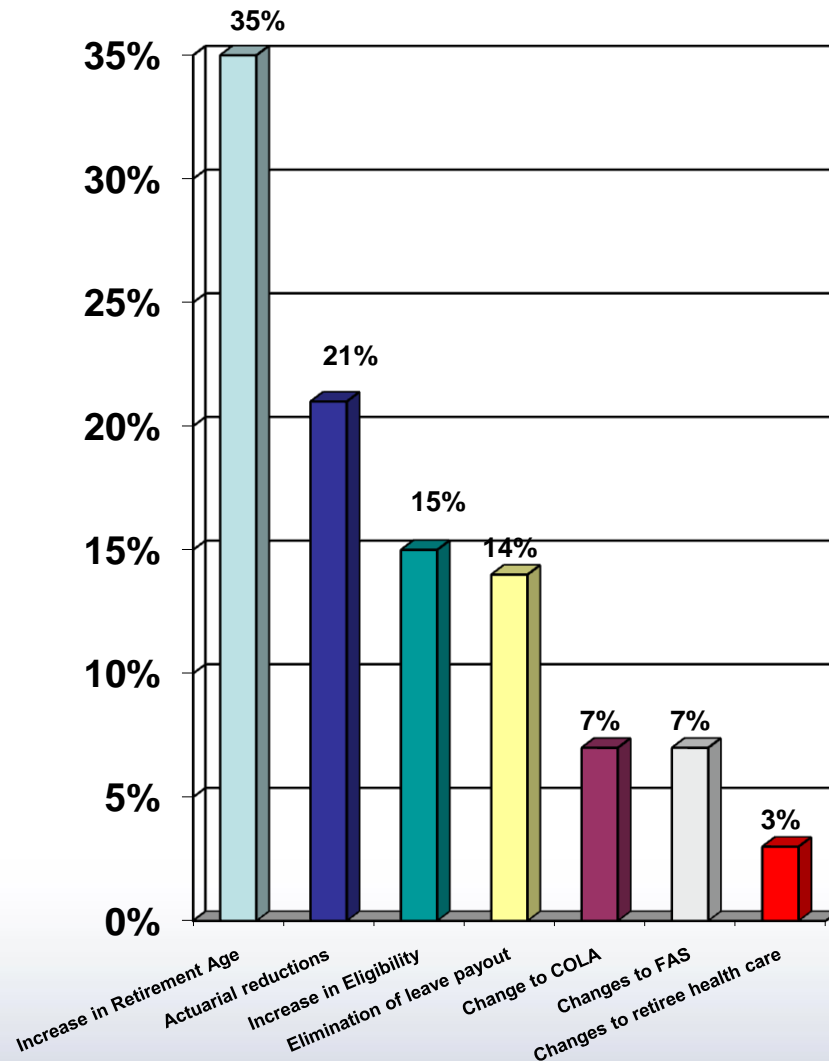


- Forty-one percent (41%) of respondents who are considering retiring in the next 12 months and are at least somewhat influenced by the potential legislation and plan design changes chose the change to COLA as the item that has the most impact on their plans to retire.

BASE: Members of Super Group A considering retiring in the next 12 months who said the potential pension legislation and OPERS recommended plan design changes had some impact on their plans to retire (572)

Q8: Which item has the most impact on your plans to retire?

Least Impact on Plans to Retire



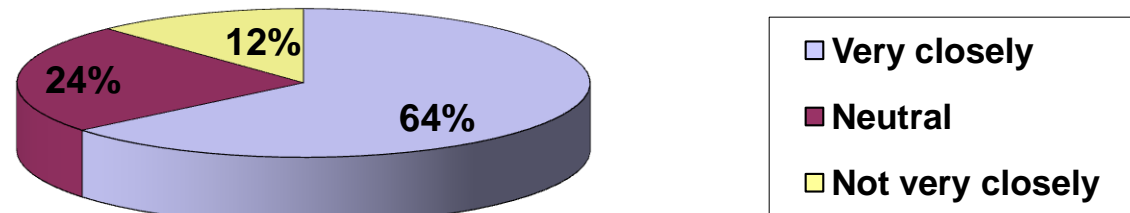
- **Thirty-five percent (35%) of respondents who are considering retiring in the next 12 months and are at least somewhat influenced by the potential legislation and plan design changes chose the increase in retirement age as the item that has the least impact on their plans to retire.**

BASE: Members of Super Group A considering retiring in the next 12 months who said the potential pension legislation and OPERS recommended plan design changes had some impact on their plans to retire (572)

Q9: Which item has the least impact on your plans to retire?

Monitoring Information Regarding Potential Pension Legislation and OPERS Recommended Plan Design Changes

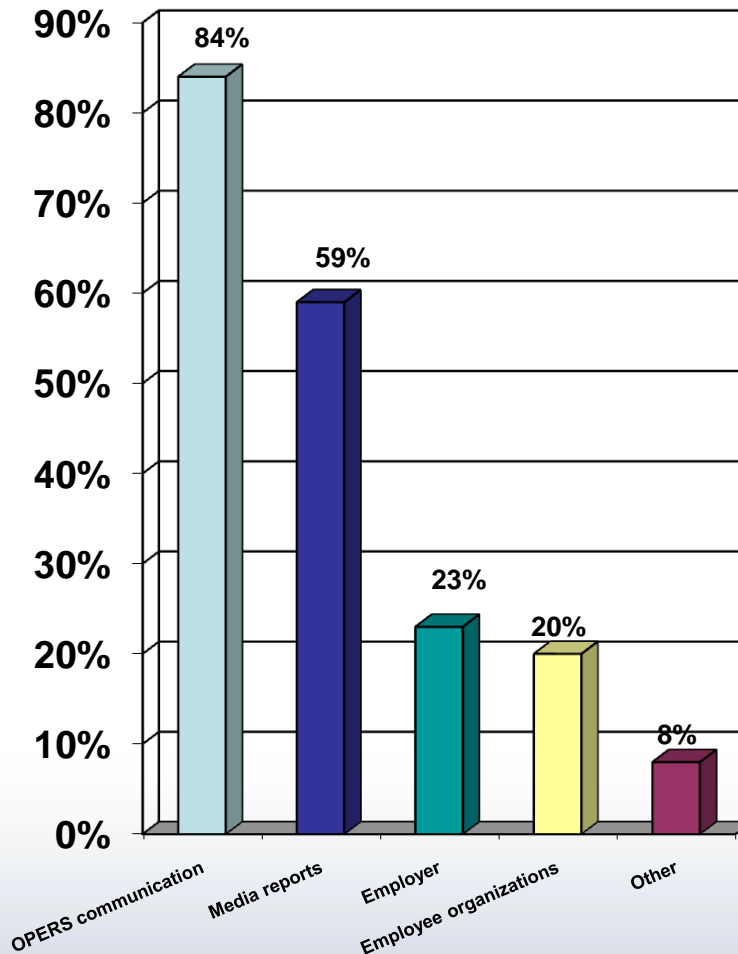
- Nearly two thirds (64%) of respondents who are considering retiring in the next 12 months said they are monitoring potential pension legislation and OPERS recommended design changes very closely.



BASE: Members of Super Group A considering retiring in the next 12 months (784)

Q10: How closely are you monitoring information regarding the potential legislation and OPERS recommended plan design changes? (Scale is 1 to 6, where one = not very closely and 6 = very closely.)

