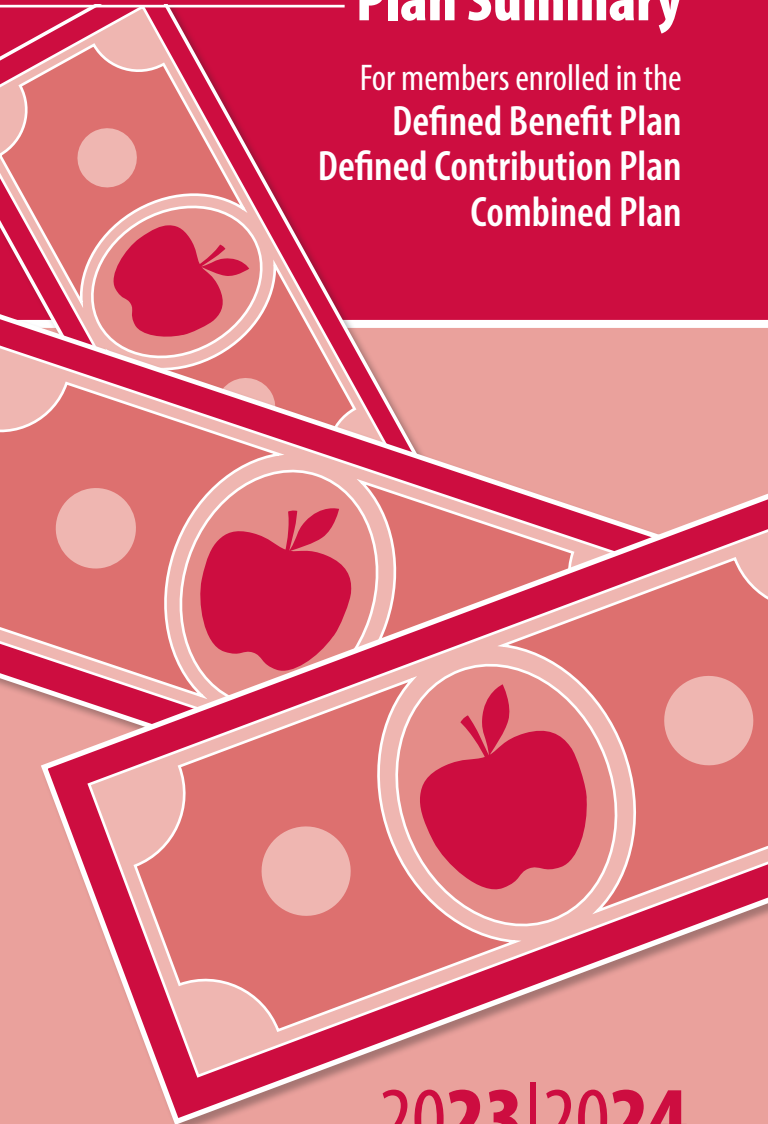


# Understanding Your STRS Ohio Benefits

## Plan Summary

For members enrolled in the  
Defined Benefit Plan  
Defined Contribution Plan  
Combined Plan



2023|2024

# State Teachers Retirement Board

(as of Sept. 1, 2023)

**Dale Price, Chair**

Contributing Member

**Carol Correthers, Vice Chair**

Contributing Member

**G. Brent Bishop**

Appointed Member

**Patrick Davidson**

Contributing Member

**Alison Lanza Falls**

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Retired Teacher Member

**Steven Foreman**

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**Claudia Herrington**

Appointed Member

**Elizabeth Jones**

Retired Teacher Member

**Julie Sellers**

Contributing Member

**J. Christopher Woolard**

Interim Superintendent of Public Instruction



**William J. Neville**

Executive Director

August 2023

Dear Member:

The mission of STRS Ohio is to partner with our members in helping to build retirement security. This brochure provides an overview of the benefits and services available to STRS Ohio members.

To make it easier to find the information specific to the retirement plan you are enrolled in, this brochure is divided into sections for each retirement plan — Defined Benefit Plan, Defined Contribution Plan and Combined Plan.

On behalf of all STRS Ohio associates, I would like to express our appreciation for being given the opportunity to serve you and thousands of other Ohio educators.

Sincerely,



William J. Neville  
Executive Director

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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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## Overview

The State Teachers Retirement System of Ohio (STRS Ohio) is a statewide pension plan for Ohio educators that offers a range of benefits and services to nearly 500,000 active and inactive members and retirees. STRS Ohio operates by authority of the Ohio General Assembly, and benefits are provided under Chapter 3307 of the Ohio Revised Code (R.C.). STRS Ohio is a qualified plan under Section 401(a) of the Internal Revenue Code. Membership in the system includes public school teachers and administrators and college and university faculty. Since April 1998, certain college and university faculty may select STRS Ohio or an alternative retirement plan.

The governance of STRS Ohio is vested in the State Teachers Retirement Board. The Retirement Board consists of five contributing members, two retired members, three appointed members and the superintendent of public instruction.

Teacher members are elected to four-year terms by members of the system. The retired teacher members are elected to four-year terms by retirees receiving benefits from STRS Ohio. The four remaining members are: an investment expert appointed by the governor (four-year term); an investment expert appointed jointly by the Speaker of the Ohio House of Representatives and the Ohio Senate President (four-year term); an investment expert designated by the treasurer of state (four-year term); and the superintendent of public instruction or his/her designated investment expert. Board members serve without compensation other than actual, necessary expenses.

### **STRS Ohio: security for Ohio educators**

Since its beginning in 1920, STRS Ohio's primary goal has been to provide retirement benefits for public educators. Resources such as newsletters, an email news service, a toll-free number, a website, social media pages, retirement planning seminars, one-on-one benefits counseling and benefit information meetings keep members informed about their benefits and services.

## Investments

The Retirement Board oversees the investment of STRS Ohio funds in accordance with Section 3307.15, R.C. In keeping with this responsibility, the Retirement Board maintains a Statement of Investment Objectives and Policy, which sets specific asset allocation targets and ranges, risk factors, asset class benchmarks, time frames, total return objectives and performance evaluation guidelines. In addition, the Retirement Board maintains a Statement of Fund Governance, which summarizes the governance structure established by the board to ensure the prudent, effective and efficient management of STRS Ohio's assets.

The investment portfolio is well diversified with significant holdings in bonds, notes, mortgages, stocks, real estate and international investments. Because investment earnings provide substantial funding for benefits, the basic policy of the Retirement Board is to preserve the original investment while earning a return sufficient to meet benefit payments.

STRS Ohio's *Annual Comprehensive Financial Report* and *Summary Annual Financial Report* are available at [www.strsoh.org](http://www.strsoh.org) in the Publications section.

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## Summary of plan changes for 2023–2024

- Effective July 1, 2023, the State Teachers Retirement Board extended the 34 years of service requirement for unreduced retirement benefits for five years through July 2028. Current eligibility criteria are outlined below.

Retirement Dates	Unreduced Benefit (Minimum Age and Years of Service)	Reduced Benefit (Minimum Age and Years of Service)
8/1/2021–7/1/2023	Any age and 34 yrs.; or age 65 and 5 yrs.	Any age and 30 yrs.; or age 55 and 29 yrs.; or age 60 and 5 yrs.
8/1/2023–7/1/2028	Any age and 34 yrs.; or age 65 and 5 yrs.	Any age and 30 yrs.; or age 60 and 5 yrs.
On or after 8/1/2028	Any age and 35 yrs.; or age 65 and 5 yrs.	Any age and 30 yrs.; or age 60 and 5 yrs.

- The State Teachers Retirement Board approved a one-time 1% cost-of-living adjustment (COLA)\* for eligible benefit recipients effective July 1, 2023. An increase of 1% will be added to the base benefit on the retirement date anniversary and each month thereafter.

