

**Defined Benefit Plan  
Retirement Benefits**  
Information for Late-Career Members

20-966C, 1/24/0

If you are a Defined Benefit Plan participant who is approaching retirement, there is important information STRS Ohio would like you to be aware of regarding your retirement benefits.





# What You Need to Know Before Retiring

- Health care coverage
- Applying for retirement
- Retirement benefit payment
- Employment after retirement
- Death benefits



Before you retire, you will want to know details pertaining to: health care coverage, applying for service retirement, your retirement benefit payment, stipulations on employment after retirement and death benefits.

Let's take a look at these topics in more detail to help better prepare you for a smooth transition into retirement.



## **STRS Ohio Offers Health Care Coverage to Those Eligible**

- **At least 20 or more years of total service credit required**
  - Dependent, beneficiary and survivor coverage also available
- **Hospital, medical and prescription coverage**
- **Dental and vision coverage**



You must have 20 or more years of total service credit to participate in the STRS Ohio Health Care Program. Coverage is also available to your eligible dependents, beneficiaries and survivors.

STRS Ohio's medical plans include hospital, medical and prescription coverage. Separate dental and vision coverage is also available and enrollment in a medical plan is not required to enroll in the dental and vision plans.



# We Understand Health Care Is Important to Our Members



- Access not guaranteed under Ohio law
- Premium and program changes help extend fund solvency
- Projected to remain solvent for current and future system retirees

Access to health care is not guaranteed under Ohio law and coverage is subject to change. STRS Ohio understands that quality health care in retirement is important to you. Each year, the State Teachers Retirement Board considers premium and program changes to help stretch members' dollars and improve the solvency of the Health Care Fund. That fund is projected to be solvent for all current retirees and for all teachers currently in the classroom.





## Working After Retirement And Your STRS Ohio Health Care Coverage

- **Eligible for only secondary coverage through STRS Ohio under specific circumstances**
- **Applies to those not eligible for Medicare**
- **Verification required (verify via Online Personal Account)**

STRS Ohio medical coverage for employed individuals not eligible for Medicare is limited to secondary coverage when they: (1) are eligible for medical and prescription drug coverage through their employer, or (2) hold a position for which similarly situated employees are eligible for medical and prescription coverage.

STRS Ohio requires non-Medicare enrollees to verify their employment status and access to employer health coverage. If you are employed and not eligible for Medicare, it is your responsibility to provide verification through your Online Personal Account.



# STRS Ohio Subsidizes Monthly Premium Costs



- **Member subsidy (if eligible) based on years of service**
  - No subsidy for covered dependents
- **Dental and vision — you pay full premium**



**Deducted from monthly benefit payment**

STRS Ohio currently makes medical plan premiums less expensive for eligible service retirement and disability benefit recipients by subsidizing a portion of the monthly premium costs. The subsidy is based on years of service credit and dependent coverage is not subsidized.

Separate premiums apply to the dental and vision plans. You will pay the full premium amount for yourself and other individuals you enroll in these plans. Premiums for medical, dental and vision coverage will be deducted from your monthly benefit payment.



# Indicate Enrollment on Your Retirement Application



- You may enroll when monthly benefits begin or:
  - Upon loss of other coverage
  - When enrolling in Medicare
  - During open enrollment
- Medical plan open enrollment each November
- Dental and vision open enrollment once every two years

A section of your *Service Retirement Application* asks whether you want to enroll in an STRS Ohio health care plan. If you indicate you want to enroll, health care information will be mailed to you after your benefit application has been processed.

If you do not enroll when monthly benefits begin, you may request enrollment upon loss of other coverage, enrollment in Medicare or during open enrollment. Open enrollment is offered annually in November for medical plans and once every two years for dental and vision plans.



# Your Coverage Effective Date



- **The latest of:**
  - Your retirement date, or
  - The first of the month after STRS Ohio receives your application, or
  - The first of the month following termination of employer coverage

If you're enrolling in health care at retirement, the effective date of coverage is the latest of:

- Your retirement date, or
- The first of the month after STRS Ohio receives your application, or
- The first of the month following the termination of employer coverage.

Some members delay the effective date of STRS Ohio health care coverage if their employer coverage is not ending at retirement.