Sources of Information About Potential Pension Legislation and OPERS Recommended Plan Design Changes

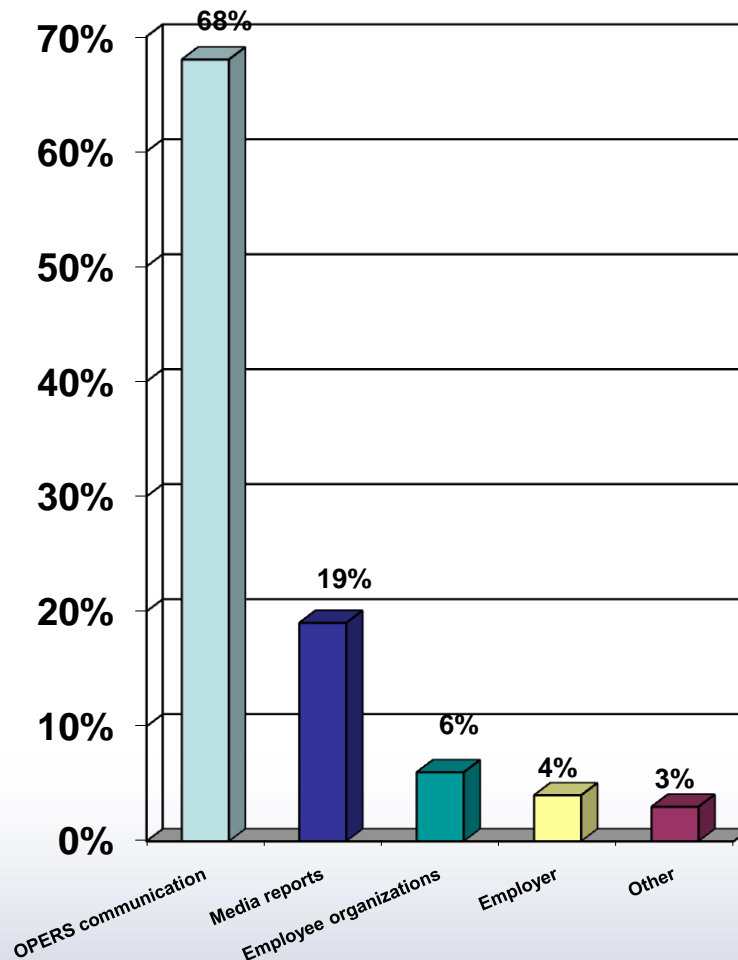


- Eighty-four percent (84%) of respondents who are considering retiring in the next 12 months said they use OPERS as a source of information about the potential pension legislation and OPERS recommended plan design changes.

BASE: Members of Super Group A considering retiring in the next 12 months (784)

Q11: What sources do you use to get information regarding the potential pension legislation and OPERS recommended plan design changes?

Main Source of Information About Potential Pension Legislation and OPERS Recommended Plan Design Changes



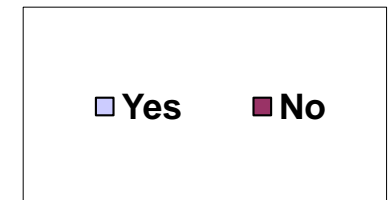
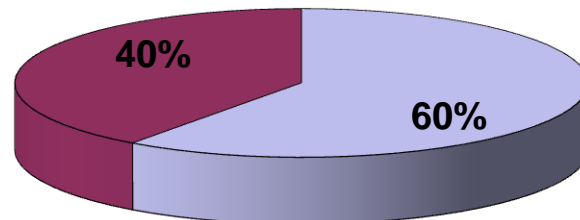
- The majority of respondents (68%) who are considering retiring in the next 12 months said that OPERS is their main source of information about the potential pension legislation and OPERS recommended plan design changes.

BASE: Members of Super Group A considering retiring in the next 12 months (784)

Q12: What is your main source of information regarding the potential pension legislation and OPERS recommended plan design changes?

Possibility of Reconsidering Retirement Decision

- Sixty percent (60%) of respondents said they would reconsider their retirement decision.



BASE: Total respondents (1,573)

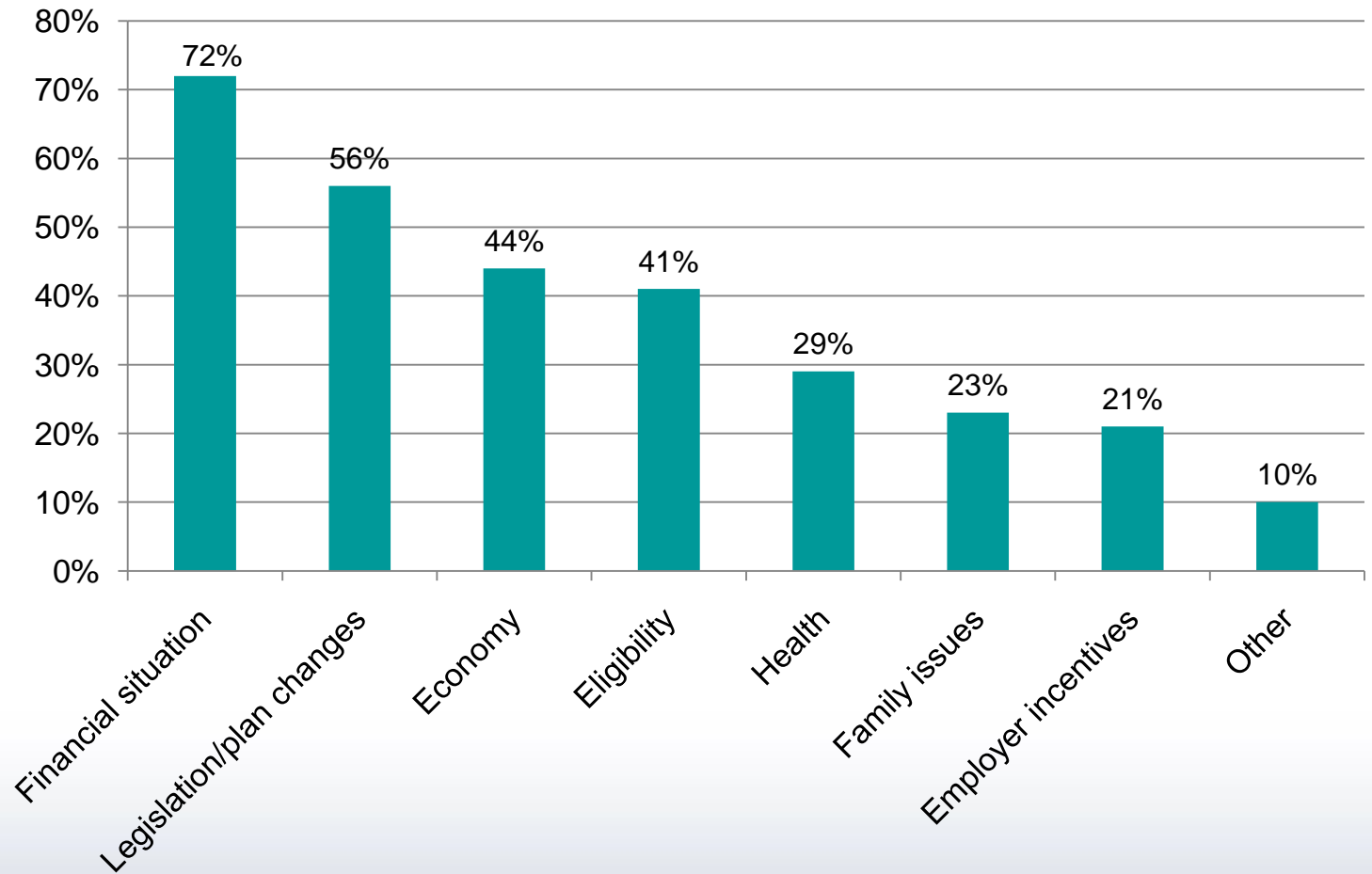
Q13: Is there anything that would cause you to reconsider your retirement decision?

