



# Purchasing Service Credit

For members enrolled in the  
Defined Benefit Plan



2023|2024

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STRS Ohio members may purchase service credit for certain types of past employment and leaves of absence. Purchasing service credit may increase the amount of your retirement income and/or enable you to retire sooner. Information in this brochure applies to STRS Ohio members who are enrolled in the Defined Benefit Plan.

Because records are sometimes difficult to obtain, it is advisable to certify the service credit as soon as possible. Certifying credit does not obligate you to buy the credit, but it does verify the credit amount and current cost. Once credit is certified, cost statements from STRS Ohio can be updated at any time for most types of purchasable credit.

You may receive a maximum of one year of service credit for each STRS Ohio fiscal year. Service concurrent with your Ohio public service or other purchasable service would not be eligible for purchase.

### Who is eligible to purchase service credit?

Members who are participating in the Defined Benefit Plan may purchase any type of credit listed in this brochure, provided eligibility and procedural requirements are met.

Members who are participating in the Defined Contribution Plan are not eligible to purchase service credit. However, they may make contributions on salary not earned if their teaching career is interrupted by military service, provided they meet the eligibility requirements.

Members who are participating in the Combined Plan may make contributions on salary not earned if their teaching career is interrupted by military service or leaves of absence, provided they meet the eligibility requirements.

Survivors of members cannot purchase service credit or make contributions on salary not earned.

For more information about making these types of contributions under the Defined Contribution or Combined Plan, please contact STRS Ohio toll-free at 888-227-7877.

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This brochure is a summary written in plain language for use by STRS Ohio members. It is not intended as a substitute for the Ohio Revised Code or the Ohio Administrative Code or for any state or federal law or regulation, nor will its interpretation prevail should a conflict arise between it and any law or regulation. More information may be obtained by contacting STRS Ohio toll-free at 888-227-7877.

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## How to certify purchasable credit

Follow these steps to ensure proper certification of your service.

1. **Review this brochure carefully.** The table of contents contains a list of the types of purchasable service and Pages 1–8 provide details about buying credit. The remainder of the brochure contains eligibility requirements and other information about purchasing each type of credit.
2. **Obtain the appropriate certification form.** Complete the form electronically or print a form at [www.strsoh.org](http://www.strsoh.org). Select “Forms” under During Your Career and click on “Certify Purchasable Service Credit.”
3. **Review the *Purchasing Service Credit Fact Sheet*** that will accompany the certification form.
4. **Have the certification form completed by an official record keeper where the service was performed.** Because records are sometimes difficult to obtain, it is advisable to certify service credit as soon as possible.
5. **Submit the completed certification form to STRS Ohio.** If service is purchasable, a cost statement will be mailed to you. This does not obligate you to buy credit, but does verify the credit amount and current cost.
6. **Before purchasing credit, a counseling session with an STRS Ohio benefits counselor is strongly recommended.** View the total amount of service credit eligible for purchase in the Member Information area of your Online Personal Account at [www.strsoh.org](http://www.strsoh.org).

## Methods of purchasing credit

The following methods may be used to purchase service:

### **Lump-sum payment**

- Cost statements are prepared for the total amount and by cost per year of service credit if applicable.
- The minimum payment is \$200 or the cost to purchase .01 of a year of service credit, whichever is higher. (This does not apply to the types of purchasable service listed on Page 9.)
- Cost statements are valid only for the period indicated.
- Purchasable service calculated at 100% liability cost will be refunded if the full cost to purchase one year of credit or total eligible credit, whichever is less, is not paid by the earlier of the end of the month following the 90th day of first payment or June 30. (See Page 9.)

Members may purchase service credit in a lump-sum payment by rolling over tax-deferred funds from an IRA (individual retirement account) or other qualified plan.

If your employer is purchasing the credit for you, the employer must send its check to STRS Ohio with a letter certifying how the money is to be treated for tax purposes.

Contact STRS Ohio directly for specific rollover forms and procedures.

### **Payroll deduction**

STRS Ohio offers employers two payroll deduction options. Your employer may elect to use one or both methods. Payment may be submitted with after-tax or pretax money. Leave of absence credit, school board credit, credit for interrupted teaching due to military service and restored service with Cincinnati Retirement System cannot be purchased through payroll deduction.

Contact STRS Ohio to initiate payroll deduction. The cost statement must be completed and given to your treasurer or payroll officer. In addition:

- You must be employed in a position that allows for regular year-round monthly deductions.
- You must specify a monthly dollar amount or designate a specific period of time.
- For purchasable service calculated at 100% liability cost, payroll deduction can only be established for one year of credit at a time and a member can purchase the credit over a maximum of three years. Additional lump-sum payments may not be submitted during the payroll deduction plan on credit calculated at 100% liability. (See Page 9.)
- Payroll deductions are terminated in the month before your retirement date. You will have up to three months after retirement to purchase any remaining service through a lump-sum payment paid directly to STRS Ohio.
- Payroll deduction, whether pretax or after-tax, can be used to purchase service credit represented on only one cost statement at a time.
- Interest rates are subject to change. In the event of an interest rate change, the amount of your monthly payroll deduction or the time period of your payroll deduction may be affected.

#### **Limitations of pretax payroll deduction plan**

The pretax payroll deduction plan is irrevocable. Once started, the plan cannot be canceled or converted to an after-tax plan. The monthly payment amount cannot be stopped or changed even in the case of unforeseen circumstances or financial hardship. Extra payments may not be submitted on the pretax plan. The plan must continue until the member terminates employment or the credit is fully purchased.

#### ***Partial Lump-Sum Option Plan (PLOP) payment***

At retirement, members have the option of electing a PLOP payment which would result in a permanent reduction of the monthly benefit amount. PLOP payments cannot be paid earlier than 91 days after your retirement date or the date all necessary information is received and your retirement benefit is finalized, whichever is later.

