Ohio Police & Fire Pension Fund
140 East Town Street / Columbus, Ohio 43215–5164 / 1-888-864-8363 / www.op–f.org

June 1, 2026

Hon. Adam Bird, Chair
Ohio Retirement Study Council
30 E. Broad St
2nd Floor
Columbus, OH 43215

RE: OP&F's 2025 ORSC Health Care Report

Dear Mr. Bird:

Pursuant to Revised Code section 742.14 (D), the Ohio Police & Fire Pension Fund submits the required report giving a full accounting of the revenues and costs relating to the provision of benefits under section 742.45 of the Revised Code.

Please feel free to contact me if you need additional information or have any questions.

Sincerely,

Mary Beth Foley

Mary Beth Foley, Esq.
Executive Director

Enclosure: 2025 ORSC Health Care Report

Cc: Governor Mike DeWine
Kimberly Murnieks, Director of the Office of Budget and Management
Ohio House Public Insurance and Pensions Committee Chair
Ohio Senate Financial Institutions, Insurance and Technology Committee Chair
Ohio Senate Government Oversight Committee Chair
Bethany Rhodes, Director/General Counsel ORSC

2025 ORSC Health Care Report

(For period January 1, 2025 - December 31, 2025)

Ohio Police & Fire Pension Fund
ORSC Health Care Report as of December 31, 2025

(For Period January 1, 2025-December 31, 2025)
(Submitted to ORSC June 30, 2026)

Year in Review-2025

The Ohio Police & Fire Pension Fund (OP&F) provides eligible benefit recipients with a stipend-based health care program and collaborates with Alight Retiree Health Solutions to administer a Health Reimbursement Arrangement (HRA) that retirees may use to offset the cost of medical plan premiums and other health-related expenses.

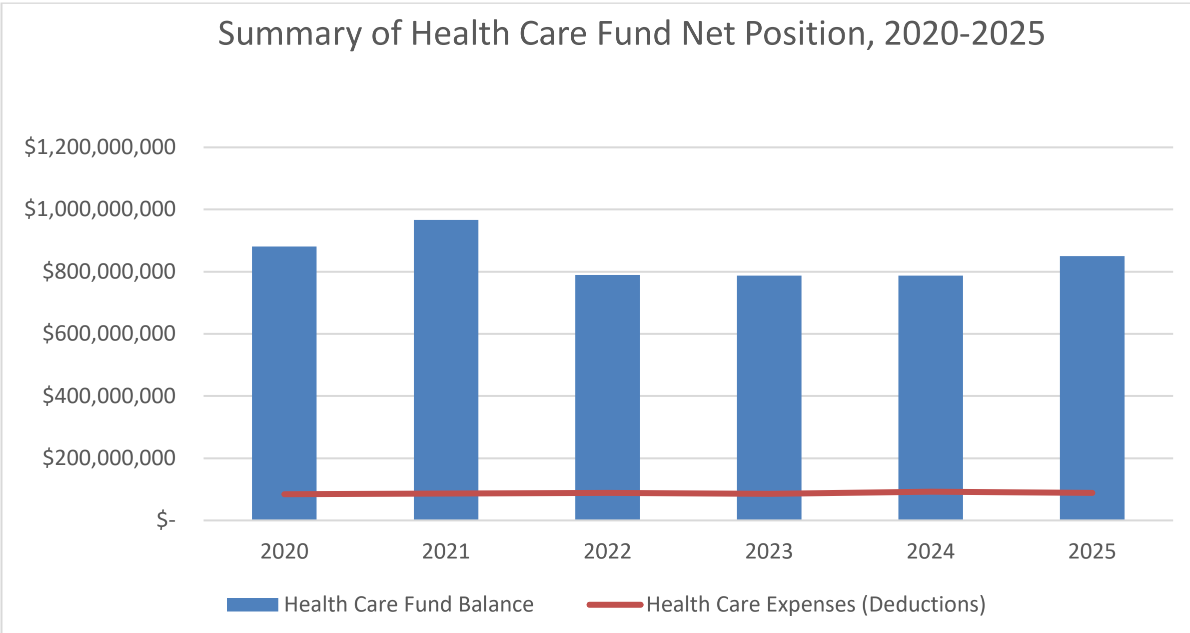
The most recent health care actuarial study conducted as of January 1, 2025, found that the health care stabilization fund's (HCSF) projected solvency period increased from August 2040 to October 2042, due largely to investment returns for the HCSF, which were more than the 7.5% expectation. The solvency period is also impacted by the amount of employer contributions directed to the HCSF, which is 0.5 percent. Implementation of the stipend-based model has allowed the period to generally be above the Board's goal of 15 years. Stipend levels were set in 2019 and have remained in place through 2025.