The motion passed by the Retirement Board to approve this COLA payment also indicated the board's intent to review benefits again, no later than spring 2024, to evaluate whether additional enhancements are possible in accordance with the laws in effect at that time.

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## STRS Ohio Defined Benefit Plan

STRS Ohio offers a Defined Benefit Plan, in which the amount of a member's retirement benefit is derived from a defined calculation that considers age, years of service credit and final average salary. The retirement benefit is funded during employment so funds accumulate during the time the actual benefit liability is established.

The Defined Benefit Plan is also an "actuarial reserve" system — funds to pay future benefits come from employer and member contributions, as well as from investment income. Unlike many public pension plans, STRS Ohio does not depend on periodic or direct state appropriations for financing.

Members contribute 14% of annual gross earnings to the system. These contributions are held in trust in the Teachers' Savings Fund.

Employers contribute 14% of their total faculty payroll to the Employers' Trust Fund. At retirement, funds from this account are combined with the Teachers' Savings Fund; the investment yield from both provides funding for all benefits. Based on actuary recommendations, the State Teachers Retirement Board determines funding levels for the statutorily defined benefits.

When a member accepts service retirement or disability benefits, STRS Ohio transfers the individual's account, plus additional monies needed to fund the benefit, to the Annuity and Pension Reserve Fund, from which all such benefits are paid.

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\*New STRS Ohio benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. The State Teachers Retirement Board will periodically evaluate whether a cost-of-living increase is payable in accordance with the law in effect at that time (Section 3307.67, Revised Code). If a COLA is granted, you will receive it on the anniversary of your retirement date.

In lieu of retirement benefits, members may withdraw their account when they end STRS Ohio-covered employment, receiving a lump-sum amount that includes contributions and interest. Members who withdraw their contributions give up all rights to retirement benefits and possible access to health care from STRS Ohio.

Prefunding helps to ensure that benefits will be paid when due the member. The ratio of assets to accrued benefits and long-term returns on STRS Ohio investments provide this financial security for the future.

### **Reporting of individual accounts**

Each September, Defined Benefit Plan and Combined Plan participants are provided an *Annual Statement of Account* as of the preceding June 30. This statement serves as a history of earnings and contributions. It reflects the total account balance, account withdrawal value and service credit.

In addition, the statement includes projected retirement benefits, estimates of survivor and disability benefits (assuming eligibility requirements for these benefits are met) and certified service credit which is eligible for purchase or has been purchased.

### **Designation of beneficiaries**

It is important to identify beneficiaries in the case of the death of the member. The statutory succession of beneficiaries determines who is eligible to receive a withdrawal or monthly benefit when a member dies, unless the member completes a beneficiary designation form to designate beneficiaries by name. The statutory succession of beneficiaries is desirable for most family circumstances.

Under statutory succession, beneficiaries qualify in the following order:

1. Spouse
2. Qualified children — includes children who are under age 22 and never married or any age, never married, physically or mentally incapacitated before age 22 and have remained continuously incapacitated
3. Nonqualified children
4. Dependent parent

5. Parents (share and share alike)
6. Estate

The statutory succession of beneficiaries will apply if the member has not previously designated a beneficiary or if the member:

1. Designates statutory succession;
2. Is not survived by a named beneficiary; or
3. Has not submitted a beneficiary designation form after any one of the following:
  - a. Marriage;
  - b. Birth or adoption of a child;
  - c. Divorce, marriage dissolution or legal separation;
  - d. Withdrawal of account; or
  - e. Permanent retirement plan selection if a plan change was made.

In place of the statutory succession of beneficiaries, members may designate beneficiaries by name. In some circumstances, this designation may jeopardize monthly survivor benefits to otherwise dependent survivors and may allow only a withdrawal of the account. (For example, naming a trust fund or estate as the beneficiary may allow for only a withdrawal of the account and prevent a surviving spouse from receiving monthly benefits.) Please consult STRS Ohio about beneficiary designations for unusual situations.

If a member has also made contributions to either the Ohio Public Employees Retirement System (OPERS) or the School Employees Retirement System (SERS), STRS Ohio will pay according to the last beneficiary designation submitted with any of the three retirement systems (STRS Ohio, OPERS or SERS). Check with SERS and OPERS to determine what designation they will recognize.

## **STRS Ohio benefits under the Defined Benefit Plan**

A summary of basic benefits under the Defined Benefit Plan follows.

### **Survivor benefits**

A member's spouse, children under the age of 22, dependent parents and physically or mentally incapacitated dependents may qualify for survivor benefits when a member dies before service retirement.

STRS Ohio determines eligibility for dependent-based and service-based survivor benefits as follows:

- Existing members as of June 30, 2013, must have at least 1.50 years of qualifying service credit\* before death, with .25 of a year having been earned within 30 months before death; or been receiving a disability benefit at the time of death; or received a disability benefit within the last 12 months and were contributing at the time of death.
- New members on or after July 1, 2013, must have at least 5.00 years of qualifying service credit\* before death (and the date of death is no more than one year from the last date of service); or been receiving a disability benefit at the time of death; or received a disability benefit within the last 12 months and were contributing at the time of death.
- If the member leaves Ohio public service, survivor benefits extend for up to 27 months (for existing members) or 12 months (for new members, after July 1, 2013) after the last contributing service or while the member is receiving a disability benefit, provided the account is not withdrawn. A member who has eligible dependents should consider this benefit before withdrawing the account during this period.

If the member meets the eligibility requirements for more than one benefit, the amount of the benefit is the greater of a dependent-based benefit, a service-based benefit or a retirement-based benefit.

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\*Qualifying service credit 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.

**Dependent-based benefits** are payable as follows:

Number of Qualified Survivors	Percentage of Final Average Salary*
1	25%
2	40%
3	50%
4	55%
5 or more	60%

**Service-based benefits** are payable when the member has 20 or more years of service credit.

Service-based benefits are payable as follows:

Years of Service	Percentage of Final Average Salary*
20	29%
21	33%
22	37%
23	41%
24	45%
25	48%
26	51%
27	54%
28	57%
29 or more	60%

The surviving spouse's share of the above service-based benefit is as follows:

Number of Qualified Survivors	Spouse's Share
1	100%
2	62.5%
3	50%
4	45.45%
5 or more	41.67%

\*Average of the member's five highest years of earnings. If contributions were made for less than the FAS period, total compensation is divided by the total number of years of service credit in the member's account to calculate the FAS.

If there is no surviving spouse and more than one qualified survivor, the benefit is divided equally among the qualified survivors.

The **retirement-based benefit** is payable when the member dies after qualifying for service retirement (but before actually retiring with STRS Ohio) and there are no children who are qualified survivors. (See Pages 14–15 for retirement eligibility information.)

If there are one or more children who are qualified survivors, the primary beneficiary must select between the dependent-based and the service-based benefit. However, once the children no longer qualify for benefits (due to age or marital status, for example), the primary beneficiary may change to the retirement-based benefit.

If the member dies after meeting service retirement eligibility, a retirement-based benefit is payable to a qualified survivor.

### **Additional information about survivor benefits**

An STRS Ohio member receiving disability benefits has the same survivor benefit coverage as an active teacher.

Survivor benefits to an eligible spouse are payable regardless of income from other sources. Survivor benefits may be more valuable than any other financial protection for a family.

The primary beneficiary may withdraw the deceased member's account in lieu of receiving monthly benefits if there are no children who are qualified survivors. If there are no qualified survivors or other eligibility requirements are not met, the primary beneficiary must withdraw the deceased member's account. The withdrawal amount consists of the deceased member's contributions plus an additional amount payable under Section 3307.563 of the Revised Code that depends on years of qualifying service credit\* and the rates of interest established by the State Teachers Retirement Board. Survivors of disability or former disability benefit recipients receive the account balance of the member's contributions; no interest or matching funds are payable.

\*Qualifying service credit 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.