A member can use a PLOP payment to replenish funds that were used to purchase service credit. The monthly reduction for the PLOP payment may be less than the increase resulting from the purchase. Because credit must be purchased before the PLOP payment is issued, you must use funds from some other source to purchase credit and use the PLOP payment to replenish those funds. There are two ways you can use the PLOP payment to replenish funds used to purchase credit:

1. You can roll money from an IRA, qualified plan, or eligible employer plan to purchase credit and take a PLOP payment to cover the amount needed to replenish the account.
2. You can take a PLOP payment to pay yourself back directly for any service credit purchased. You will need to request a PLOP payment amount that also covers the taxes that will be withheld on payments paid directly to you.

For additional information, see the *Service Retirement and Plans of Payment* brochure for members enrolled in the Defined Benefit Plan.

## Important considerations before buying service credit

When evaluating the purchase of STRS Ohio credit, it is important to understand how various benefits will be affected.

Certified service credit may be purchased up to three months following your retirement date. There are many factors for you to consider when determining the best time to purchase service. The cost to purchase service may change as you get closer to being eligible to retire, and factors and interest rates could change as well. However, you should also consider other potential circumstances, such as:

- The death of the member before qualifying for retirement. (Survivor benefits may be determined without regard to service credit.)
- Acceptance of disability benefits.
- A short Ohio public career.
- Purchasing the types of credit listed on Page 9 to reach retirement eligibility and then working longer than expected.
- Better investment options. In some situations, the money may be invested in long-term savings where it may net a higher return (after taxes) than the interest STRS Ohio is charging to buy the credit.
- A possible negative impact on Social Security. Many STRS Ohio retirees have potential benefits as the spouse of a Social Security wage earner or because of their own employment under Social Security.

Social Security may reduce or eliminate its benefits because of your eligibility for STRS Ohio benefits. We cannot calculate your Social Security benefit or predict future legislative changes regarding Social Security. For more information, contact Social Security directly toll-free at 800-772-1213.

The table on Page 7 shows the impact various types of credit can have on your STRS Ohio benefits.

Service Credit Comparison Table		
Type of Credit	Qualifying Service Credit <sup>1</sup>	Determines Rate of Interest or Eligibility for Matching Funds When Account Is Withdrawn
Absence due to pregnancy or adoption (3307.771 <sup>2</sup> )		
Earned OPERS or SERS (145.47 and 3309.47 <sup>2</sup> )	✓	
Earned STRS Ohio (3307.53 <sup>2</sup> )	✓	✓
Interrupted teaching due to military service (3307.752 <sup>2</sup> )	✓	
Leave of absence <sup>3</sup> (3307.77 <sup>2</sup> )		✓
Military (3307.75 and 3307.751 <sup>2</sup> )		
Ohio noncontributing public teaching service <sup>3</sup> (3307.72 <sup>2</sup> )		✓
Other Ohio public service (3307.76 <sup>2</sup> )		
Police, Fire and State Highway Patrol (3307.761 <sup>2</sup> )	✓	
Restoration of STRS Ohio service credit <sup>4</sup> (3307.71 <sup>2</sup> )	✓	✓
Restoration or transfer of earned service credit between STRS Ohio and other Ohio retirement systems <sup>4</sup> (3307.761 and 3307.763 <sup>2</sup> )	✓	
School board (3307.78 <sup>2</sup> )		
Teaching and public service (3307.74 <sup>2</sup> )		
Waived service (3307.73 <sup>2</sup> )		

<sup>1</sup>To be eligible for service retirement you must have 5.00 years of qualifying service credit, which includes: earned credit with STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS); restored withdrawn credit with STRS Ohio, OPERS or SERS; interrupted Ohio public service due to military service; and earned and restored credit that transfers from Ohio Police & Fire Pension Fund, Highway Patrol Retirement System or Cincinnati Retirement System.

<sup>2</sup>Represents applicable section of Ohio Revised Code (R.C.).

<sup>3</sup>While purchasing this credit determines eligibility for interest and matching funds when the account is withdrawn, the funds used to purchase this credit are not eligible for matching.

<sup>4</sup>While purchasing this credit determines eligibility for interest and matching funds when the account is withdrawn, matching is only paid on the restoration of withdrawn credit to the extent the amount paid to restore credit also includes matching funds.

### ***Buying credit while receiving a disability benefit***

You can buy purchasable service while receiving a disability benefit. Purchasing credit will not increase your disability benefit, but it may be used to calculate survivor benefits for your spouse or qualified beneficiary. It may also enhance any future service retirement benefits.

### ***Deadline for purchasing credit***

**All purchasable service credit must be paid in full within three months following your retirement effective date or before your benefit becomes final, whichever is earlier. Purchasing service credit within three months after retirement will delay the finalization of your retirement benefit and it may delay partial payments. You may purchase service credit up to three months after your retirement but before the final benefit determination only if:**

- Certification forms have been received in the STRS Ohio office before your retirement date, and
- A cost statement for the purchase is issued before your retirement date.

If eligible credit is not purchased within three months following your retirement date:

- The retirement date will be changed to the first day of the month following the purchase, or
- Your service retirement will be canceled if you are not eligible to retire without the purchase.

## **Types of purchasable service**

### **Purchasable service calculated at 100% liability cost**

Members who purchase the following types of service credit pay 100% of the liability that is created by the purchase of the additional credit.