Factors that Would Cause Members to Reconsider Their Retirement Decisions

- **Changes in the economy**
- **Employer buyout/incentives**
- **Changes in benefits/work conditions/pay**
- **Spousal insurance coverage**
- **Health/family issues**
- **Changes to financial situation**
- **Legislation/Senate Bill 5**

Factors In Making Retirement Decision

Percentage of respondents who said they considered each factor

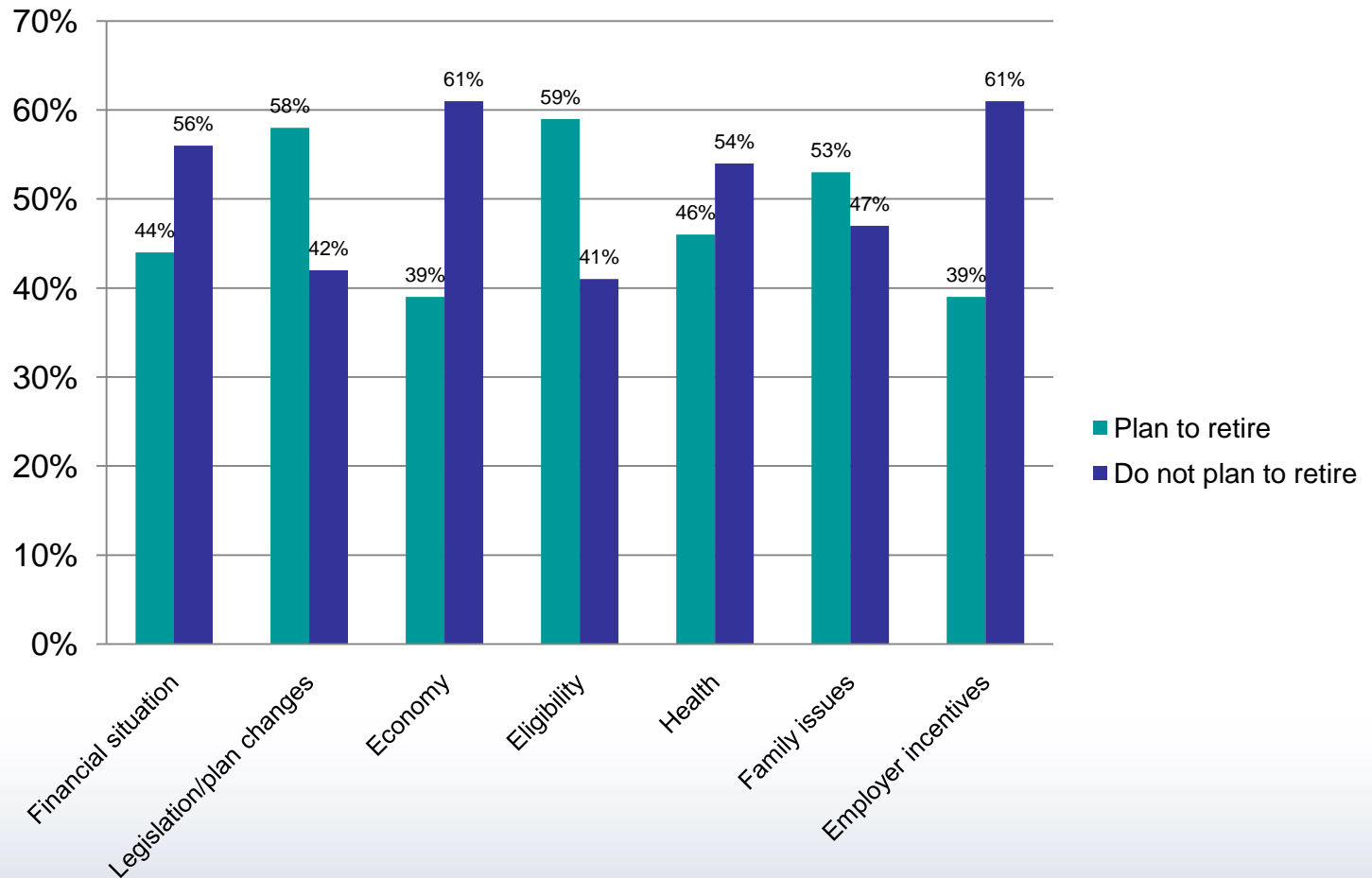


BASE: All respondents (1,157)

Q15: What factors did you/are you considering in making the decision whether or not to retire?

Factors In Making Retirement Decision (Retiring vs. Not Retiring)

Breakdown of respondents who said they considered each factor

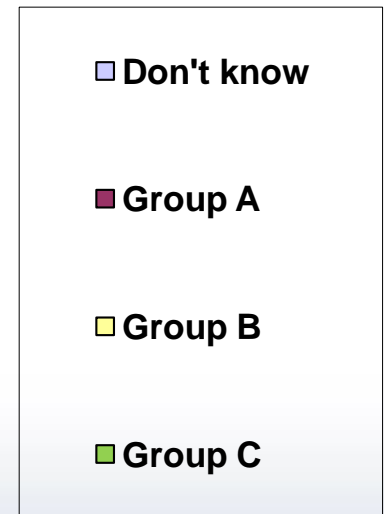
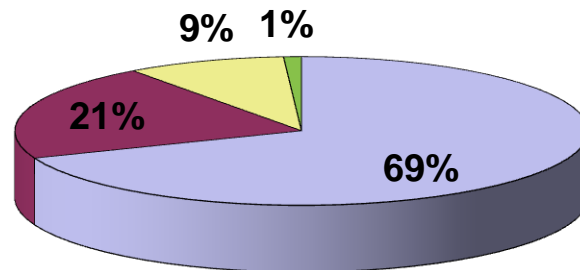


BASE: All respondents (1,157)

Q15: What factors did you/are you considering in making the decision whether or not to retire?

Retirement Group

- The majority of respondents (69%) do not know which retirement group they are in based on OPERS recommended plan design changes. Less than a quarter (21%) of respondents realize they belong to group A.



BASE: All respondents (1,557)

Q16: Which retirement group are you in based on OPERS recommended plan design changes?

Additional Feedback

- **I have more than 25 years and I'm 55. If there was another income in my household, I would have retired in December 2010.**
- **It is very discouraging to work 32 years and now have to retire just because of the COLA legislation change.**
- **I would not be retiring if the legislation was not pending.**

Please share any additional feedback you have.

Additional Feedback *continued*

- **I understand the need for changes but for those in the top group on the brink of retirement, it would be nice to have all changes grandfathered in so we could choose when to retire rather than trying to work as long as we can but still retire before the changes are effective so as to not lose any benefits.**

Please share any additional feedback you have.