The HCSF balance was $849,858,997 as of December 31, 2025, an increase of 7.92 percent or $62,376,720 from the previous year, primarily due to the health care stipend and Medicare Part B payments for members being less than the income allocation for employer contributions and investment income. Employer contributions, expressed as a percentage of payroll, 0.5 percent from January 1, 2025, to December 31, 2025, provided additional funding of $16,094,267. Investment income allocated to the health care fund totaled $135,431,015.

Financial Information

Additions	Deductions	Fund Balance	Solvency Period	Employer Allocation
$ 27,168	$ 88,715,908	$ 849,858,997	2042	0.5%

Solvency period based on each system's individual valuation and underlying assumptions.



Health Care Fund Balance (as graphed above)

Year	Health Care Fund Balance	Health Care Expenses (Deductions)
2020	$ 881,584,417	$ 84,249,181
2021	$ 966,702,599	$ 86,947,802
2022	$ 789,641,178	$ 88,563,565
2023	$ 787,407,072	$ 85,706,913
2024	$ 787,482,277	$ 92,380,897
2025	$ 849,858,997	$ 88,715,908

Average Cost Per Participant Paid by OP&F

Pre-Medicare Recipients	Medicare Recipients
$9,863	$2,222

Pre-Medicare Participants - OP&F had an average of 4,058 Pre-Medicare enrolled members, which includes retirees and surviving spouses under the age of 65.

Medicare Participants - OP&F had an average of 13,887 Medicare enrolled members, which includes retirees and surviving spouses over the age of 65, and those eligible for early Medicare.

Population of Recipients

Age and Service	Disability	All Others (Survivors, Beneficiaries, etc.)	Total Recipients	Percent Medicare
11,978	2,997	2,970	17,945	77%

OP&F Health Care Program

Pre-Medicare participants can choose an individual or family major medical health care plan through Alight, healthcare.gov, COBRA or any independent broker that best fits their family's needs. If a participant opts for a plan outside of Alight it must be a major medical plan that includes the ten essential benefits. These plans offer greater flexibility by offering levels of coverage that allow for lower premiums and higher out-of-pocket costs or higher premiums with lower out-of-pocket costs. OP&F retirees who enroll through Alight are also provided with year-round services to help participants enroll, manage claims and adjust coverage as their needs change through one-on-one phone and on-line support.

Medicare participants must enroll in either a medical or prescription drug plan through Alight to be eligible to receive a stipend and may choose from more than one hundred national and regional insurance carriers, which includes many Medicare advantage, Medicare supplement and prescription drug plans. Participants may retain their existing plan each year (if offered) or select a new plan through Alight during the open enrollment period. Alight provides these participants with support and offers greater choice and affordability to make personalized buying decisions based on their current medical and prescription needs. Alight provides year-round services to help OP&F participants maneuver the Medicare Marketplace and helps them manage claims and review the numerous plan options that are available through one-on-one phone and on-line support.

Supplemental Drug List (by request)

No requests for 2025.

Health Care Future

OP&F will continue its partnership with Alight Retiree Health Solutions to provide post-retirement health benefits to eligible retirees. Through this partnership, OP&F and Alight work together to help retirees shop for health coverage, pay premiums, and manage Health Reimbursement Arrangements (HRAs). Members will also benefit from new technologies, including a mobile application that provides quicker and more convenient access to important information.

The HRA structure and stipend amounts will remain unchanged in 2026. The OP&F Board will continue collaborating with its actuary and key staff members, and future studies will be conducted to assess potential impacts on health care stabilization funding and solvency periods, as well as any possible effects on OP&F's pension funding status.

In addition, OP&F remains committed to continuously evaluating ways to enhance the retiree health care plan while carefully monitoring the impact on the health care stabilization fund and stipend program eligibility. Current projections indicate that the health care fund's solvency reserves are expected to last through October 2042.

OP&F will continue offering this elective benefit while working closely with members and key stakeholders to preserve the fund and maintain the trust for current and future generations of public safety officers.