- Out-of-state teaching and public service
- Private teaching service
- Federal civilian service
- Waived service
- Prior military service
- Other Ohio public service for which contributions were not made
- Leaves or resignations due to pregnancy or adoption before July 1982
- School board service

### ***Cost information***

A purchase of service credit can impact a member's benefit in one of the following three ways:

- **Increase the retirement benefit** — A member who is already eligible for an unreduced retirement benefit without the purchase of credit may purchase credit to increase the amount of that benefit. For example, a member purchases one year of service credit to receive an additional 2.2% of the final average salary every year for the member's lifetime.
- **Eliminate or lower the early retirement reduction** — Members may retire early with an actuarially reduced benefit based on years of service credit and age at retirement. Purchasing additional credit could help the member reach eligibility for unreduced benefits or lessen the actuarial reduction the member will incur due to an early retirement.

- **Create retirement eligibility** — A member who is not yet eligible for a retirement benefit may purchase credit to reach eligibility. For example, a member who is one year away from reaching 34 years of service and retirement eligibility buys 1.00 year of credit during the 33rd year of service to become eligible for retirement a year sooner. This type of purchase results in the highest cost.

Because purchasing credit may increase the amount of your retirement income and/or enable you to retire sooner, the amount you pay to purchase the credit reflects the additional liability to STRS Ohio resulting from your purchase.

Purchasable service calculated at 100% liability cost must be purchased in whole-year increments. If eligible, a member who certifies and purchases a partial year of credit may certify the balance of the year at a later time and receive additional credit, up to one year total, for no additional cost.

The cost for service credit is based on your salary multiplied by a factor that is based on your age and years of service credit. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources,” and click on “Purchasing Service Credit” under Calculators. Eligibility requirements and other important information for purchasable service calculated at 100% liability cost can be found on Pages 10–19.

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## Teaching and public service

### Section 3307.74, R.C.

- Teaching in a public school, college or university in another state, territory or possession of the United States.
- Teaching or nonteaching service at a public college or university where the member was also a student at the same time the work was performed if the service was before July 1, 1978. If the service was on or after July 1, 1978, membership in either STRS Ohio or that school’s state retirement system must have been established before the service to be purchased.
- Teaching in a private school, college or university in the United States.
- Teaching in a school or entity operated primarily for U.S. citizens.
- Other paid public service: service with a governmental agency or subdivision of another state or with the U.S. government.

### Eligibility requirements

Following is a list of the basic eligibility requirements:

- You can buy credit for full-time or regular part-time employment. All service must span at least 12 consecutive weeks with the same employer.
- No purchase can be made if the service is being used in the calculation of any retirement benefit currently being paid or payable in the future, or has already been used in the payment of a retirement benefit, except Social Security.
- Public teaching service and other public service outside Ohio must be such that, if rendered in Ohio, it would have been covered by STRS Ohio, School Employees Retirement System (SERS), Ohio Public Employees Retirement System (OPERS), Ohio Police & Fire Pension Fund, or the Highway Patrol Retirement System.
- To purchase private teaching service, both the school and the position must qualify.

#### The school, college or university must:

- Be recognized by an established accrediting association or governmental agency.
- Have educational credits that are recognized by a public school, college or university in Ohio.
- Be primarily oriented toward preparation for high school graduation, an advanced degree in higher education or an advanced certification in higher education. (Preschools, day care centers, community organizations, private schools oriented primarily to trades and occupations, and self-improvement schools do not qualify.)
- **On a school level**, the position must be matched by a position in a public school in Ohio during the time the service was performed.

- **On a college or university level**, the position must have had faculty rank or status and the institution must have been accredited at the time the service was performed.

### **Maximum credit**

The maximum credit you can buy in STRS Ohio, OPERS and SERS is five years. You can purchase all five years under one category or a total of five years as a combination of those listed under Section 3307.74, R.C., and comparable provisions of law governing OPERS and SERS. For each year of purchasable credit, you must have at least one year of service in STRS Ohio.

### **Certification**

To obtain the following certification forms, see Page 2.

- Out-of-state/private teaching service — K–12.
- Out-of-state/private teaching service at a college or university.
- Out-of-state public, nonteaching or government service.

### **Cost**

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.

## **Other Ohio public service**

### **Section 3307.76, R.C.**

### **Eligibility requirements**

Below is a list of the basic eligibility requirements:

- You can purchase credit for service under the following Ohio retirement systems:
  - Ohio Public Employees Retirement System (OPERS)
  - School Employees Retirement System (SERS)
- Provided:
  - Such service is not used in the calculation of any retirement benefit currently being paid or payable in the future, or has not already been used in the payment of a retirement benefit;
  - You have not contributed to OPERS or SERS for the service; and
  - You are not eligible to purchase credit for this service in those systems.

### **Maximum credit**

There is no limit to the amount of credit you can buy, except that total service credit cannot exceed one year in any STRS Ohio fiscal year.

### **Certification**

To obtain the following certification forms for other Ohio public service, see Page 2:

- **SERS** — for nonteaching service in a public school in Ohio.
- **OPERS** — for other Ohio public service.

### **Cost**

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.



## Absence due to pregnancy or adoption

### Section 3307.771, R.C.

You may purchase STRS Ohio service credit for either a resignation due to pregnancy or adoption of a child, or a leave of absence due to pregnancy or adoption of a child, that began before July 1, 1982.

### Eligibility requirements

Below is a list of the basic eligibility requirements:

- The resignation or leave must have begun before July 1, 1982, and you must have been regularly employed in an STRS Ohio-covered position at the time.
- You were pregnant or in the process of adopting a child at the time the resignation or leave began.
- The leave or resignation was from an STRS Ohio employer, not from an out-of-state employer.

### Maximum credit

The total service credit purchased under this section, and all other previous open window periods for purchasing absences and resignations due to pregnancy, may not exceed a combined total of two years.

### Certification

To obtain a certification form for absence due to pregnancy, see Page 2.

### Cost

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.