For further information, view the *Survivor Benefits* brochure for members enrolled in the Defined Benefit Plan online at [www.strsoh.org](http://www.strsoh.org).

### Disability benefits

The Defined Benefit Plan provides coverage for members whose disabling medical condition prevents them from performing their most recent job duties and is expected to last at least 12 continuous months from the date STRS Ohio receives the completed Disability Application Packet.

There are two disability benefit programs in the Defined Benefit Plan — disability retirement and disability allowance.

- Teachers who were members of STRS Ohio on or before July 29, 1992, may participate in either the disability allowance or disability retirement program.
- Teachers who became members of STRS Ohio after July 29, 1992, participate under the disability allowance program.

The *Annual Statement of Account* indicates which disability program applies to the member.

Any applicant who is denied disability benefits may appeal the decision to the Retirement Board as provided by statute and procedures established by the board. An individual receiving service retirement benefits is ineligible to apply for disability benefits.

Disability recipients who have received a benefit for at least 14 months must annually complete a *Disability Statement of Employment and Earnings*. STRS Ohio will notify disability recipients when their statement is available for completion in their Online Personal Account.

### Disability retirement program

To qualify for disability retirement benefits, an STRS Ohio member who was an existing member on June 30, 2013, must:

- Have at least 5.00 years of qualifying service credit\* on account with STRS Ohio and submit a completed application packet within two years of the last date of earned service;
- Not be receiving service retirement benefits;
- Be younger than age 60 when the disability application is submitted;
- Stop teaching before reaching age 60; and
- Have the most service credit with STRS Ohio (versus OPERS or SERS). If OPERS or SERS has the most service credit, contact the system with most service credit for a Disability Application Packet.

A monthly disability retirement benefit is based on a percentage (limited to 75% and no less than 30%) of a member’s final average salary.\*\* The percentage is determined by multiplying by 2% the member’s total number of years of Ohio service credit and projected credit to age 60.

Disability Retirement Example	
Member’s age projected to age	60
Member’s present age	<u>-35</u>
Projected credit	25
Actual years of Ohio service	<u>+10</u>
Total benefit-based service	35
Formula level	<u>x 2%</u>
	70%
Final average salary	<u>x \$50,000</u>
Annual disability retirement benefit	\$35,000
Monthly benefit	\$2,916

\*Qualifying service credit 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.

\*\*Final average salary (FAS) is the average of the member’s five highest years of Ohio public earnings.

Disability benefits terminate:

- If the recipient performs any teaching service in a public or private setting, school or nonschool setting, on a volunteer basis or for compensation, in or outside the state of Ohio;
- If the recipient’s disability benefit was on a combined basis with OPERS and/or SERS and the recipient becomes employed in a position covered by one of these systems;
- At the request of the recipient;
- If a medical reexamination shows the member is no longer disabled;
- If the recipient is not following an agreed-upon treatment plan or does not submit required medical reports; or
- If the recipient has not submitted the *Disability Statement of Employment and Earnings* noted on Page 10.

If disability benefits terminate, a member may apply for service retirement if eligibility requirements have been met.

### Disability allowance program

To qualify for disability allowance benefits, an STRS Ohio member must:

- Meet either of the following:
  - **Existing members on June 30, 2013**, must have at least 5.00 years of qualifying service credit\* on account with STRS Ohio and submit a completed application packet within two years of the last date of earned service.
  - **New members on or after July 1, 2013**, must have at least 10.00 years of qualifying service credit\* on account with STRS Ohio and submit a completed application packet within one year of the last date of earned service.
- Not be receiving service retirement benefits.

\*Qualifying service credit 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.

- Have the most service credit with STRS Ohio (versus OPERS or SERS). If OPERS or SERS has the most service credit, contact the system with the most service credit for a Disability Application Packet.

A monthly disability allowance benefit is based on a percentage (limited to 60% and no less than 45%) of the member’s final average salary.\* The percentage is determined by multiplying the member’s total years of Ohio service credit by 2.2%.

Disability Allowance Example	
Actual years of Ohio service	22
Formula level	<u>x 2.2%</u>
	48.4%
Final average salary	<u>x \$50,000</u>
Annual disability allowance benefit	\$24,200
Monthly benefit	\$2,016

Disability benefits terminate:

- If the recipient performs any teaching service in a public or private setting, school or nonschool setting, on a volunteer basis or for compensation, in or outside the state of Ohio;
- If the recipient’s disability benefit was on a combined basis with OPERS and/or SERS and the recipient becomes employed in a position covered by one of those systems;
- At the request of the recipient;
- If a medical reexamination shows the member is no longer disabled;
- If the recipient is not following an agreed-upon treatment plan or does not submit required medical reports;
- If the recipient has not submitted the *Disability Statement of Employment and Earnings* noted on Page 10; or
- At age 65 or after a specific benefit period.

Disability benefits terminate at age 65 if the benefit began before age 60. The following chart shows how long benefits may continue for members who were age 60 or older when disability benefits began.

\*Final average salary (FAS) is the average of the member’s five highest years of Ohio public earnings.



Age at Effective Date of Disability	Benefit Period
60 or 61	60 months
62 or 63	48 months
64 or 65	36 months
66, 67 or 68	24 months
69 or older	12 months

When disability benefits terminate, a member may apply for service retirement if eligibility requirements have been met.

**Service retirement**

STRS Ohio’s primary purpose under the Defined Benefit Plan is to provide lifetime benefits for the retired member.

Members qualify for lifetime benefits after meeting one of the eligibility requirements indicated in the table below.

Retirement Dates	Unreduced Benefit (Minimum Age and Years of Service)	Reduced Benefit (Minimum Age and Years of Service)
8/1/2021–7/1/2023	Any age and 34 yrs.; or age 65 and 5 yrs.	Any age and 30 yrs.; or age 55 and 29 yrs.; or age 60 and 5 yrs.
8/1/2023–7/1/2028	Any age and 34 yrs.; or age 65 and 5 yrs.	Any age and 30 yrs.; or age 60 and 5 yrs.
On or after 8/1/2028	Any age and 35 yrs.; or age 65 and 5 yrs.	Any age and 30 yrs.; or age 60 and 5 yrs.

A member who has at least 5.00 years of qualifying service credit\* and who terminates Ohio public teaching service before the required age shown above may later qualify for a benefit. If member contributions are not withdrawn, a benefit is payable when the member attains the qualifying age.

The retirement effective date is the first day of the month following the latter of the last day of teaching or other Ohio public service, or attainment of age and service requirements. Credit which was certified before retirement must be paid in full within three months following your retirement effective date or earlier if you allow your retirement to become final.

A variety of payment plans are available at retirement, all providing lifetime benefits for the retiree.

At the retiree’s death, if the amount disbursed under any payment plan is less than the retiree’s contributions at retirement (no interest or matching funds included), the difference is paid to the beneficiary or estate.

**Salary-related benefit**

Retirement benefits are calculated using a salary-related benefit calculation which is based on the member’s:

- Age at retirement,
- Total years of service credit, and
- Final average salary (FAS). The FAS is the average of the member’s five highest years of Ohio public earnings.

The benefit is calculated by multiplying all years of service by 2.2% of a five-year FAS.

If the member retires under early retirement eligibility, as shown on Page 14, benefits are actuarially reduced to reflect the longer payout of benefits.

**Life annuity**

Members participating in the Defined Benefit Plan have several payment options — once they end their teaching career. Participants have the flexibility of taking a life annuity for their lifetime and the lifetime of their beneficiary. Upon the member’s death, all annuity payments stop unless a Joint and Survivor Annuity plan was selected. Single Life Annuity payments are based on the participant’s life expectancy, while a Joint and Survivor Annuity also takes into account the life expectancy of the beneficiary.

\*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.