Supplementary Statutory Requirements

The following is provided in accordance with the requirements of Revised Code section 145.22(E), 742.14(D), 3307.51(E), 3309.21(E), or 5505.12(E)

1. A description of the statutory authority for the benefits provided:

§ 742.45. Deduction from benefit payment for group health insurance

(A) The Board of Trustees of the Ohio police and fire pension fund may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or surgical benefits, or any combination thereof, for those individuals receiving service or disability pensions or survivor benefits subscribing to the plan. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible individual's spouse and dependent children and for any of the eligible individual's sponsored dependents as the Board considers appropriate.

If all or any portion of the policy or contract premium is to be paid by any individual receiving a service, disability, or survivor pension or benefit, the individual shall, by written authorization, instruct the Board to deduct from the individual's benefit the premium agreed to be paid by the individual to the company, corporation, or agency.

The Board may contract for coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds of the Ohio police and fire pension fund. The cost paid from the funds of the Ohio police and fire pension fund shall be included in the employer's contribution rates provided by sections 742.33 and 742.34 of the Revised Code.

The Board may provide for self-insurance of risk or level of risk as set forth in the contract with the companies, corporations, or agencies, and may provide through the self-insurance method specific benefits as authorized by the rules of the Board.

(B) Except as otherwise provided in this division, the Board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service, disability, or survivor benefits under the Ohio police and fire pension fund who is eligible for coverage under part B of the Medicare program established under Title XVIII of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount specified by the Board or determined pursuant to a formula established by the Board that is not less than ninety-six dollars and forty cents, for such coverage, except that the Board shall not pay an amount that exceeds the amount paid by the recipient for the coverage.

The Board shall pay not more than one monthly premium under this division to an eligible benefit recipient even if the recipient is receiving more than one monthly benefit from the fund. The Board shall not pay a monthly premium under this division to an eligible benefit recipient who is receiving reimbursement for the premium from any other source.

(C) The Board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section with any similar coverage, payment, or benefit made available to the same individual by the public employees' retirement system, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

(D) The Board shall make all other necessary rules pursuant to the purpose and intent of this section.

2. A summary of coverage for 2025:

2019-2025 OP&F Retiree Health Care Plan Monthly Stipend levels

	Medicare Status Retiree	Spouse	Monthly Medical/RX Stipend	Monthly Medicare Part B Reimbursement	Total OP&F Monthly Support for Health Care
Retiree only:	Medicare	N/A	$143	$107	$250
	Non-Medicare	N/A	$685	$0	$685
Retiree + Spouse:	Medicare	Medicare	$239	$107	$346
	Medicare	Non-Medicare	$525	$107	$632
	Non-Medicare	Medicare	$788	$0	$788
	Non-Medicare	Non-Medicare	$1,074	$0	$1,074
Retiree + Dependent(s):	Medicare	Non-Medicare	$203	$107	$310
	Non-Medicare	Non-Medicare	$865	$0	$865
Retiree + Spouse + Dependent(s):	Medicare	Either Medicare or Non-Medicare	$525	$107	$632
	Non-Medicare	Either Medicare or Non-Medicare	$1,074	$0	$1,074
Surviving Spouse:	Medicare	N/A	$143	$107	$250
	Non-Medicare	N/A	$685	$0	$685

**The OP&F Medicare Part B reimbursement is an ongoing benefit that has been in place for many years, but should be included in the support provided for health care coverage. The Med B reimbursement is added to a member's monthly pension benefit.*

3. A summary of the eligibility requirements for the benefits:

Retirees and survivors who receive a statutory survivor benefit may qualify to participate in the OP&F health care stipend program if they are eligible according to the terms of the health care guidelines.

Benefit recipient eligibility guidelines
Generally, a benefit recipient is defined as an OP&F retiree who is receiving a service retirement or disability benefit, a surviving spouse, or dependent parent who is receiving statutory survivor benefits from OP&F.

Retiree
An OP&F member who is receiving a service retirement or disability benefit from OP&F is eligible to participate in the health care stipend program unless they have access to another group health care plan. The retiree must become enrolled in a new plan within 60 days of involuntarily losing access to the employer's plan or group health care. Otherwise, a Qualifying Life Event, or QLE, must occur to establish eligibility.

Surviving spouse
Upon the effective date of the statutory survivor benefit, a surviving spouse is eligible to participate in the OP&F health care stipend program except when the following apply:

- The surviving spouse is participating in or waived health care coverage through another Ohio retirement system.
- The surviving spouse has access to another group health care plan.
- OP&F does not receive the survivor's Health Care Stipend Eligibility form within 60-days.
- The survivor does not become enrolled in a plan within 60-days of the QLE.