## Previously exempted or waived Ohio public service

### Section 3307.73, R.C.

You may be eligible to purchase previously exempted or waived membership for other Ohio public service and/or Ohio noncontributing public teaching service.

### Eligibility requirements

The following is a list of basic eligibility requirements:

- You must be a member of STRS Ohio with at least 1.50 years of contributing service in STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS).
- STRS Ohio members who are also members of OPERS or SERS must purchase credit for previously exempted or waived Ohio public service from the system in which the member has the greatest number of years of service credit.

### Maximum credit

There is no limit to the amount of credit you can buy, except that total service credit cannot exceed one year in any STRS Ohio fiscal year.

### Certification

To obtain the following certification forms, see Page 2:

- **OPERS** — for other previously exempted or waived Ohio public service.
- **SERS** — for previously exempted or waived nonteaching service in a public school in Ohio.
- For previously exempted or waived noncontributing public teaching service in Ohio.

### Cost

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.

## Service as an Ohio public school board member

### Section 3307.78, R.C.

#### Eligibility requirements

Credit of one-quarter year can be purchased for each year of service as a school board member. Service must have occurred before July 1, 1991. Beginning July 1, 1991, school board members are required to contribute to either School Employees Retirement System (SERS) or Social Security.

#### Certification

A letter from the school district which states the dates of service as a school board member is required.

#### Cost

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.

#### Exclusions

Credit cannot be purchased if the member has already contributed to SERS or Social Security on this service. Total service credit in Ohio Public Employees Retirement System (OPERS), SERS and STRS Ohio cannot exceed one year in any STRS Ohio fiscal year.

## Regular military service in the U.S. armed forces

**Sections 3307.75 and 3307.751, R.C.** including:

- Regular active military service;
- Full-time service with the American Red Cross in a combat zone; and
- Prisoner-of-war periods within regular duty military service dates.

Armed forces include Army, Navy, Air Force, Marine Corps, Coast Guard or:

- Auxiliary Corps established by Congress;
- Army Nurse Corps, Navy Nurse Corps or Red Cross nurse serving with the Army, Navy, Air Force or hospital service of the United States of America;
- Personnel of the Ohio National Guard, the Ohio Military Reserve and the Ohio Naval Militia; and
- The reserve components of the armed forces listed above who are called to active duty.

#### Eligibility requirements

Following is a list of the basic eligibility requirements:

- Credit cannot be purchased if the regular military service is or will be used in any other retirement program, including a career military pension. Credit is purchasable even though a Social Security or military reserve retirement benefit is paid based on the same service. Military reserve retirement refers to retired pay for nonregular service under Chapter 67 of Title 10, United States Code.
- Eligibility to purchase credit is evaluated by the retirement system — STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS) — in which you plan to purchase the military service.

#### How purchasable credit is determined

Purchasable credit for regular military service is determined on a 12-month basis per fiscal year. Total service credit cannot exceed one year in any STRS Ohio fiscal year.

#### Maximum credit

The maximum credit you can buy is:

- **Five years** — Regular military service or American Red Cross service in a combat zone. This maximum includes Ohio National Guard and reserve military service.

- **Five years** — Prisoner-of-war periods (can be concurrent service that is purchased as regular military service).

For each year of purchasable credit, you must have at least one year of service in STRS Ohio.

### **Certification**

To obtain a certification form for regular military service in the U.S. armed forces, see Page 2.

A copy of your DD-214 discharge papers or NA Form 13038 must be submitted with the certification form.

### **Cost**

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.

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## **Ohio National Guard or reserve military service**

**Section 3307.751, R. C.** including:

- Ohio Army National Guard;
- Ohio Air National Guard; and
- Reserve military service with the U.S. armed forces.

Armed forces include those listed on Pages 16–17.

### **Eligibility requirement**

Total service credit cannot exceed one year in any STRS Ohio fiscal year (July 1–June 30).

### **How purchasable credit is determined**

Purchasable credit for Ohio National Guard and reserve military service is determined by dividing the number of days of active duty by 365.

### **Maximum credit**

The maximum credit you can buy is five years. This includes regular military service and Ohio National

Guard and reserve military service. For each year of purchasable credit, you must have at least one year of service in STRS Ohio.

### **Certification**

To obtain a certification form for Ohio National Guard and reserve military service, see Page 2.

Submit this form to STRS Ohio along with military documentation that reflects the actual dates of service or a summary of retirement points.

A copy of your DD-214 discharge papers or NA Form 13038 must be submitted with the certification form to certify regular full-time military service, such as basic training.

### **Cost**

The cost for this type of purchasable service is based on 100% of the additional liability resulting from the purchase. For a cost estimate, go to [www.strsoh.org](http://www.strsoh.org), select “Resources” and click on “Purchasing Service Credit” under Calculators.

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## **Interrupted teaching due to military service**

**Section 3307.752, R.C.**

The Uniformed Services Employment and Reemployment Rights Act requires retirement plans to allow members to purchase credit for periods of employment missed due to being activated for military service. In many cases, STRS Ohio’s benefits provide for free credit for military service (see Page 21). Credit that does not qualify as free may be purchased as interrupted teaching due to military service.

This includes performance of duty on a voluntary or involuntary basis in the Army, Navy, Air Force, Marine Corps, Coast Guard or one of the following:

- Reserve components of military;
- National Guard;
- Commissioned Corps of the U.S. Public Health Service;

- Army Nurse Corps, Navy Nurse Corps or Red Cross nurse serving with the Army, Navy, Air Force or hospital service of the United States of America;
- Full-time service with the American Red Cross in a combat zone; or
- Any other category of persons designated by the president in time of war or emergency.

This service can consist of active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty or physical examination for fitness to perform such duty.