### ***Partial Lump-Sum Option Plan***

Under the Partial Lump-Sum Option Plan (PLOP), new retirees can take an amount from six to 36 times the monthly Single Life Annuity benefit in a lump sum at retirement. The PLOP must be elected in \$1,000 increments, unless the minimum or maximum amount is selected. Lifetime monthly benefit payments begin with the member's retirement date but are reduced to reflect the amount taken up front in a single payment.

### ***Cost-of-living adjustment (COLA)***

New STRS Ohio benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. The State Teachers Retirement Board will periodically evaluate whether a cost-of-living increase is payable in accordance with the law in effect at that time (Section 3307.67, Revised Code). If a COLA is granted, you will receive it on the anniversary of your retirement date.

### ***Death benefit options and eligibility***

After retirement, an automatic \$1,000 death benefit is payable to the named beneficiary upon the member's death. This is treated as a nontaxable life insurance payment, and no federal taxes are withheld when the payment is made. This benefit is automatic to members who are enrolled in the STRS Ohio Defined Benefit Plan.

Service retirement and disability benefit recipients may purchase an additional death benefit of \$1,000 or \$2,000. This taxable benefit is optional and is funded by the benefit recipient through deductions from the regular monthly STRS Ohio benefit payment. If the member is under age 65 when retiring, there will be a second opportunity to increase the death benefit within the three months immediately preceding age 65.

### ***Purchasing service credit***

Service credit is one of the primary factors in determining a benefit amount for both service and disability retirement. Ohio law allows a significant amount of credit to be purchased by virtue of past employment as long as this credit is not being used in the calculation of another benefit or annuity (excluding Social Security). Service credit for each fiscal year is limited to one year.

Types of past employment that may qualify as purchasable service include:

1. Military and prisoner-of-war service or American Red Cross service in a combat zone;
2. Ohio National Guard and reserve military service;
3. Teaching in a public educational institution in another state or teaching in a school operated by or for the U.S. government;
4. Private teaching in Ohio or in another state;
5. Federal civilian service;
6. Other public employment in another state;
7. Ohio service canceled by previous withdrawal of account;
8. Other Ohio public service for which contributions would have been made to SERS, OPERS, Ohio Police & Fire Pension Fund, the Highway Patrol Retirement System or the City of Cincinnati Retirement System;
9. Service as a public teacher in Ohio for which no contributions were made;
10. Current and past Ohio absence or leave of absence;
11. Service as an Ohio public school board member (cannot be purchased if contributions were made to Social Security);
12. Previously exempted or waived Ohio public service; and
13. Absence due to pregnancy or adoption.

Some types of purchasable credit limit the amount of credit eligible to purchase. Members should certify purchasable service credit as soon as possible. An individual may purchase service as soon as eligibility requirements are met. These requirements vary depending on the service to be purchased.

All service must be certified before the retirement date and paid in full within three months following the retirement effective date, unless the retirement has become final. Although the cost of credit may increase because of interest rates or a change in the liability factor, it is not always best to buy credit early.

For more detailed information, view the *Purchasing Service Credit* brochure online at [www.strsoh.org](http://www.strsoh.org).

**Payroll deduction available:** Members may purchase service credit via monthly payroll deduction on either a pretax or after-tax basis. 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 for details.

**Pretax rollovers accepted:** Members may purchase service credit in a lump-sum payment by rolling over tax-deferred funds from any qualified employer plan including an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan or governmental section 457(b) plan of the Internal Revenue Code) that will accept the rollover.

### **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.

### **Joint retirement**

Joint retirement with OPERS and SERS is possible for members with service credit in those Ohio retirement systems. Service credit in any one system, or in all three systems combined, cannot equal more than one year for each fiscal year.

### **Returning to Ohio public employment**

A return to public service is allowed after two months of retirement if the member is employed by one Ohio public employer at the time of retirement. Public employment during the first two months will result in the loss of one or two months of retirement benefits.

A member who is employed at the time of retirement by more than one employer covered by STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS) may retire with the highest paying (primary) employer and continue to work with one or all of the lower paying (secondary) employers with no waiting period. The secondary position must have been held for at least 12 consecutive months prior to retirement and the accounts must be combined to be eligible to continue working with the secondary employer with no waiting period. For example, a member with a retirement date of July 1, 2024, must be working in the secondary position in July 2023 and continue to work in each of the next 12 months into July 2024.

Ohio law may require public notice if the member is returning to a position with his/her former employer.

Access to health care coverage through STRS Ohio is restricted for some employed retirees. See the “Health care coverage” section on Page 21 for details.

Members continuing public employment after retirement and their employers contribute to the applicable Ohio public retirement system. These contributions fund a benefit that may be collected as a lump-sum payment the first of the month following the last day of service or 12 months after the payment of a previous reemployed retiree benefit payment,

whichever is later. Before benefits are payable, the member must terminate employment.

The following rules apply to a member employed in an STRS Ohio-covered position after retirement:

- **If electing a benefit before age 65**, the member will receive the member contributions and interest on those contributions. This benefit is paid as a lump sum. (Interest rates are subject to change.)
- **If electing a benefit at age 65 or after**, STRS Ohio will pay the member contributions and interest on those contributions, and possibly a matching amount and interest depending on when the work was performed. Member contributions made before July 1, 2005, are matched at 100%. Member contributions made July 1, 2005, through June 30, 2013, are matched at 50%. Member contributions made July 1, 2013, and after are not matched. Members may elect to receive the benefit as a lump-sum payment or a monthly annuity, provided the monthly annuity is \$25 or greater. (The matching amount and interest rates are subject to change.)
- Before benefits are payable, employment must be terminated.
- Upon the member's death, survivors receive a lump-sum payment of any unpaid funds.
- Individuals continuing employment after retirement are not eligible for any other benefits.

### **Account withdrawal**

Account withdrawal is available for members who terminate Ohio public service. The withdrawal amount consists of member contributions plus an additional amount payable under Section 3307.563 of the Revised Code that depends on years of qualifying service credit\* and the rates of interest established by the State Teachers Retirement Board. Account withdrawal will cancel STRS Ohio membership, accumulated service credit and eligibility to qualify for STRS Ohio retirement benefits, including access to health care coverage if eligible.

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\*When referring to withdrawals, "qualifying service credit" refers to Ohio teaching service, restored withdrawn credit, purchased service for Ohio public teaching from which no STRS Ohio contributions were withheld, and credit obtained for leaves of absence under Section 3307.77 of the Revised Code.

### **Health care coverage**

The laws that create and govern STRS Ohio neither promise nor fund health care. STRS Ohio's primary obligation is to provide a monthly pension to eligible retirees. STRS Ohio offers medical, dental and vision coverage to eligible service retirement and disability benefit recipients, beneficiaries and survivors.\*

Members retiring on or after Aug. 1, 2023, must have at least 20 years of service credit to qualify for coverage. At least 15 years of service credit is required for members retiring before Aug. 1, 2023. Coverage is also offered to eligible dependents.

If a disability recipient later applies for service retirement, the recipient must have at least 20 years of service credit to qualify for coverage if granted disability benefits on or after Aug. 1, 2023. At least 15 years of service credit is required if granted disability benefits before Aug. 1, 2023.

Please refer to the Health Care section of our website for eligibility requirements, plan information and monthly premiums. You can also use your Online Personal Account to review your plan options and premiums.

Medical coverage is limited for individuals not eligible for Medicare who are employed in a public or private position. Employed retirees are eligible only for secondary coverage through STRS Ohio's Basic Plan if they:

- Are eligible for medical and prescription drug coverage through their employer, or
- Hold a position for which other similarly situated employees are eligible for medical and prescription drug coverage at the same cost as full-time employees.

### **Medicare enrollment**

STRS Ohio requires all medical plan participants to enroll in Medicare Parts A & B at age 65 or when eligible. Medicare Part B is required for all enrollees. Medicare Part A is also required if it is available to you at no cost (premium free). If you decline Medicare Part B or premium-free Part A, you will no longer be eligible for STRS Ohio medical coverage.