Once the required information is received for an eligible surviving spouse, he or she will continue to participate in OP&F's health care stipend program and will receive the balance of the retiree's HRA in the year of the retiree's death. The following year, a surviving spouse will have an individual HRA. If the surviving spouse remarries, the new spouse and any child born to the surviving spouse after the OP&F member's death are not eligible for coverage. The surviving spouse will not receive an increased stipend for a dependent even if the OP&F member was the child's parent.

Dependent Eligibility Guidelines

Spouse

A retired member may be eligible to receive additional stipend support for a spouse who is not eligible to enroll in an employer sponsored health plan and is not eligible for any type of health care coverage through another Ohio retirement system.

Child

A retired member may be eligible to receive additional stipend support for a child if the child meets the following criteria:

- A child must be the retiree's natural child or have been legally adopted by the retiree.
- A child who is up to 26 years of age or younger.
- A child is not eligible to enroll in an employer-sponsored health plan.

Surviving child/orphan

A child who is receiving a statutory survivor benefit from OP&F is not eligible for the OP&F stipend health care program.

Dependent parent

A dependent parent as described in the Ohio Revised Code Section 742, may be eligible for the OP&F health care stipend program.

4. A statement of the number of participants eligible for the benefits:

As of December 31, 2025, OP&F had 30,959 benefit recipients (including retirees and survivors) who were eligible for the health care stipend program. Of those, approximately 58 percent participated.

5. A description of the accounting, asset valuation, and funding method used to provide the benefits:

1. Summary of Significant Accounting Policies

The following are the significant accounting policies followed by OP&F.

Basis of Accounting:

OP&F's financial statements have been prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred.

Investments:

Investment purchases and sales are recorded on a trade date basis. Dividend income is recognized on the dividend date, while interest and rental income is recognized when earned. Investments are reported at fair value. Securities traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal payments discounted at prevailing interest rates for similar instruments. The fair value of real estate and timber are based on independent appraisals and internal valuations. Investments that do not have an established market are reported at estimated fair value. Private equity limited partnership interest is based on values established by each partnership's valuation committees.

Net appreciation is determined by calculating the change in the fair value of investments between the end of the year and the beginning of the year, less the cost of investments purchased, plus sales of investments at fair value. Investment expense consists of administrative expenses directly related to OP&F's investment operations and a proportional amount of all other administrative expenses allocated based on the ratio of OP&F's investment staff to total OP&F staff. OP&F has no individual investment that exceeds five percent of net assets available for benefits.

Federal Income Tax Status:

OP&F is determined to be a trust under section 401(a) of the Internal Revenue Code that is exempt from federal income taxes under section 501(a) of the Internal Revenue Code. OP&F's DROP plan is also determined to be part of the 401(a) trust.

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The range of estimated useful lives is as follows:

Buildings and improvements	40 years
Furniture and equipment	3 to 10 years
Computer software and hardware	2 to 10 years

Contributions and Benefits:

Employer and Member contributions are recognized when due or in the period the related member salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

2. Asset Valuation Method

The difference between actual market value and expected market value is recognized over five years (20 percent per year). The actuarial value is the market value adjusted by the total unrecognized gains or losses incurred during the five-year period.

3. Funding Method

Health care benefits are funded on a pay-as-you-go basis. This fund is credited with a portion of employer contributions equal to 0.5 percent of active member payroll from January 1, 2025 to December 31, 2025, and a portion of investment income. The HCSF is charged with all health care expenses and administrative costs. As of December 31, 2025, the balance in the HCSF was $849,858,997.

6. A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year:

Assets:	
Cash and Short-term Investments	$ 91,853,154
Receivables:	
Employers' Contributions	1,356,959
Accrued Investment Income	2,440,816
Investment Sales Proceeds	765,454
TOTAL RECEIVABLES	**4,563,229**
Investments, at fair value:	
Bonds-Domestic	155,816,251
Bonds-International	2,206
Mortgage and Asset-Backed Securities	36,929,966
Stocks-Domestic	208,715,040
Stocks-International	124,235,772
Real Estate	77,695,168
Private Debt	25,107,748
Private Equity	59,208,503
Real Assets	56,152,087
Master Limited Partnerships	12,986,688
Derivatives-Domestic	(29,271)
Derivatives-International	(3,448)
TOTAL INVESTMENTS	**756,816,710**
Collateral on Loaned Securities	43,916,287
TOTAL ASSETS	**897,149,380**
Liabilities:	
Investment Commitments Payable	3,374,096
Obligations Under Securities Lending	43,916,287
TOTAL LIABILITIES	**47,290,383**
NET ASSETS HELD IN TRUST FOR POST-EMPLOYMENT HEALTH CARE BENEFITS	**$ 849,858,997**