### **Eligibility requirements**

Following is a list of the basic eligibility requirements:

- Less than a full year of service credit was earned in the STRS Ohio fiscal year (July 1–June 30) that was interrupted by the military service.
- Normal STRS Ohio employment was interrupted by the military service.
- You began military service within five months of leaving STRS Ohio-covered employment and returned to the same employer within three months of ending military service.
- STRS Ohio membership was not withdrawn during the military absence.
- You were honorably discharged or released.

### **How purchasable credit is determined**

Purchasable credit for interrupted teaching due to military service is determined on a 12-month basis per fiscal year. Total service credit cannot exceed one year in any STRS Ohio fiscal year.

### **Maximum credit**

The maximum credit you can buy is five years.

### **Certification**

To obtain a certification form for interrupted teaching due to military service, see Page 2.

Submit this form to STRS Ohio along with military documentation that reflects the exact dates of service.

Once the certification form is submitted, STRS Ohio will contact the employer for earnings and verification of departure and return dates.

**Free military credit — Up to 10 years of retirement credit are free if you entered regular military duty in the U.S. armed forces within five months of Ohio public teaching service and returned to Ohio public service within two years of discharge (unless delayed one year by continuous professional training). One year of contributing service credit must be established following your return to Ohio public service, and an honorable discharge or transfer to inactive duty is necessary to qualify for free military credit.**

### **Cost**

Member pays contributions and interest (if applicable) on earnings he or she would have earned if not in military service. The interest rate is currently 8% and is subject to change.

- No interest is charged if the purchase is completed within three times the length of the member's period of military service (five years maximum). Time is calculated from the date of reemployment.
- If purchase is completed after the interest-free period, interest is calculated from the date of reemployment or Oct. 29, 1996, whichever is later.
- Payroll deduction is not available for this type of service credit.

Employer pays employer contributions (no interest).

**Example:**

Assume a member was employed during the 2002–2003 school year at an annual salary of \$30,000. He taught the first 45 days of school before he was activated for full-time service with the Ohio National Guard from Nov. 10, 2002, until March 27, 2003. The member then returned to his teaching position on April 1, 2003, and completed the last 41 days of the school year. The member earned .48 of a year of STRS Ohio service credit for the 86 days taught during the 2002–2003 school year.

To estimate the cost to purchase .52 of a year of credit for interrupted teaching due to military service:

**Step 1:** Using the table on Page 35, find the STRS Ohio member contribution rate in effect during the 2002–2003 school year and multiply it by \$30,000.

$$\$30,000 \times 9.30\% = \$2,790$$

**Step 2:** Using the table on Page 37, find the 8% annual compound interest factor for 20 years (2004 until 2024) and multiply it by the answer from Step 1.

$$4.66 \times \$2,790 = \$13,001$$

**Step 3:** Multiply the number of years of purchasable credit by the answer from Step 2.

$$.52 \times \$13,001 = \$6,761$$

In this example, the cost to purchase .52 of a year of credit in October 2024 for interrupted teaching due to military service is approximately \$6,761.

## Restoration of withdrawn Ohio service credit

### Section 3307.71, R.C.

#### Eligibility requirements

You can restore withdrawn Ohio service credit after accumulating at least 1.50 years of Ohio contributing service in any of the following Ohio retirement systems after the date of withdrawal:

- State Teachers Retirement System of Ohio (STRS Ohio)
- Ohio Public Employees Retirement System (OPERS)

- School Employees Retirement System (SERS)
- Ohio Police & Fire Pension Fund
- Highway Patrol Retirement System

Withdrawn Ohio service credit in a Defined Contribution Plan or Combined Plan is not eligible to be restored.

#### Maximum credit

The maximum credit you can buy is the total withdrawn credit.

#### Certification

No certification is necessary for withdrawn Ohio credit. Contact STRS Ohio to request a cost statement.

#### Cost

The cost is the amount withdrawn plus 8%\* annual compound interest from the date of withdrawal through the month of purchase.

**Example:**

Assume a member withdrew 3.00 years of service credit from STRS Ohio on Aug. 15, 2012, receiving a refund payment of \$15,400.

To estimate the cost to restore 3.00 years of withdrawn STRS Ohio credit:

Using the table on Page 37, find the 8% annual compound interest factor for 12 years (2012 until 2024) and multiply it by \$15,400.

$$2.52 \times \$15,400 = \$38,808$$

In this example, the cost to restore 3.00 years of withdrawn STRS Ohio credit in July 2024 is approximately \$38,808.

\*Interest rate is subject to change.

### ***Withdrawn service in OPERS or SERS***

If you have withdrawn service credit from OPERS or SERS, contact those systems directly for restoration requirements and costs:

Ohio Public Employees Retirement System  
277 E. Town St.  
Columbus, OH 43215-4642  
Phone: 800-222-7377

School Employees Retirement System  
300 E. Broad St., Suite 100  
Columbus, OH 43215-3746  
Phone: 800-878-5853

You may restore withdrawn OPERS or SERS credit through an STRS Ohio payroll deduction plan if you meet all of the following criteria:

- You are a former member of OPERS or SERS or you are inactive in those systems;
- You have at least 18 months of service credit in one or more of the Ohio public retirement systems; and
- You are currently contributing to STRS Ohio.

You can obtain more information concerning payroll deduction at [www.strsoh.org](http://www.strsoh.org).

When retirement benefits are paid, the accounts in STRS Ohio, OPERS and SERS can be combined. The benefit will be paid by the system in which the member has the greatest service credit. Total service credit cannot exceed one year in any STRS Ohio fiscal year.

### ***Withdrawn service in Ohio Police & Fire Pension Fund, Highway Patrol Retirement System or Cincinnati Retirement System***

If you have withdrawn service from the Ohio Police & Fire Pension Fund, the Highway Patrol Retirement System or the Cincinnati Retirement System, please refer to Pages 31–32 to purchase STRS Ohio credit for this service.