After you enroll in Medicare, you must submit your Medicare information through your Online Personal Account.

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\*The STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

## STRS Ohio Defined Contribution Plan

STRS Ohio offers a Defined Contribution Plan to eligible members. New members may select this plan upon employment and have the option to remain in the plan or to select the Defined Benefit Plan or Combined Plan in their fifth year of membership.

Under the Defined Contribution Plan, a member's retirement income is based on contributions to the member's account, the performance of the investment choices selected by the member and the annuity rates (or interest rate environment) at retirement. Participating members may allocate contributions among various investment options managed by STRS Ohio. Disability and survivor benefits while teaching and access to health care coverage in retirement are not provided by STRS Ohio.

Members contribute 14% of annual gross earnings to the defined contribution account, while employers contribute an additional 11.09%,\* meaning that 25.09% of a member's salary goes directly into the defined contribution account. These contribution rates are established by the Retirement Board and are subject to change.

### Reporting of individual accounts

Members receive a quarterly statement of their account following each quarter which includes:

- Current allocation of deposits
- Account balance
- Vested balance
- Account activity during the quarter, including payroll deposits
- Gains and losses

### Designation of beneficiaries

It is important to identify beneficiaries in the case of the death of the member. The succession of beneficiaries outlined in the plan document determines who is eligible to receive an account withdrawal when a member dies, unless the member completes a beneficiary designation form to designate beneficiaries by name. The succession of beneficiaries is desirable for most family circumstances.

Under the succession outlined in the plan document, beneficiaries qualify in the following order:

A. A qualified beneficiary in the following order:

1. Surviving spouse
2. Children
3. Parents
4. Estate

B. Person who paid the member's burial expenses

The succession of beneficiaries will apply if the member has not previously designated a beneficiary or if the member:

1. Designates succession of beneficiaries;
2. Is not survived by a named beneficiary; or
3. Has not submitted a beneficiary designation form after any one of the following:
  - a. Marriage;
  - b. Birth or adoption of a child;
  - c. Divorce, marriage dissolution or legal separation;
  - d. Withdrawal of account; or
  - e. Permanent retirement plan selection if a plan change was made.

In place of the succession of beneficiaries outlined in the plan document, members may designate beneficiaries by name.

\*A portion of employer contributions is set aside to pay for the existing unfunded liability of the retirement system and does not go into the member's defined contribution account.



**Sole survivor:** A sole survivor can fall into one of the three following categories:

- Spouse; or
- A nondesignated sole survivor of an unmarried member determined by statutory succession of beneficiaries; or
- An individual designated as the member's sole beneficiary.

### ***STRS Ohio benefits under the Defined Contribution Plan***

A summary of basic benefits under the Defined Contribution Plan follows.

#### ***Managing the retirement account***

Members may allocate contributions among 17 investment choices, each managed by the same STRS Ohio professionals who are managing the system's defined benefit investments.

All the choices represent the same diversification that is a hallmark of STRS Ohio's total investment portfolio. They are:

- STRS Money Market Choice
- STRS Bloomberg U.S. Universal Bond Index Choice
- STRS Large-Cap Core Choice
- STRS Russell 1000 Index Choice (Large-cap)
- STRS Russell Midcap Index Choice
- STRS Russell 2000 Index Choice (Small-cap)
- STRS MSCI World ex USA Index Choice (International)
- STRS MSCI ACWI ex USA Index Choice (International)
- STRS REIT Index Choice (Real Estate)
- STRS Target Choice 2025
- STRS Target Choice 2030
- STRS Target Choice 2035
- STRS Target Choice 2040

- STRS Target Choice 2045
- STRS Target Choice 2050
- STRS Target Choice 2055
- STRS Target Choice 2060

Members allocate the contributions upon enrolling in the plan and have considerable flexibility in transferring among the choices on Page 24 and above. Investment gains or losses are posted daily to their accounts. Asset management fees are deducted from investment returns of the individual options; a \$10 quarterly account fee is also charged. Members with account balances below \$5,000 who have also made no contributions for at least 120 days are charged a \$10 monthly fee. (Members are not charged the quarterly account fee if a low balance fee was charged during the quarter.)

The STRS Target Choice allocation options target a year in the future that would roughly match a participant's expected retirement date. The closer to the target date, the more conservative the investment mix becomes.

#### ***Portability of retirement benefits***

Members participating in the Defined Contribution Plan can roll the assets of their account into a traditional IRA, eligible employer plan or qualified plan if they leave public employment before retirement. Account withdrawal amounts consist of member contributions plus any gains or losses on those contributions and vested employer contributions. Members vest 20% per year in employer contributions and all gains and losses on those contributions.

#### ***Additions to the member's account***

Members may continue contributions to their account when teaching service is interrupted by military service.

Members who have made their final plan election can roll over pretax funds from a traditional IRA or an eligible employer plan into their defined contribution account.



### **Survivor benefits**

The surviving spouse or sole survivor may elect to withdraw the account or begin receiving a monthly annuity immediately following the member's death. If the account balance is not large enough to provide a \$100 monthly benefit, the account must be withdrawn.

If there are multiple survivors, the account must be withdrawn.

### **Disability benefits**

Disability benefits are not provided by STRS Ohio. Members may withdraw their accounts after terminating employment. At age 50, other payment options are available, but only after employment terminates.

### **Service retirement benefits**

Retirement benefits are based on contributions to the member's account, the performance of investment choices the member selects for contributions and annuity rates at retirement.

#### **Life annuity**

Members have the flexibility of taking a life annuity for the entire account for their lifetime and the lifetime of their beneficiary. Upon death, all annuity payments stop unless a Joint and Survivor Annuity plan was selected. Single Life Annuity payments are based on the participant's life expectancy, while a Joint and Survivor Annuity also takes into account the life expectancy of the beneficiary.

### **Lump-sum withdrawal**

Under this option, the total account balance is paid in one payment. This is the only option for participants under age 50.

A member may also leave the account with STRS Ohio for an annuity or withdrawal at a later date.

### **Death benefit options and eligibility**

Service retirees may purchase a death benefit of \$1,000 or \$2,000. This taxable benefit is optional and is funded by the benefit recipient through deductions from the regular monthly STRS Ohio benefit payment. Members

who are under age 65 when retiring have a second opportunity to purchase or increase the death benefit within the three months immediately preceding age 65.

### **Returning to Ohio public employment**

A return to public service is allowed after two months of retirement. Public employment during the first two months will result in the loss of one or two months of retirement benefits.

Members continuing public employment after retirement and their employers contribute to the applicable Ohio public retirement system. These contributions fund a benefit that the member may collect as a lump-sum payment the first of the month following the last day of service or 12 months after the payment of a previous reemployed retiree benefit payment, whichever is later. Before benefits are payable, the member must terminate employment.

The following rules apply to a member employed in an STRS Ohio-covered position after retirement:

- **If electing a benefit before age 65**, the member will receive the member contributions and interest on those contributions. This benefit is paid as a lump sum. (Interest rates are subject to change.)
- **If electing a benefit at age 65 or after**, the member will receive the member contributions and interest on those contributions, and possibly a matching amount and interest depending on when the work was performed. Member contributions made before July 1, 2005, are matched at 100%. Contributions made July 1, 2005, through June 30, 2013, are matched at 50%. Contributions made July 1, 2013, and after are not matched. The member may elect to receive the benefit as a lump-sum payment or a monthly annuity, provided the monthly annuity is \$25 or greater. (The matching amount and interest rates are subject to change.)
- Before benefits are payable, employment must be terminated.
- Upon the member's death, survivors receive a lump-sum payment of any unpaid funds.
- Individuals continuing employment after retirement are not eligible for any other benefits.