7. A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year:

Additions:	
From Contributions:	
Employers'	16,094,267
TOTAL CONTRIBUTIONS	**16,094,267**
From Investment Income:	
Net Appreciation (Depreciation)	
Value of Investments	111,706,503
Bond Interest	7,486,496
Dividends	4,151,383
Alternative Investment Income	9,954,585
Master Limited Partnerships Income	1,078,108
Other Investment Income (Loss)	3,366,450
Less Investment Expenses	(2,466,456)
NET INVESTMENT INCOME	**135,277,069**
From Securities Lending Activities:	
Securities Lending Income	1,542,449
Securities Lending Expense	(1,388,503)
NET INCOME FROM SECURITIES LENDING	**153,946**
Other Income	27,168
TOTAL ADDITIONS	**151,552,450**
Deductions:	
Health Care Benefits	88,715,908
Administrative Expenses	459,822
TOTAL DEDUCTIONS	**89,175,730**
NET INCREASE (DECREASE)	**62,376,720**
FIDUCIARY NET POSITION - BEG OF YEAR	787,482,277
FIDUCIARY NET POSITION - END OF YEAR	**$ 849,858,997**

8. For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits:

	December 2025	December 2024	December 2023	December 2022	December 2021	December 2020
BEGINNING BALANCE	**$ 787,482,277**	**$ 787,407,072**	**$ 789,641,178**	**$ 966,702,599**	**$ 881,584,417**	**$ 878,688,997**
COSTS						
Utilization Costs	(62,856)	(58,221)	(53,069)	(48,076)	45,279	298,306
Administrative Fees	-	-	-	-	-	-
Health Care Stipend	(67,447,150)	(71,171,986)	(64,673,284)	(67,734,270)	(66,416,654)	(64,518,906)
Medicare Part B	(21,205,902)	(21,150,690)	(20,980,560)	(20,781,219)	(20,576,427)	(20,028,581)
HEALTH CARE COSTS	**(88,715,908)**	**(92,380,897)**	**(85,706,913)**	**(88,563,565)**	**(86,947,802)**	**(84,249,181)**
Member Contributions	-	-	-	-	-	-
Recoveries and Rebates	27,168	70,957	61,393	186,311	262,495	563.964
HEALTH CARE CONTRIBUTIONS	**27,168**	**70,957**	**61,393**	**186,311**	**262,495**	**563,964**
NET HEALTH CARE	**$(88,688,740)**	**$(92,309,940)**	**$(85,645,520)**	**$(88,377,254)**	**$(86,685,307)**	**$(83,685,217)**
ALLOCATION						
Employer Contribution Allocation	16,094,267	15,316,094	14,118,199	13,381,154	12,758,046	12,166,558
Investment Return Allocation	135,431,015	77,491,592	69,709,924	(101,829,817)	159,291,105	74,728,819
Administrative Expense Allocation	(459,822)	(422,541)	(416,709)	(235,504)	(245,662)	(314,740)
NET ALLOCATION	**$151,065,460**	**92,385,145**	**$83,411,414**	**$(88,684,167)**	**$171,803,489**	**$86,580,637**
ENDING BALANCE	**$849,858,997**	**$787,482,277**	**$787,407,072**	**$789,641,178**	**$966,702,599**	**$881,584,417**

9. A description of any significant changes that affect the comparability of the report required under this division:

This report is required to be submitted for reporting year 2025, and there are no significant changes in comparison to the requirements.

10. As applicable, a statement of the amount paid under division (C) of section 145.58 of the Revised Code, division (B) of section 742.45 of the Revised Code, division (B) of section 3307.39 of the Revised Code, division (E) of section 3309.69 of the Revised Code, division (B) of section 5505.28 of the Revised Code:

In 2025, OP&F paid more than $21.2 million in Medicare B reimbursements; approximately 16,650 participants received $107 per month, included in the recipient's benefit payment.