## **Current and past leaves of absence**

### **Section 3307.77, R.C.**

This section outlines the requirements for STRS Ohio members to obtain Ohio-valued credit for:

- A current absence or leave (occurring within the same year of leave) by completing deposits directly with the employer within the same year the absence or leave occurred, and
- A past absence or leave by completing deposits, plus interest, directly with STRS Ohio.

Completing deposits on a current or past leave may provide:

- Up to a full year of service credit for the school year, and
- The use of the full salary that would have been earned had the absence or leave not occurred for final average salary calculations.

### ***Eligibility requirements***

Below is a list of the basic eligibility requirements:

- The absence or leave must be from an STRS Ohio employer, not an out-of-state employer.
- You must be under contract during the period of absence or leave.
- A nonpaid professional leave of absence from a university, community college, technical college or institute must comply with the specific procedural requirements outlined on Page 30.

### ***Maximum credit***

The maximum purchasable credit is two years for each period of absence or leave.

### ***Types of absence or leaves of absence***

#### **Board of education employer:**

- Absence for a nonteaching period due to personal illness or injury.
- Partially paid professional leave (Section 3319.131, R.C.).
- A leave for any reason approved by the board of education (Section 3319.13, R.C.).

**University employer:**

- Absence for a nonteaching period due to personal illness or injury.
- Partially paid professional leave (Section 3345.28, R.C.).

Notification Form 3345.28 must be completed by all college or university faculty who are granted a sabbatical leave. See your employer to obtain and complete this form before the leave.

**Completing deposits on a current absence or leave**

A member can complete deposits directly with his or her employer within the year in which the absence or leave occurs. The employer is responsible for determining the amount of contributions owed to STRS Ohio for the leave. If a member changes employers, the employer who granted the absence or leave will determine the contributions owed to STRS Ohio.

Payment must be received by STRS Ohio no later than June 30 of the same fiscal year in which the leave occurred.

**Cost for current absence or leave**

The cost is based on the annual compensation that would have been received had the member remained in the position, multiplied by the STRS Ohio member contribution rate in effect at the time the absence or leave occurred. This is the same amount the member would have contributed to STRS Ohio had he or she actually been employed during that period.

The employer who granted the leave is required to pay employer contributions on the annual compensation used in determining the member's cost.

**Purchasing a past absence or leave**

A member may purchase a past absence or leave by completing deposits, plus interest, directly with STRS Ohio.

An absence or leave of absence is considered "past" if payment is received after June 30 of the year in which the absence or leave ended.

The member pays directly to STRS Ohio the member contribution, plus interest on both member and employer payments. Leave of absence credit can only be purchased in a lump sum. Payroll deduction is not permitted.

The employer at the time of the absence, or the employer who grants the leave, is required to pay employer contributions on the base annual compensation used in determining the member's cost.

**Certification for past absence or leave**

To obtain a certification form for a past absence or leave, see Page 2.

**Cost for past absence or leave**

The cost is determined by:

- Multiplying the annual compensation for the last year of service before the absence or leave by the member contribution rate in effect at the time the absence or leave began.
- Adding interest on *both* member and employer payments. Interest at 8%\* is compounded annually beginning with the year following the year in which the absence or leave terminated and ending the last day of the month in which payment is made.

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\*Interest rate is subject to change.

**Example:**

Assume a member earned \$34,000 and 1.00 year of STRS Ohio credit for teaching service during the 2005–2006 school year, then took a leave of absence during the 2006–2007 school year. The member returned to full-time STRS Ohio-covered teaching service on Aug. 27, 2007.

To estimate the cost to purchase 1.00 year of credit for a leave of absence:

**Step 1:** Using the table on Page 35, find the STRS Ohio member contribution rate in effect at the beginning of the 2006–2007 school year and multiply it by \$34,000.

$$\$34,000 \times 10\% = \$3,400$$

**Step 2:** Using the table on Page 37, find the 8% annual compound interest factor for 17 years (2007 until 2024) and multiply it by the answer from Step 1.

$$3.70 \times \$3,400 = \$12,580$$

**Step 3:** Using the table on Page 36, find the STRS Ohio employer contribution rate in effect at the beginning of the 2006–2007 school year and multiply it by \$34,000.

$$\$34,000 \times 14\% = \$4,760$$

(This is the employer's cost.)

**Step 4:** Using the table on Page 37, find the 8% annual compound interest factor for 17 years (2007 until 2024) and multiply it by the answer from Step 3.

$$3.70 \times \$4,760 = \$17,612$$

**Step 5:** Subtract the employer contributions (calculated in Step 3) from the number calculated in Step 4.

$$\$17,612 - \$4,760 = \$12,852$$

**Step 6:** Add the answer from Step 2 to the answer from Step 5.

$$\$12,580 + \$12,852 = \$25,432$$

In this example, the member cost to purchase 1.00 year of credit in June 2024 for a leave of absence is approximately \$25,432.

## College or university — nonpaid professional leave of absence

### Section 3307.77, R.C.

A member employed by a university, community college, technical college or institute may, with State Teachers Retirement Board approval, complete retirement contributions and secure retirement credit for nonpaid periods of absence, other than for personal illness or injury, by complying with the requirements below.

### Eligibility requirements

- You must have an annual contract for service covered by STRS Ohio during the year of absence.
- A leave of absence must have been granted by the employer for the purpose of accepting an assignment related to a member's professional duties, responsibilities or activities that are expected to improve the service rendered upon return to employment. Leaves will not be recognized for a period greater than a total of two fiscal years for each period of leave.
- Approval by the employer for the payment of the employer cost without reimbursement from the member.
- Contributing service covered by STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS) must resume no later than 12 months following termination of the leave.
- Retirement Board approval for the member to make retirement contributions covering the period of absence.