Additional Feedback *continued*

- **Employees with 25 or more years should be grandfathered out of changes, including COLA changes.**
- **I am enjoying my current position and am planning on working through 2014.**
- **My plans to retire have been set for some time. The pending legislation could push my retirement date up a few months. If it is delayed in passing, then my original date will hold.**

Please share any additional feedback you have.

Additional Feedback *continued*

- **PERS has done a terrific job in keeping its members informed and in advocating responsible decisions for its members as well as legislators. Thank You!**
- **I appreciate the work of the OPERS Board and the recommendations made. They are fair to all. In the long run this will save government and pension fund money. Some people need to retire and at least this is the incentive for them to retire.**
- **Thanks for including me in this survey.**

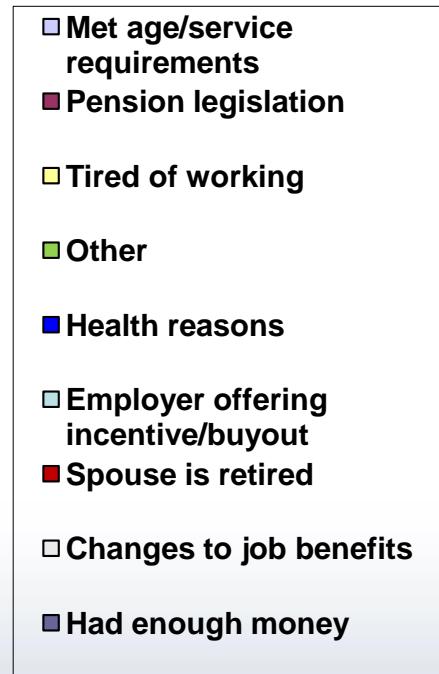
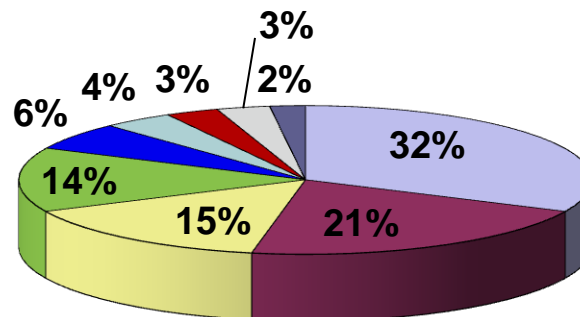
Please share any additional feedback you have.

Survey Results Retirees

(Retirees who have retired since December 1, 2010)

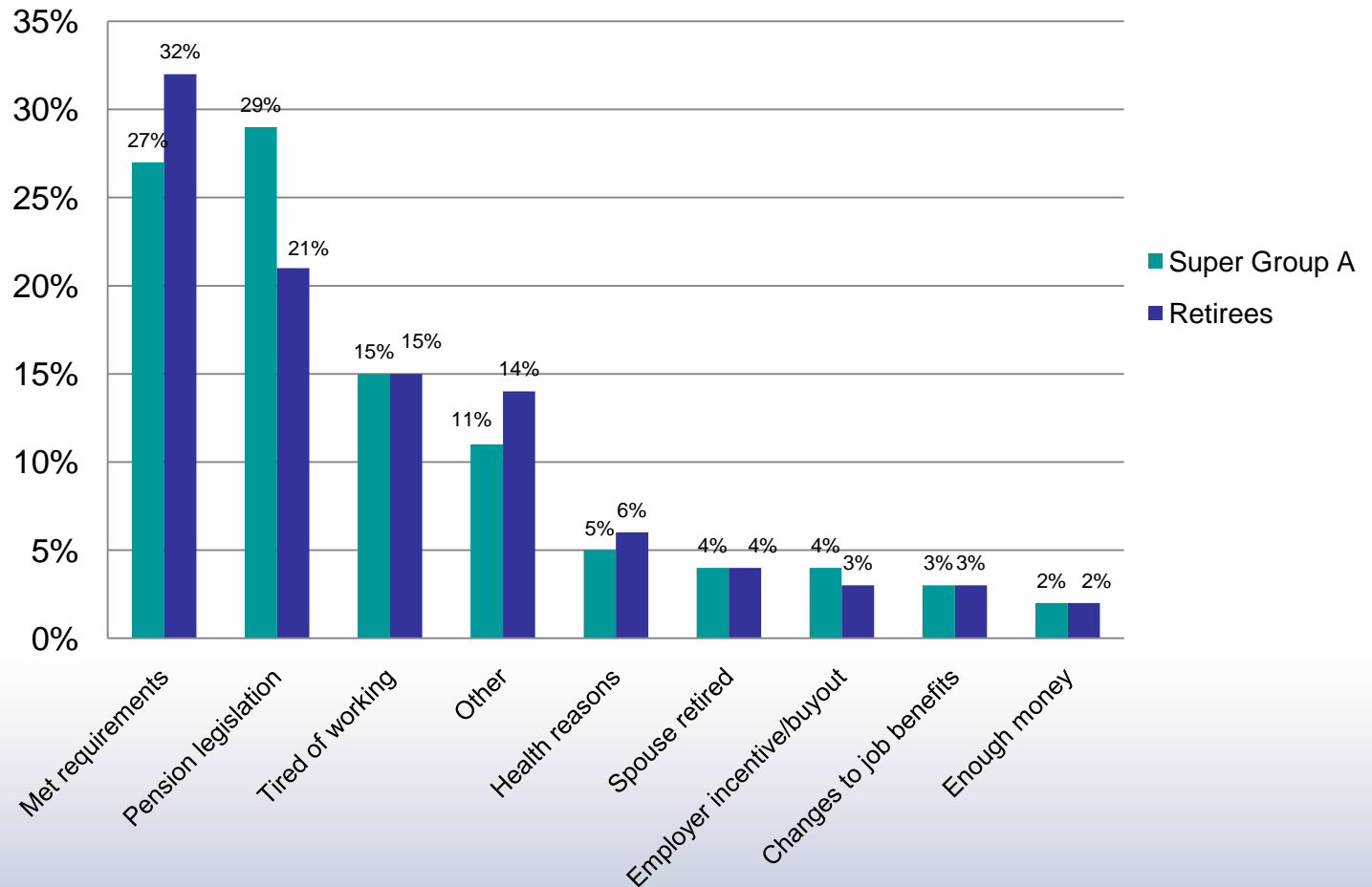
Main Reason for Retiring

- Thirty-two percent (32%) of retirees said the main reason they decided to retire is that they met age and service requirements.