## STRS Ohio Combined Plan

STRS Ohio offers a Combined Plan to eligible members. New members may select this plan upon employment and have the option to remain in the plan or to select the Defined Benefit Plan or Defined Contribution Plan in their fifth year of membership.

The STRS Ohio Combined Plan includes features of the Defined Benefit and the Defined Contribution Plans. From the member's contribution of 14% of annual salary, 12% goes into a defined contribution account. However, 2% of that contribution and the 14%\* employer contributions fund a defined benefit portion of the plan — invested by STRS Ohio investment professionals — to pay for service retirement, disability and survivor benefits.

### Reporting of individual accounts

Members receive a quarterly statement of the defined contribution portion of their account following each quarter which includes:

- Current allocation of deposits
- Account balance
- Vested balance
- Account activity during the quarter, including payroll deposits
- Gains and losses

STRS Ohio members are also provided an *Annual Statement of Account* each September for the defined benefit portion of the account. This statement serves as a history of the member's earnings and contributions. It reflects the defined benefit account withdrawal value and service credit.

In addition, the statement includes projected retirement benefits, as well as estimates of survivor and disability benefits, assuming eligibility requirements for these benefits are met.

## Designation of beneficiaries

It is important to identify beneficiaries in the case of the death of the member. The succession of beneficiaries outlined in the plan document determines who is eligible to receive a withdrawal or monthly benefit when a member dies, unless the member completes a beneficiary designation form to designate beneficiaries by name. The succession of beneficiaries is desirable for most family circumstances.

Under the succession outlined in the plan document, beneficiaries qualify in the following order:

- A. A qualified beneficiary in the following order:
  1. Surviving spouse
  2. Children
  3. Parents
  4. Estate
- B. Person who paid the member's burial expenses

The succession of beneficiaries will apply if the member has not previously designated a beneficiary or if the member:

1. Designates succession of beneficiaries;
2. Is not survived by a named beneficiary; or
3. Has not submitted a beneficiary designation form after any one of the following:
  - a. Marriage;
  - b. Birth or adoption of a child;
  - c. Divorce, marriage dissolution or legal separation;
  - d. Withdrawal of account; or
  - e. Permanent retirement plan selection if a plan change was made.

In place of the succession of beneficiaries outlined in the plan document, members may designate beneficiaries by name. In some circumstances, this designation may jeopardize monthly survivor benefits to qualified survivors and may allow only an account withdrawal (naming a trust fund or estate as beneficiary allows for only a withdrawal, for example).

\*A portion of employer contributions is set aside to pay for the existing unfunded liability of the retirement system and does not go directly into the defined benefit portion of the member's account.

## Other type of beneficiaries

**Sole survivor:** A sole survivor can fall into one of the three following categories:

- Spouse; or
- A nondesignated sole survivor of an unmarried member determined by statutory succession of beneficiaries; or
- An individual designated as the member's sole beneficiary.

**Multiple survivors:** If all of the multiple survivors are qualified survivors (see criteria on Page 29), a monthly benefit could be elected versus an equally divided lump-sum account withdrawal. If at least one of the multiple survivors is not a qualified survivor, the survivor who is not a qualified survivor may waive the right to a lump-sum distribution, which would then allow qualified survivors to receive monthly benefits.

## **STRS Ohio benefits under the Combined Plan**

A summary of basic benefits under the Combined Plan follows.

### **Managing the defined contribution account allocations**

Participants may allocate contributions among 17 investment choices, each managed by the same STRS Ohio professionals who are managing the system's defined benefit investments.

All the choices represent the same diversification that is a hallmark of STRS Ohio's total investment portfolio. They are:

- STRS Money Market Choice
- STRS Bloomberg U.S. Universal Bond Index Choice
- STRS Large-Cap Core Choice
- STRS Russell 1000 Index Choice (Large-cap)
- STRS Russell Midcap Index Choice
- STRS Russell 2000 Index Choice (Small-cap)
- STRS MSCI World ex USA Index Choice (International)

- STRS MSCI ACWI ex USA Index Choice (International)
- STRS REIT Index Choice (Real Estate)
- STRS Target Choice 2025
- STRS Target Choice 2030
- STRS Target Choice 2035
- STRS Target Choice 2040
- STRS Target Choice 2045
- STRS Target Choice 2050
- STRS Target Choice 2055
- STRS Target Choice 2060

Members allocate the contributions upon enrolling in the plan and have considerable flexibility in transferring among the choices on Page 30 and above. Investment gains or losses are posted daily to their accounts. Asset management fees are deducted from investment returns of the individual options; a \$10 quarterly account fee is also charged. Members with account balances below \$5,000 who have also made no contributions for at least 120 days are charged a \$10 monthly fee. (Members are not charged the quarterly account fee if a low balance fee was charged during the quarter.)

The STRS Target Choice allocation options target a year in the future that would roughly match a participant's expected retirement date. The closer to the target date, the more conservative the investment mix becomes.

### **Portability of retirement benefits**

Members can roll the assets of their Combined Plan into a traditional IRA, eligible employer plan or qualified plan if they leave public employment before retirement.

### **Additions to the member's account**

Members may continue contributions to their account when teaching service is interrupted by military service and most leaves of absence.

Members who have made their final plan election can roll over pretax funds from a traditional IRA or an eligible employer plan into their defined contribution account.

## Survivor benefits

Upon the member's death, qualified survivors may elect to:

1. Withdraw the defined benefit and defined contribution portions of the account; or
2. Withdraw the defined contribution account and, provided the member *had 5.00 years of service*, maintain the defined benefit account to receive a monthly benefit beginning when the member would have reached age 60. (The benefit is equal to the maximum joint and survivor benefit to the qualified survivor.) A surviving spouse may continue to manage the defined contribution account for payment at a later date; or

If the member *had less than 5.00 years of service* credit, a sole survivor can withdraw both the defined contribution and defined benefit portions of the account or annuitize the defined contribution portion of the account and withdraw the defined benefit portion of the account (The annuity must pay a minimum of \$100 per month.); or

3. Combine the defined benefit and defined contribution portions of the account for monthly survivor benefits as outlined on the following pages.

A member's spouse, children under the age of 22, dependent parents, and physically or mentally incapacitated dependents may qualify for survivor benefits.

STRS Ohio determines eligibility for dependent-based and service-based survivor benefits as follows:

- Existing members as of June 30, 2013, must have 1.50 years or more of service credit, with .25 of a year having been earned within 30 months before death; or been receiving a disability benefit at the time of death; or received a disability benefit within the last 12 months and were contributing at the time of death.
- New members on or after July 1, 2013, must have at least 5.00 years of service credit before death (and the date of death is no more than one year from the last date of service); or been receiving a disability benefit at the time of death; or received a disability benefit within the last 12 months and were contributing at the time of death.

- If the member leaves Ohio public service, survivor benefits extend for up to 27 months (for existing members) or 12 months (for new members after July 1, 2013) after the last contributing service or while the member is receiving a disability benefit, provided the account is not withdrawn. A member who has eligible dependents should consider this benefit before withdrawing the account during this period.

If the member meets the eligibility requirements for more than one benefit, the amount of the benefit is the greater of a dependent-based benefit, a service-based benefit or a retirement-based benefit.

**Dependent-based benefits** are payable as follows:

Number of Qualified Survivors	Percentage of Final Average Salary*
1	25%
2	40%
3	50%
4	55%
5 or more	60%

The **service-based benefit** is payable when the member has 20 or more years of service credit.

Service-based benefits are payable as follows:

Years of Service	Percentage of Final Average Salary*
20	29%
21	33%
22	37%
23	41%
24	45%
25	48%
26	51%
27	54%
28	57%
29 or more	60%

\*Average of the member's five highest years of earnings. If contributions were made for less than the FAS period, total compensation is divided by the total number of years of service credit in the member's account to calculate the FAS.