The administrative and procedural requirements to establish retirement credit are officially governed by Administrative Code Rule 3307:1-3-05.

To establish full retirement credit for the leave period, contributions are required on the full salary that would have been earned if the leave had not occurred. Contributions are not permitted in excess of that salary.



## Procedural requirements

Following the termination of the leave, the member must file a completed certification form with the Retirement Board that will include the following information:

- A statement showing the nature and purpose of the assignment during such absence.
- A written request by the member to the Retirement Board for approval of payment of member contributions.
- Certifications from the member's employer which provide:
  - Member's annual contract salary in effect for each year or part of year (July 1 through June 30) in which there was such absence.
  - Official action of the employer granting the leave, stating the beginning date and the termination date.
  - Official action of the employer approving the payment of the employer cost without reimbursement.
  - Statement by the employer indicating the date the member returned to contributing service after the termination of the leave.

If the member's request to complete contributions is approved by the Retirement Board, payment by the member must be made within 60 days of written notification.

To request the certification form for a nonpaid professional leave of absence from a college or university, see Page 2.

## Cost

If payment is received by STRS Ohio no later than June 30 of the year in which the absence or leave ended, the member shall pay the difference between the contributions deducted from salary payments during the leave period, if any, and the contributions due based on the contract salary.

If payment is received by STRS Ohio after June 30 of the year in which the absence or leave ended, the member shall pay the sum of the following for each year of credit purchased:

- An amount determined by multiplying the employee rate of contribution in effect at the time the leave commenced by the contract salary the member

would have received for the leave less salary payments made during the leave period if any.

- Adding interest on *both* member and employer payments. Interest at 8%\* is compounded annually beginning with the year following the year in which the absence or leave terminated and ending the last day of the month of purchase.

The employer who granted the leave is required to pay employer contributions on the annual compensation used in determining the member's cost.

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## Restoration or transfer of earned service credit to STRS Ohio from other Ohio retirement systems

### Sections 3307.761 and 3307.763, R.C.

STRS Ohio members who are members of the Cincinnati Retirement System, Ohio Police & Fire Pension Fund, or Highway Patrol Retirement System may restore or transfer credit from the other systems to STRS Ohio.

## Eligibility requirements

- You are a **member** of another Ohio retirement system and STRS Ohio and:
  - You are not receiving a pension or other type of benefit from one of these systems; and
  - You are not currently contributing to another Ohio retirement system and have accumulated contributions in STRS Ohio; or
- You are a **former member** of another Ohio retirement system, have withdrawn contributions from that system and have at least 1.50 years of contributing service in STRS Ohio.
- To transfer or restore service credit from the Cincinnati Retirement System:
  - You must have more service credit with STRS Ohio; and
  - You must be eligible for a service retirement or disability benefit with the transferred or restored service credit; and
  - You must retire within 90 days of when the transfer or restoration is complete.

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\*Interest rate is subject to change.

### **Maximum credit**

The maximum credit you can buy is the total earned credit and purchased military credit that was withdrawn and can be used to increase your benefit. Total service credit cannot exceed one year in any STRS Ohio fiscal year.

### **Certification**

Contact STRS Ohio to request a cost statement. Upon request, a certification form will be mailed to you for purchasing STRS Ohio credit for service withdrawn from another Ohio retirement system or to transfer inactive service.

Since information must be obtained from another retirement system, please allow eight weeks to receive a cost statement.

### **Cost**

If you have not withdrawn your account, you may elect to have the credit transferred directly to STRS Ohio at no cost to you. Once the contributions and interest are transferred, the credit will be posted to your account. For more information about transferring your account, contact STRS Ohio.

If the account was refunded, the cost to restore is based on the amount refunded by the other Ohio retirement system, plus 8%\* annual compound interest from the date of the refund through the month of purchase.

\*Interest rate is subject to change.

## **Ohio noncontributing public teaching service**

### **Section 3307.72, R.C.**

You may be eligible to purchase credit for days of regular or substitute teaching in Ohio public schools, colleges and universities.

### **Eligibility requirements**

The following is a list of the basic eligibility requirements:

- You must have service credit with STRS Ohio.
- Employer certification is required.
- There are no contributions on account for the service in any Ohio public retirement system.
- Service after July 1, 1978, as a graduate teaching assistant (GTA) in Ohio is purchasable only if STRS Ohio membership was established before the date the GTA service began.

### **Public college and university employees**

Employees of Ohio's public colleges and universities who elect to participate in an alternative retirement plan are prohibited from claiming or purchasing service credit under any Ohio public retirement system for the periods the alternative retirement plan was in effect.

### **Maximum credit**

There is no limit to the amount of credit you can buy, except that total service credit cannot exceed one year in any STRS Ohio fiscal year. Service is limited to .34 of a year for each full year of GTA service.

### **Certification**

To obtain a certification form for Ohio noncontributing public teaching service, see Page 2.

**Cost**

The cost is determined by:

- Multiplying the actual compensation for the service by the STRS Ohio contribution rate in effect at that time; then
- Multiplying by 8%\* annual compound interest from the beginning of the STRS Ohio fiscal year following the service to be purchased through the month of purchase.

There is no cost to the employer when you purchase credit for noncontributing employment that occurred before July 1, 1978. The employer will be billed for employer contributions and interest if you purchase service credit that began on or after July 1, 1978.

**Example:**

Assume a member earned \$1,840 for 23 days of substitute teaching during the 2006–2007 school year and no contributions were made to STRS Ohio.