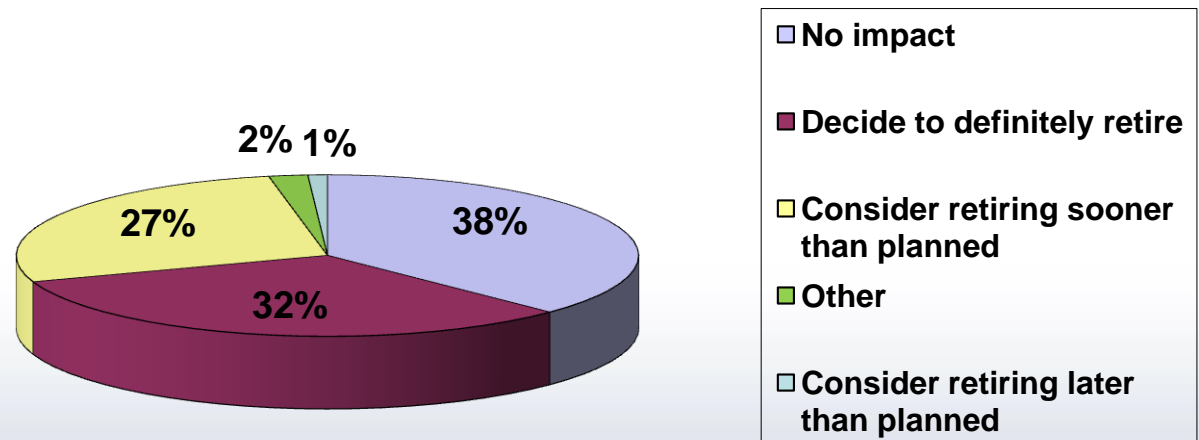
BASE: Total respondents - retirees who retired since December 1, 2010 (842)
Q5: What is the main reason you decided to retire?

Main Reason for Considering/Retiring (Super Group A vs. Retirees)



Effect of Potential Pension Legislation and OPERS Recommended Plan Design Changes on Decision to Retire

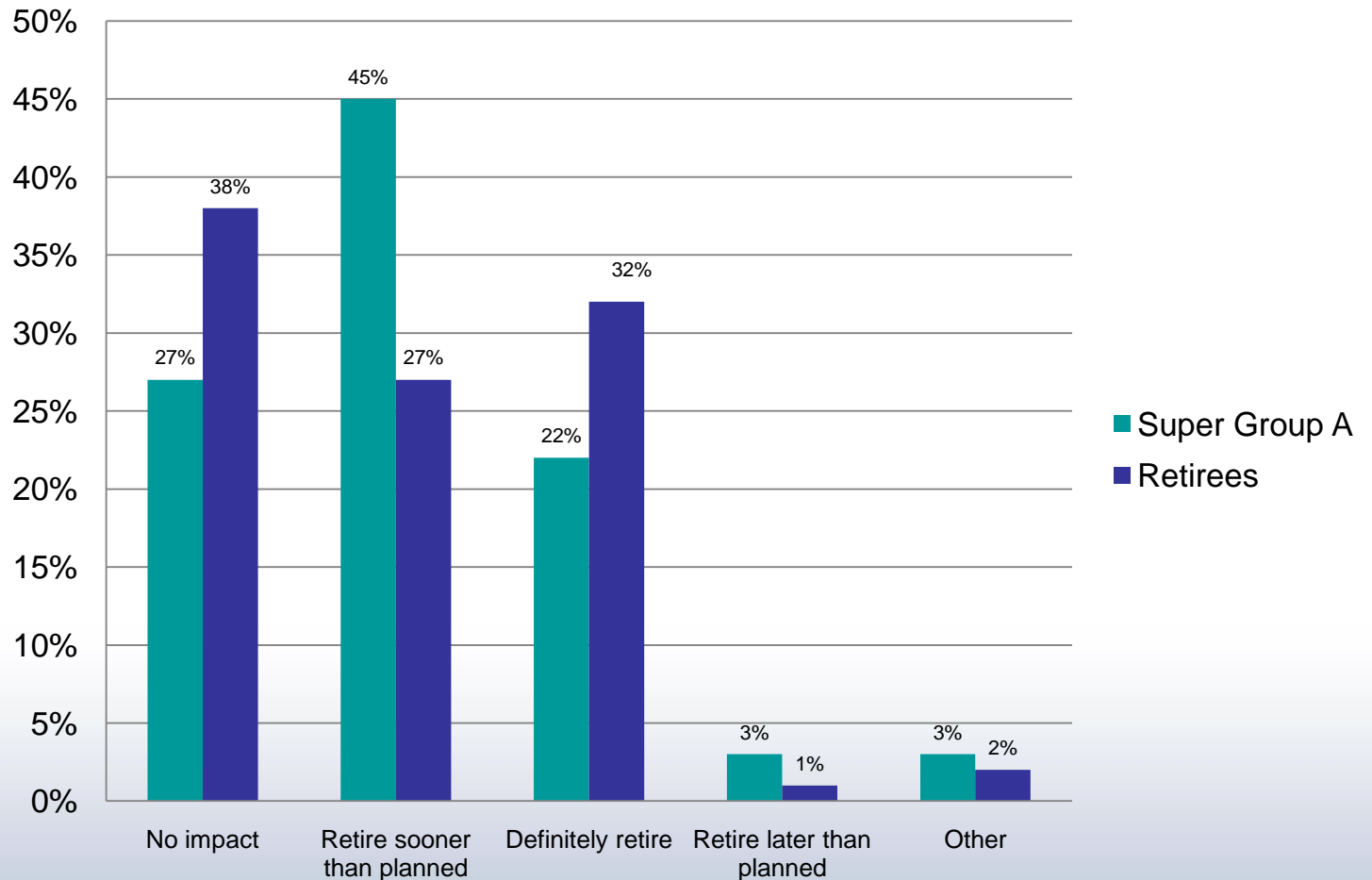
- More than a third of retirees (38%) said the potential pension legislation and OPERS recommended design changes had no impact on their decision to retire.



BASE: Total respondents - retirees who retired since December 1, 2010 (842)

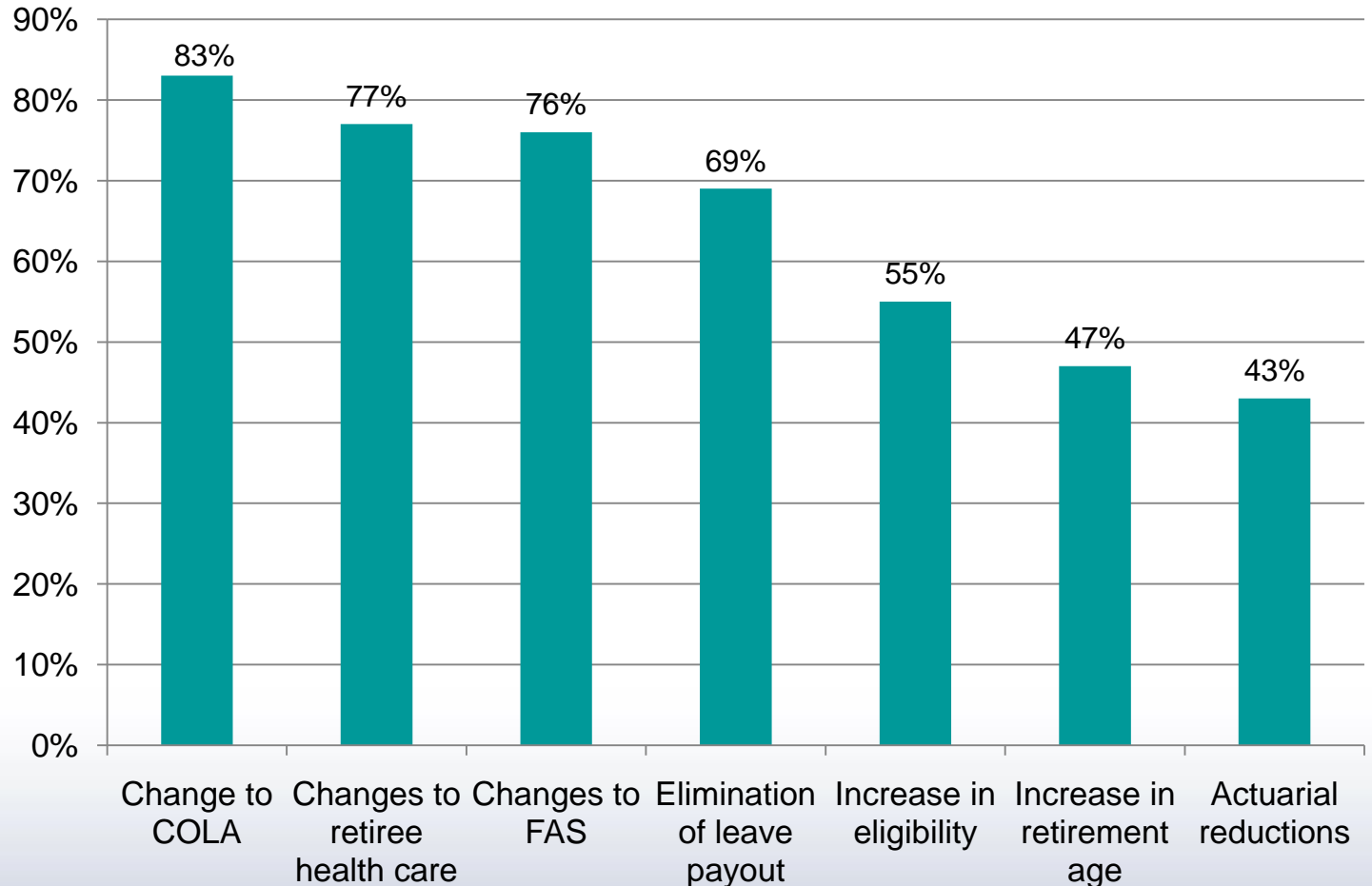
Q6: How did the potential pension legislation and OPERS recommended plan design changes affect your decision to retire?