# STRS Ohio Coverage Is Coordinated With Medicare



- **Medicare is a federal health insurance program for people:**
  - Age 65 and older
  - Under age 65 with disabilities
  - Those with end-stage renal disease or ALS
- **Eligible regardless of Social Security eligibility**

Your STRS Ohio coverage is coordinated with Medicare.

Medicare is a federal health insurance program for people age 65 and older, some people with disabilities under age 65, and people with end-stage renal disease or amyotrophic lateral sclerosis (ALS).

All U.S. citizens are eligible for Medicare when turning age 65, even if they are not eligible for Social Security retirement benefits.



# Enroll in Medicare When Eligible



- **Part A — Hospital**
  - Enroll if it's free
  - Free if eligible for Social Security (own account or spouse's)
- **Part B — Medical**
  - Enroll and pay premium
  - STRS Ohio requires proof of enrollment — submit through Online Personal Account

Individuals who are eligible for Medicare must have Medicare coverage to qualify for an STRS Ohio plan.

STRS Ohio requires you to enroll in Medicare Part A (hospital insurance) if it is available to you at no cost. Individuals eligible for Social Security through their own account or their spouse's account receive Part A free.

STRS Ohio requires you to enroll in Medicare Part B (medical insurance) for a monthly premium which you pay to Medicare. STRS Ohio requires proof of Part B enrollment which can be submitted through your Online Personal Account.





## Do Not Enroll in Parts C or D

- **Part C — Medicare Advantage plans**
  - Approved by Medicare; administered by private companies
  - You do not need to enroll
- **Part D — Prescription drugs**
  - Included in STRS Ohio medical plan
  - Do not enroll in any other Part D plan



If you enroll in an STRS Ohio medical plan, you do not need to enroll in Medicare Parts C and D.

Part C — Medicare Advantage plans — are approved by Medicare and administered by private companies. You do not need to enroll in Part C. Enrollment in Parts A & B or Part B-only qualifies you for coverage under STRS Ohio's Medicare Advantage plan.

Part D is prescription drug insurance. All of the medical plans STRS Ohio offers for Medicare enrollees include this coverage. Enrollment in any other Parts C and D plan will cancel your STRS Ohio plan enrollment.



# Medicare Enrollment Impacts Plan Eligibility



- **Not eligible for STRS Ohio medical plan if Medicare coverage is declined**
- **Further information:**
  - Sent by STRS Ohio
  - Medicare enrollment webinar available; register at [www.strsoh.org](http://www.strsoh.org)
  - Medicare enrollment video on STRS Ohio website



You will not be eligible for STRS Ohio medical coverage if you decline Medicare coverage.

STRS Ohio will send you Medicare enrollment information three months before your 65<sup>th</sup> birthday. We offer a Medicare webinar with details about enrollment. To find out more or to register, visit our website, where a video about Medicare enrollment is also available.



## Resources for Further Information



- **STRS Ohio**
  - [www.strsoh.org](http://www.strsoh.org) (Health Care section)
  - Counseling appointment
  - STRS Ohio: 888-227-7877 (toll-free)
  - Online Personal Account
- **Contact your plan directly with coverage questions**

Health Care Program information and premiums can be obtained from the Health Care section of the STRS Ohio website, during your appointment with a benefits counselor or by calling STRS Ohio.

Access your Online Personal Account to review health care plan options and costs based on your retirement date, years of service and enrolling eligible dependents. Your plan options are determined by your Medicare status on file with STRS Ohio.

Additionally, as an enrollee you will be able to contact your plan directly with any coverage questions.



## ***Service Retirement Application: Submit Three Months Before Retirement***

- **Online application**
  - Access via Online Personal Account
  - 90 days for changes and to submit
  - Summary provided
  - Ability to check status



Let's review a few details pertaining to applying for retirement and your benefit payment.

Complete and submit your *Service Retirement Application* using your Online Personal Account at least three months, but no earlier than 12 months, before your retirement date.

You will have 90 days from when you begin the application to complete and submit it. You can also view and print a summary of your selections and check the processing status of your application.





## Receiving Payment on Your Retirement Date

- **Application must be received by STRS Ohio 30 days before retirement date**
- **Partial payment(s) may be issued**
- **Balance paid as catch-up payment**



To receive a benefit payment on your retirement date, your application needs to be received by STRS Ohio at least 30 days before.