The spouse's share of the service-based benefit on Page 33 is as follows:

Number of Qualified Survivors	Spouse's Share
1	100%
2	62.5%
3	50%
4	45.45%
5 or more	41.67%

If there is no surviving spouse and more than one qualified survivor, the benefit is divided equally among the qualified survivors.

The **retirement-based benefit** is payable to a surviving spouse or a named financially dependent beneficiary if the member dies before retirement but after meeting retirement eligibility of the Defined Benefit Plan (see Pages 14–15). The defined benefit and defined contribution portions of the account are combined to fund this benefit. These benefits are payable for the survivor's lifetime regardless of remarriage.

### Other survivor benefit options offered to a sole survivor under the Combined Plan

In lieu of combining the defined contribution and defined benefit portions of the account to receive monthly survivor benefits as described on Page 32, a surviving spouse or sole survivor of a Combined Plan participant has the additional options listed below which apply regardless of the member's age at the time of death:

**Defined contribution portion:** The surviving spouse or sole survivor may withdraw the account or begin receiving a monthly annuity immediately following the member's death.

#### Defined benefit portion:

- For the surviving spouse or sole survivor of a member who had **less than 5.00 years** of service credit, the only option is to withdraw the account.
- The surviving spouse or sole survivor of a member with **more than 5.00 years** of service credit may withdraw the account or begin receiving a monthly annuity, assuming the member was at least age 60.

If the member had not attained age 60, the survivor may maintain the defined benefit portion of the account until the member would have been at least age 60 to receive a monthly annuity. The annuity is based on 1% of the member's final average salary for each year of service adjusted for a Joint and Survivor plan of payment.

(Note: If the annuity options indicated on Page 34 and above are chosen, the payment to the survivor must be at least \$100 monthly; otherwise, that portion of the account must be withdrawn.)

### Additional information about survivor benefits

A Combined Plan participant receiving disability benefits has the same survivor benefit coverage as an active teacher.

Survivor benefits to an eligible spouse are payable regardless of income from other sources. Survivor benefits may be more valuable than any other financial protection for a family.

The primary beneficiary may withdraw the deceased member's account in lieu of receiving monthly benefits. See the account withdrawal section on Page 39 for more information.

For further information, view the *Survivor Benefits* brochure for members enrolled in the Combined Plan online at [www.strsoh.org](http://www.strsoh.org).

### Disability benefits

Members may combine the defined benefit and defined contribution portions of their account for a disability benefit.

The Combined Plan provides coverage for members whose disabling medical condition prevents them from performing their most recent job duties and is expected to last at least 12 continuous months from the date STRS Ohio receives the completed Disability Application Packet.



To qualify for disability benefits, an STRS Ohio member must:

- Meet either of the following:
  - **Existing members on June 30, 2013**, must have at least 5.00 years of qualifying service credit\* on account with STRS Ohio and submit a completed application packet within two years of the last date of earned service.
  - **New members on or after July 1, 2013**, must have at least 10.00 years of qualifying service credit\* on account with STRS Ohio and submit a completed application packet within one year of the last date of earned service.
- Have not withdrawn any portion of the account.
- Not be receiving service retirement benefits.

A monthly disability benefit is based on a percentage (limited to a maximum of 60% and no less than 45%) of the member's final average salary. The percentage is determined by multiplying the member's total years of Ohio service credit by 2.2%.

Disability Benefit Example	
Actual years of Ohio service	22
Formula level	<u>x 2.2%</u>
	48.4%
Final average salary	<u>x \$50,000</u>
Annual disability allowance benefit	\$24,200
Monthly benefit	\$2,016

Disability benefits terminate:

- If the recipient performs any teaching service in a public or private setting, school or nonschool setting, on a volunteer basis or for compensation, in or outside the state of Ohio;
- At the request of the recipient;
- If a medical reexamination shows the member is no longer disabled;
- If the recipient is not following an agreed-upon treatment plan or does not submit required medical reports;

- If the recipient has not submitted the *Disability Statement of Employment and Earnings*; or
- At age 65, or after a specific benefit period.

Disability benefits terminate at age 65 if the benefit began before age 60. Once a disability benefit terminates, a member has the right to apply for service retirement if eligible.

Any applicant who is denied disability benefits may appeal the decision to the Retirement Board as provided by statute and procedures established by the board. An individual receiving service retirement benefits is ineligible to apply for disability benefits. Members may also withdraw their accounts. For information on account withdrawals, see Page 39.

Disability recipients who have received a benefit for at least 14 months must annually complete a *Disability Statement of Employment and Earnings*. STRS Ohio will notify disability recipients when their statement is available for completion in their Online Personal Account.

### Service retirement benefits

Separate benefits are paid from the defined benefit and defined contribution portions of the member's account.

### Defined benefit

The retirement benefit is based on the member's:

- Total years of service credit, and
- Final average salary (FAS). The FAS is currently the average of the five highest years of Ohio public earnings.

Upon retirement at age 60 or later, the annual benefit is calculated by multiplying the member's years of service by 1% of FAS. For example, members who retire with 30 years of service credit will receive 30% of their FAS from the defined benefit portion of their account. The defined benefit calculation must be large enough to provide at least a \$100 monthly benefit for the plan of payment chosen.

\*Qualifying service credit includes earned credit with STRS Ohio and interrupted teaching due to military service.



### **Life annuity**

Members participating in the Combined Plan have several payment options — once they end their teaching career. Participants have the flexibility of taking a life annuity for their lifetime and the lifetime of their beneficiary. Upon the member's death, all annuity payments stop unless a Joint and Survivor Annuity plan was selected. Single Life Annuity payments are based on the participant's life expectancy, while a Joint and Survivor Annuity also takes into account the life expectancy of the beneficiary.

### **Partial Lump-Sum Option Plan**

Under the Partial Lump-Sum Option Plan (PLOP), new retirees can take an amount from six to 36 times the monthly Single Life Annuity benefit based on the defined benefit portion of the account in a lump sum at retirement. The PLOP must be elected in \$1,000 increments, unless the minimum or maximum amount is selected. Lifetime monthly benefit payments begin with the member's retirement date but are reduced to reflect the amount taken up front in a single payment.

### **Defined contribution**

For the defined contribution portion of the account, income is based on contributions to the member's account, the performance of investment choices the member selects for contributions and annuity rates at retirement.

### **Life annuity**

Members participating in the Combined Plan have several payment options — once they end their teaching career. Participants have the flexibility of taking a life annuity for their lifetime and the lifetime of their beneficiary. Upon the member's death, all annuity payments stop unless a Joint and Survivor Annuity plan was selected. Single Life Annuity payments are based on the participant's life expectancy, while a Joint and Survivor Annuity also takes into account the life expectancy of the beneficiary.

### **Death benefit options and eligibility**

Service retirement and disability benefit recipients may purchase a death benefit of \$1,000 or \$2,000. This taxable benefit is optional and is funded by the benefit recipient through deductions from the regular monthly STRS Ohio benefit payment. Members who are under age 65 when retiring, have a second opportunity to purchase or increase the death benefit within the three months immediately preceding age 65.

### **Account withdrawal**

Upon termination of employment before age 50, a withdrawal must include both the defined benefit and defined contribution portions of the account. At age 50 or after, the member may withdraw the defined contribution portion upon termination of employment and leave the defined benefit portion on account for monthly benefits at the latter of age 60 or termination of employment, withdraw the value of the defined benefit portion and begin receiving monthly benefits from the defined contribution portion of the account, or withdraw both the defined benefit and defined contribution accounts.

### **Defined contribution withdrawal amount**

Members are eligible for their contributions and the gains or losses on those contributions.

### **Defined benefit withdrawal amount**

For the defined benefit portion of the account, members with 5.00 or more years of service credit are eligible for the greater of: (1) the present value of the future benefits or (2) the member's total contributions to the defined benefit portion of the account.