Effect of Potential Pension Legislation and OPERS Recommended Plan Design Changes on Plans/Decision to Retire (Super Group A vs. Retirees)



Degree of Influence on Decision to Retire

Percentage of retirees who rated “very important” (5 or 6 on a six point scale)

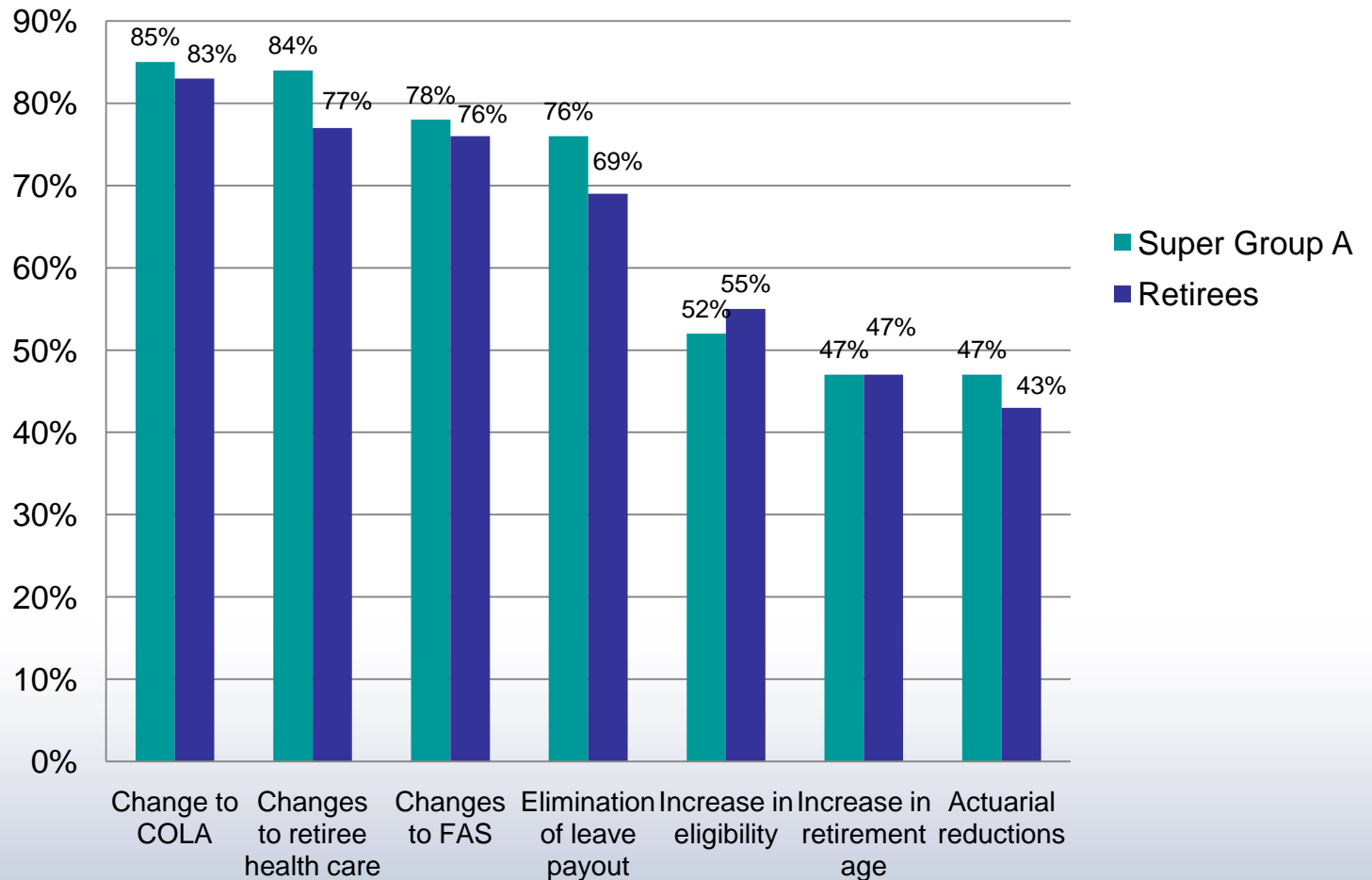


BASE: Total respondents - retirees who said the potential pension legislation and OPERS recommended plan design changes had some impact on their decision to retire (527)