To estimate the cost to purchase credit in this example for noncontributing Ohio public teaching service:

**Step 1:** Divide the number of days of service by 180 to determine the amount of credit eligible for purchase.

$$23 \div 180 = .13$$

**Step 2:** Using the table on Page 35, find the STRS Ohio member contribution rate in effect during the 2006–2007 school year and multiply it by \$1,840.

$$\$1,840 \times 10\% = 184$$

**Step 3:** Using the table on Page 37 find the 8% annual compound interest factor for 17 years (2007 until 2024) and multiply it by the answer from Step 2.

$$3.70 \times \$184 = \$681$$

In this example, the first part of the cost (member portion) to purchase .13 of a year of credit for noncontributing Ohio public teaching service in June 2024 is approximately \$681.

# Contribution rate and interest factor tables

To assist you in estimating the cost for the types of purchasable service explained on Pages 19–34, contribution rates are shown below and on Page 36. Interest factors are shown on Page 37.

Member	
Contribution Rate and Salary Base	
9/1/1920–8/31/1945	4.00% up to first \$2,000
9/1/1945–8/31/1951	5.00% up to first \$3,000
9/1/1951–8/31/1959	6.00% of total compensation
9/1/1959–6/30/1968	7.00% of total compensation
7/1/1968–12/31/1973	7.80% of total compensation
1/1/1974–6/30/1977	8.00% of total compensation
7/1/1977–12/31/1983	8.50% of total compensation
1/1/1984–6/30/1988	8.75% of total compensation
7/1/1988–6/30/1990	8.77% of total compensation
7/1/1990–6/30/1994	9.25% of total compensation
7/1/1994–6/30/2003	9.30% of total compensation
7/1/2003–6/30/2013	10.00% of total compensation
7/1/2013–6/30/2014	11.00% of total compensation
7/1/2014–6/30/2015	12.00% of total compensation
7/1/2015–6/30/2016	13.00% of total compensation
7/1/2016–Present	14.00% of total compensation

\*Interest rate is subject to change.

<b>Employer</b>	
<b>Contribution Rate and Salary Base</b>	
9/1/1920–8/31/1923	5.57% up to first \$2,000
9/1/1923–8/31/1924	4.70% up to first \$2,000
9/1/1924–8/31/1926	3.70% up to first \$2,000
9/1/1926–8/31/1927	3.60% up to first \$2,000
9/1/1927–8/31/1930	3.57% up to first \$2,000
9/1/1930–8/31/1938	3.45% up to first \$2,000
9/1/1938–8/31/1939	3.82% up to first \$2,000
9/1/1939–8/31/1941	4.44% up to first \$2,000
9/1/1941–8/31/1945	4.00% up to first \$2,000
9/1/1945–8/31/1946	5.00% up to first \$3,000
9/1/1946–8/31/1947	4.75% up to first \$3,000
9/1/1947–8/31/1948	5.75% up to first \$3,000
9/1/1948–8/31/1949	7.50% up to first \$3,000
9/1/1949–8/31/1951	7.25% up to first \$3,000
9/1/1951–8/31/1952	8.50%
9/1/1952–8/31/1955	8.00%
9/1/1955–8/31/1958	9.25%
9/1/1958–8/31/1959	9.33%
9/1/1959–8/31/1964	10.41% up to first \$18,000
9/1/1964–8/31/1965	11.00% up to first \$18,000
9/1/1965–12/31/1965	11.00% up to first \$25,000
1/1/1966–7/1/1968	11.50% up to first \$25,000
7/2/1968–8/31/1969	11.50%
9/1/1969–12/31/1973	12.90%
1/1/1974–6/30/1977	12.55%
7/1/1977–12/31/1983	13.50%
1/1/1984–Present	14.00%

<b>Annual Compound Interest Factors by Years</b>	
<b>Years</b>	<b>8%</b>
1	1.08
2	1.17
3	1.26
4	1.36
5	1.47
6	1.59
7	1.71
8	1.85
9	2.00
10	2.16
11	2.33
12	2.52
13	2.72
14	2.94
15	3.17
16	3.43
17	3.70
18	4.00
19	4.32
20	4.66
21	5.03
22	5.44
23	5.87
24	6.34
25	6.85
26	7.40
27	7.99
28	8.63
29	9.32
30	10.06
31	10.87
32	11.74
33	12.68
34	13.69
35	14.79
36	15.97

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## By phone: 888-227-7877 (toll-free)

Our dedicated team of member service representatives is available to answer your questions when you need them.

- Call Monday–Friday, 8 a.m.–5 p.m.

When you need more detailed information, our benefits counselors can provide you with one-on-one consultation in our Columbus office, through a teleconference, videoconference or during field counseling sessions.

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## On the Internet: [www.strsoh.org](http://www.strsoh.org)

A quick way to access information is through STRS Ohio’s website, where you will find the items below and much more.

- Benefit information (while teaching and in retirement)
- Online Personal Account information
- Videos and on-demand webinars
- Benefits counseling and seminar information
- STRS Ohio publications and forms
- Benefit calculators

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## By email:

- Go to [www.strsoh.org](http://www.strsoh.org) and select “Contact” from the top menu.

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## Email news service

STRS Ohio updates members about legislation, benefits and other issues affecting the STRS Ohio membership through our email news service — *eUPDATE*. All members with an email on file receive the *eUPDATE*.

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## Publications available

The following STRS Ohio publications are available on the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

- *Account Withdrawal*
- *Annual Comprehensive Financial Report*
- *Death Benefits*
- *Disability Allowance*
- *Disability Retirement*
- *Employment After Retirement*
- *Preparing for Retirement*
- *Purchasing Service Credit*
- *Service Credit Guidelines*
- *Service Retirement and Plans of Payment*
- *Summary Annual Financial Report*
- *Survivor Benefits*
- *Understanding Your STRS Ohio Benefits — Plan Summary*





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