The defined benefit portion of the account consists of the member's total contributions to the defined benefit portion of the account if the member withdraws before accumulating 5.00 years of service credit.

### **Purchasing service credit**

Members participating in the Combined Plan are eligible to purchase service credit for leaves of absence and for periods of teaching that were interrupted by military service.

## Returning to Ohio public employment

A return to public service is allowed after two months of retirement. Public employment during the first two months will result in the loss of one or two months of retirement benefits.

Members continuing public employment after retirement and their employers contribute to the applicable Ohio public retirement system. These contributions fund a benefit that the member may collect as a lump-sum payment the first of the month following the last day of service or 12 months after the payment of a previous reemployed retiree benefit payment, whichever is later. Before benefits are payable, the member must terminate employment.

The following rules apply to a member employed in an STRS Ohio-covered position after retirement:

- **If electing a benefit before age 65**, STRS Ohio will pay member contributions and interest on those contributions. This benefit is paid as a lump sum. (Interest rates are subject to change.)
- **If electing a benefit at age 65 or after**, STRS Ohio will pay member contributions and interest on those contributions, and possibly a matching amount and interest depending on when the work was performed. Member contributions made before July 1, 2005, are matched at 100%. Member contributions made July 1, 2005, through June 30, 2013, are matched at 50%. Member contributions made July 1, 2013, and after are not matched. The member may elect to receive the benefit as a lump-sum payment or a monthly annuity, provided the monthly annuity is \$25 or greater. (The matching amount and interest rates are subject to change.)
- Before benefits are payable, employment must be terminated.
- Upon the member's death, survivors receive a lump-sum payment of any unpaid funds.
- Individuals continuing employment after retirement are not eligible for any other benefits.

Access to health care coverage through STRS Ohio is restricted for some employed retirees. See the following "Health care coverage" section.

## Health care coverage

The laws that create and govern STRS Ohio neither promise nor fund health care. STRS Ohio's primary obligation is to provide a monthly pension to eligible retirees. STRS Ohio offers medical, dental and vision coverage to eligible service retirement and disability benefit recipients, beneficiaries and survivors.\*

Members retiring on or after Aug. 1, 2023, must have at least 20 years of service credit to qualify for coverage. At least 15 years of service credit is required for members retiring before Aug. 1, 2023. Coverage is also offered to eligible dependents.

If a disability recipient later applies for service retirement, the recipient must have at least 20 years of service credit to qualify for coverage if granted disability benefits on or after Aug. 1, 2023. At least 15 years of service credit is required if granted disability benefits before Aug. 1, 2023.

Please refer to the Health Care section of our website for eligibility requirements, plan information and monthly premiums. You can also use your Online Personal Account to review your plan options and premiums.

Medical coverage is limited for individuals not eligible for Medicare who are employed in a public or private position. Employed retirees are eligible only for secondary coverage through STRS Ohio's Basic Plan if they:

- Are eligible for medical and prescription drug coverage through their employer, or
- Hold a position for which similarly situated employees are eligible for medical and prescription coverage at the same cost as full-time employees.

\*The STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

## Medicare enrollment

STRS Ohio requires all medical plan participants to enroll in Medicare Parts A & B at age 65 or when eligible. Medicare Part B is required for all enrollees. Medicare Part A is also required if it is available to you at no cost (premium free). If you decline Medicare Part B or premium-free Part A, you will no longer be eligible for STRS Ohio medical coverage.

After you enroll in Medicare, you must submit your Medicare information through your Online Personal Account.

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## STRS Ohio services

STRS Ohio provides numerous services to its members.

### Member Services Center

The Member Services Center offers toll-free access to STRS Ohio representatives who can provide account information, answer questions about benefits and services, schedule counseling appointments or register members for retirement planning education programs. Call toll-free 888-227-7877 between 8 a.m. and 5 p.m., Monday through Friday.

### Website

The STRS Ohio website ([www.strsoh.org](http://www.strsoh.org)) provides the latest STRS Ohio news, benefits counseling and retirement planning education program information, STRS Ohio publications, a video library and information about important topics, such as health care and pension benefits.

With a password, members and benefit recipients can access their personal account information in a secure, online environment.

### Newsletters

STRS Ohio publishes three member newsletters. *News for Active Members* and *News for Benefit Recipients* are sent on a periodic basis and include information about benefit changes and health care, as well as general news about STRS Ohio. *SmartTALK* is a quarterly newsletter for Defined Contribution and Combined Plan participants.

## Brochures

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 Benefits (Combined Plan)*
- *Disability Retirement*
- *Employment After Retirement*
- *Preparing for Retirement*
- *Purchasing Service Credit*
- *Service Credit Guidelines*
- *Service Retirement and Plans of Payment*
- *Survivor Benefits*
- *Summary Annual Financial Report*
- *Understanding Your STRS Ohio Benefits — Plan Summary*

## 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*.

## Educational programs

STRS Ohio offers a number of programs for its members.

- *Beyond the Classroom* is for members who are five to 10 years from retirement and helps attendees determine how much money they'll need at retirement.
- The *Active Member Series* offers a variety of topics that can help members better position themselves for a financially secure retirement.
- *Financial Fitness: Your Pathway to Retirement* is for members who want to improve their overall financial health and build a sound retirement.

- *Retirement Countdown* is targeted toward members within 12–18 months of retirement, helping them learn all of the necessary steps to ensure a smooth transition from teaching to retirement.
- The *Retiree Series* provides information of special interest to the retired member. Meeting topics change annually and have included estate planning, long-term care, Social Security, cybersecurity, basics of online account access and investing in retirement.
- *Understanding Your Health Care Plan* meetings provide information to retired members about how to use health care and prescription drug coverage.
- *Medicare Enrollment and STRS Ohio*, for retired members, provides an overview of Medicare and how it affects your STRS Ohio medical coverage.

Further information, including online registration and directions, are available at [www.strsoh.org](http://www.strsoh.org).

STRS Ohio also offers webinars and online presentations on topics such as retirement plan options, online account features, supplemental savings, getting retirement ready, retirement benefits and Medicare enrollment. A video library is available at [www.strsoh.org](http://www.strsoh.org).

### **Benefits counseling sessions**

Members are encouraged to attend a benefits counseling session at least three years before retirement and again six to 12 months before retirement. Appointments for counseling sessions can be made online at [www.strsoh.org](http://www.strsoh.org). Three options are offered:

#### **Columbus office**

Individual counseling sessions are available at the STRS Ohio Building in Columbus.

#### **Field counseling**

Individual counseling sessions are offered at various locations in Ohio throughout the year.

#### **Virtual counseling**

Individual counseling sessions via phone or via computer using Zoom videoconferencing software.

#### **Group counseling**

Small interactive group setting via computer using Zoom videoconferencing software.

### **Contacting STRS Ohio**

Phone: 888-227-7877

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

Mail: STRS Ohio  
275 E. Broad St.  
Columbus, OH 43215-3771

### **Nationwide Retirement Solutions**

Defined Contribution and Combined Plan members are encouraged to review the allocation of their investment choices as they near retirement. STRS Ohio has partnered with Nationwide Retirement Solutions (NRS) to provide assistance with investment choices. Members needing additional information can go to [www.nrsstrsoh.org](http://www.nrsstrsoh.org) or call NRS toll-free at 866-332-3342. Members can also register for an NRS/STRS Ohio online account on the website, where they can view and manage aspects of their defined contribution account/ investments.

### **Social Security**

Many STRS Ohio retirees have potential benefits as the spouse of a Social Security wage earner or on the basis of their own employment under Social Security. Social Security may reduce or eliminate its benefits to an individual because of eligibility for STRS Ohio benefits. STRS Ohio cannot calculate Social Security benefits or predict future federal legislative changes regarding Social Security. Retirees needing additional information can obtain it by contacting Social Security toll-free at 800-772-1213 or at [www.ssa.gov](http://www.ssa.gov).



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