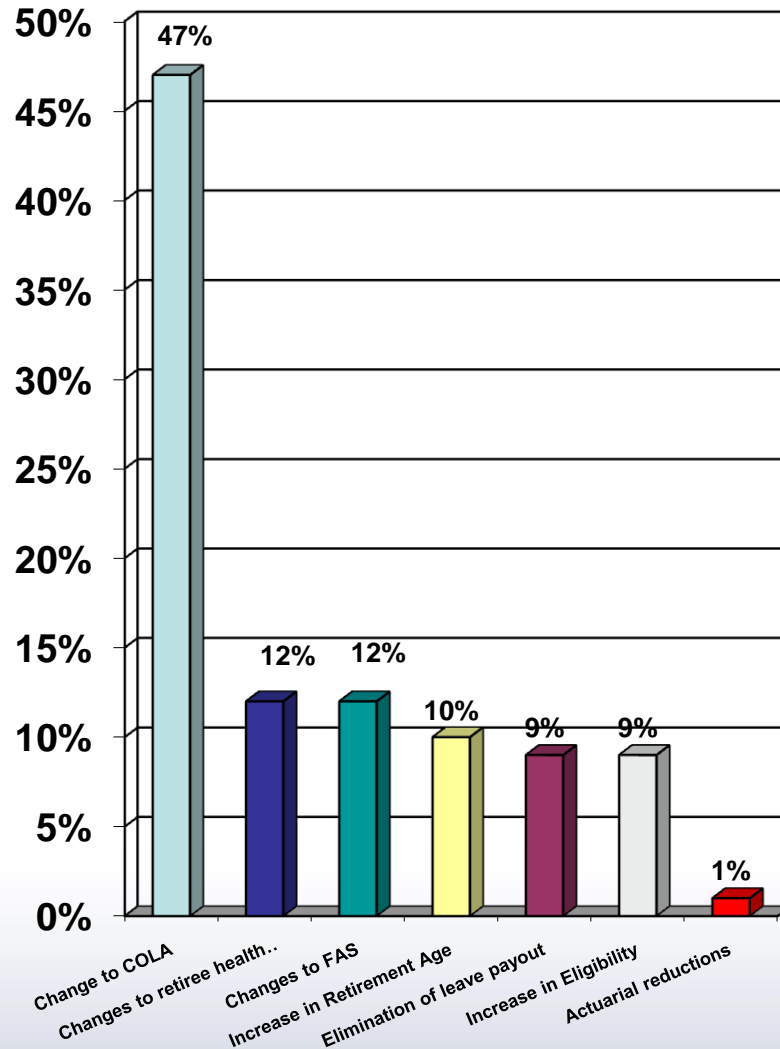
Q9: How important are each of the following factors related to the potential legislation and OPERS recommended plan design changes in influencing your plans to retire?

Degree of Influence on Plans/Decision to Retire (Super Group A vs. Retirees)

Percentage of respondents who rated “very important” (5 or 6 on a six point scale)



Most Impact on Decision to Retire



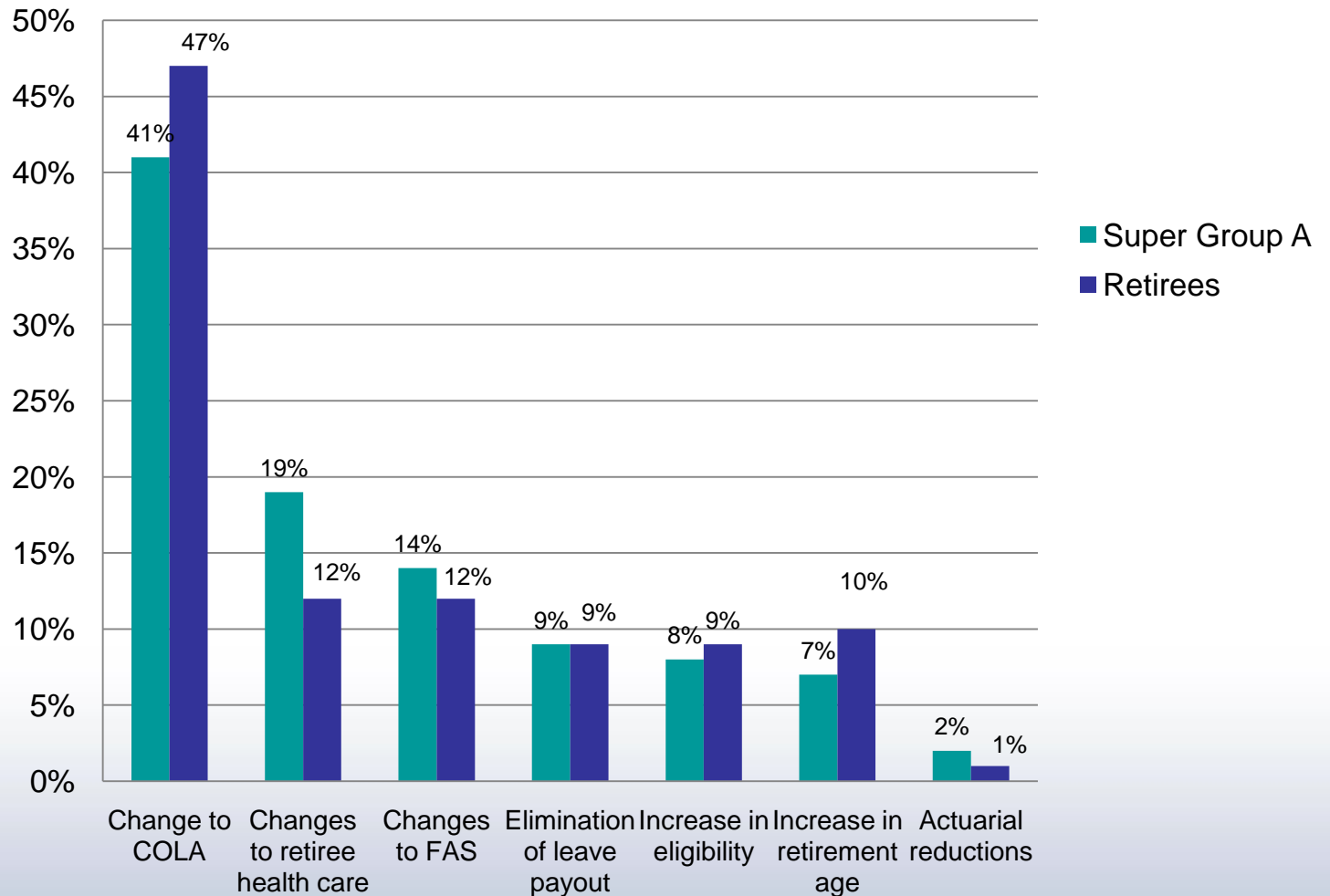
- The majority of retirees (47%) who said the potential pension legislation and OPERS recommended design changes had some impact on their decision to retire chose the change to COLA as the item that had the most impact on their decision to retire.

BASE: Total respondents - retirees who said the potential pension legislation and OPERS recommended plan design changes had some impact on their decision to retire (527)

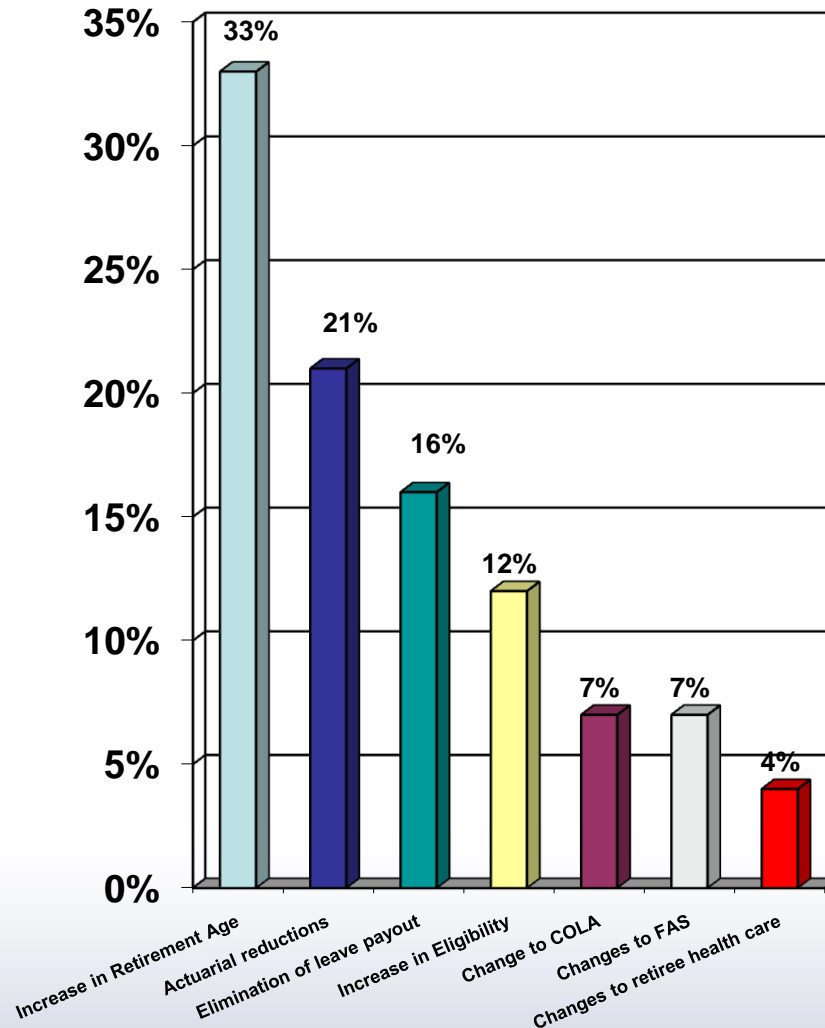
Q8: Which item had the most impact on your decision to retire?

Most Impact on Plans/Decision to Retire (Super Group A vs. Retirees)

Percentage of respondents who chose item as having the most impact on retirement



Least Impact on Decision to Retire



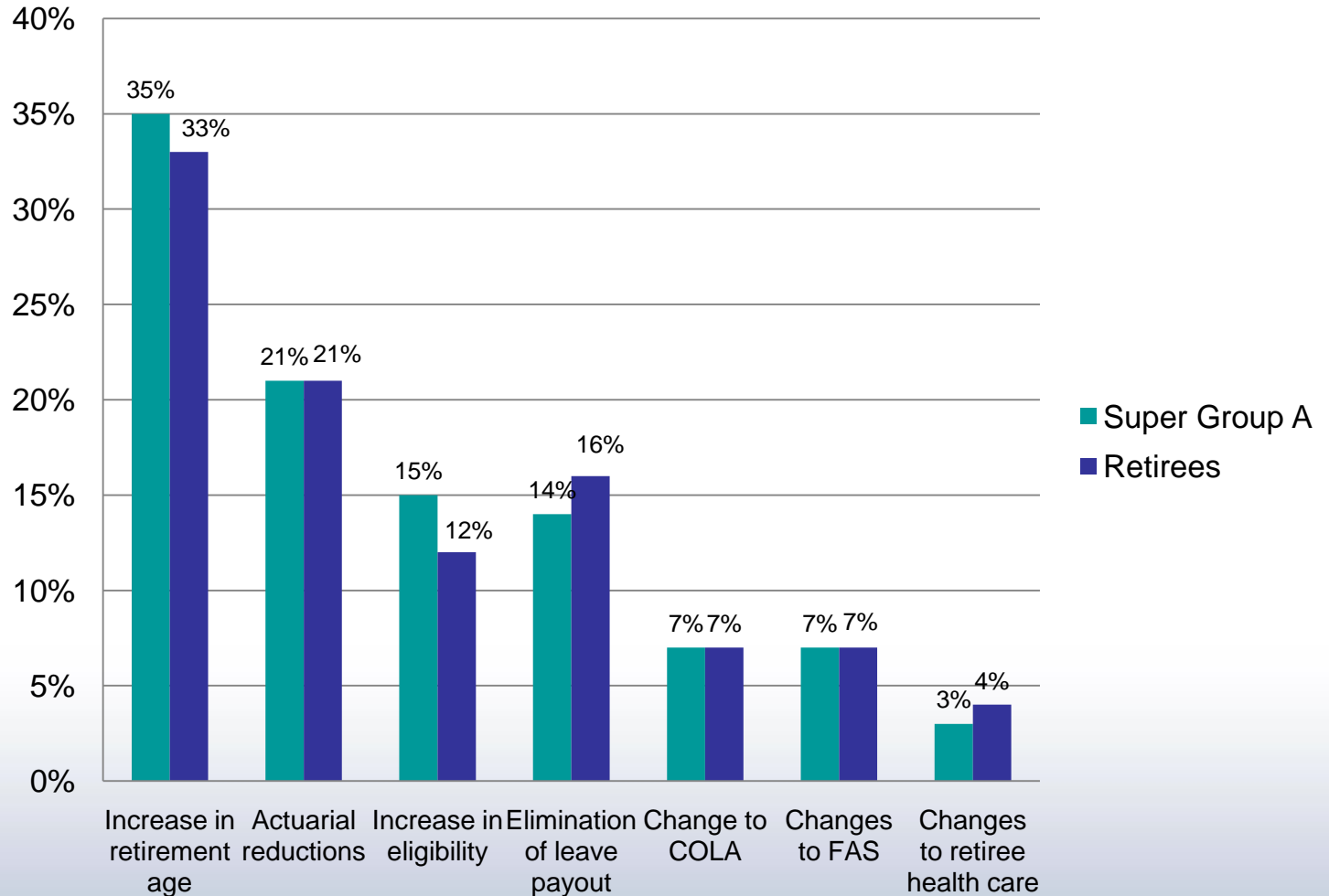
- The majority of retirees (33%) who said the potential pension legislation and OPERS recommended design changes had some impact on their decision to retire chose the increase in retirement age as the item that had the least impact on their decision to retire.

BASE: Total respondents - retirees who said the potential pension legislation and OPERS recommended plan design changes had some impact on their decision to retire (527)

Q8: Which item had the least impact on your decision to retire?

Least Impact on Plans/Decision to Retire (Super Group A vs. Retirees)

Percentage of respondents who chose item as having the least impact on retirement



Conclusions

- **Half of members in Super Group A are considering retiring in the next 12 months. Of those who are considering retirement, about two thirds say it is very likely they will retire in the next year. Thus, approximately one third (33%) of Super Group A is likely to retire in the next 12 months.**
- **Less than a third (29%) of Super Group A members who are considering retiring say the pending pension legislation is the main reason they are considering retiring.**

Conclusions *continued*

- **Of those Super Group A members who are considering retiring in the next year, almost half (45%) say the potential legislation caused them to consider retiring earlier than planned. However, only 22% say the pending legislation caused them to definitely decide to retire and more than a quarter (27%) say the legislation has no impact on their retirement plans.**
- **The legislation and related design changes are clearly a factor in the retirement decision process for OPERS members. However, there are many other issues that members consider when assessing their retirement options.**

Conclusions *continued*

- **Members trust OPERS to provide the information they need to make their retirement decisions. Eighty-four percent (84%) of respondents who are considering retiring in the next 12 months said they use OPERS as a source of information about the potential pension legislation and OPERS recommended plan design changes. While they also monitor other sources, the majority (68%) said that OPERS is their main source of information regarding these issues.**

Recommendations

- **OPERS should be prepared for an increase in member retirements. The pending pension legislation, related political issues and OPERS recommended plan design changes will certainly play a role in intensifying this trend. However, many other factors mentioned in this report as well as the anticipated upsurge in retirements as baby boomers hit retirement age will also have an impact on this development.**
- **OPERS should continue to take the lead in communicating accurate and relevant pension information to its members.**

Questions?