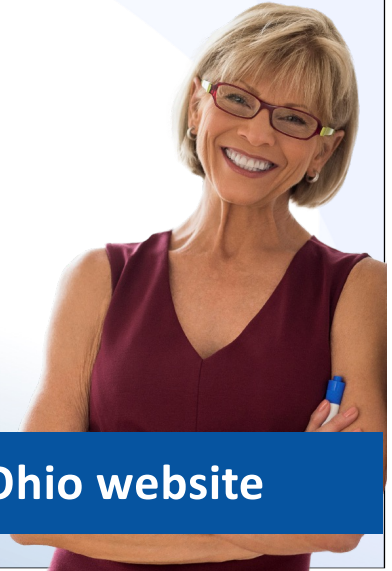
If your benefit amount is not calculated by your retirement date, a partial payment may be issued. Most members receive three or more partial payments. Once your benefit is finalized, you will receive a catch-up payment for the amount difference between the partial payments and your full regular benefit.





# Benefit Payments Are Made by Direct Deposit

- **Deposited first banking day of the month**
  - Not always first day of the month
- **Notifications: changes in benefit payment amount or banking information**



**List of first banking days available on STRS Ohio website**

The direct deposit of benefit payments occurs on the first banking day of the month, which is usually the first day of the month unless the first banking day falls on a holiday or weekend.

STRS Ohio will notify you by email following any changes to your banking information or monthly benefit amount, including when your first regular benefit payment occurs and every January.

A list of first banking days is available on the STRS Ohio website.







# View Payment Details in Online Personal Account

- **Monthly benefit payment details provided**
- **Recipient Account page**
  - Under Payment History



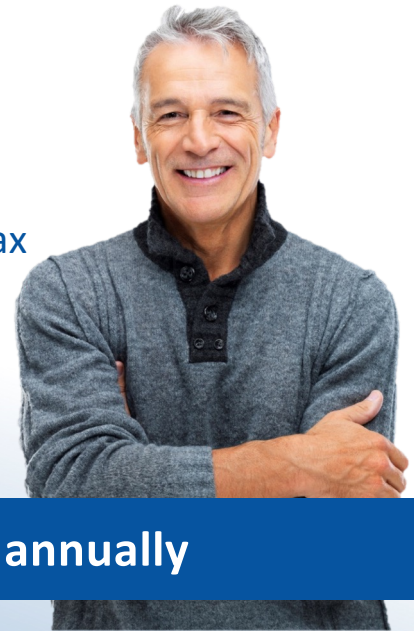
Your monthly benefit payment details will be available in your Online Personal Account. You will be able to view the account features for a benefit recipient after STRS Ohio has completed the processing of your *Service Retirement Application*. At that time, you will be able to access your payment history on the Recipient Account page of your online account.





# Retirement Benefits Are Taxable

- **Federal income tax**
  - Withheld unless exemption form filed
- **Ohio residents**
  - State and possibly school district income tax
  - Exempt from local and municipal taxes
- **No withholding for other states**



**STRS Ohio provides 1099-R form annually**

STRS Ohio is required to withhold federal income tax from taxable monthly benefits. Filing an exemption form does not remove tax obligations. If federal taxes are not withheld, you must file quarterly estimates.

Benefits are subject to Ohio income tax and potentially local school district income tax, but not local or municipal taxes. Upon request, we will withhold Ohio income tax for Ohio residents. The laws in the state where you reside govern your state tax liability. STRS Ohio cannot withhold tax for states other than Ohio.

Every January, STRS Ohio will provide a 1099-R form for monthly benefits showing your gross benefits and the taxable amount.



# Cost-of-Living Adjustment (COLA)



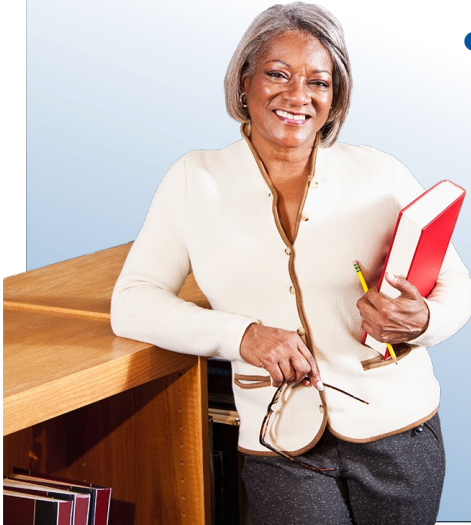
- **New benefit recipients eligible on fifth anniversary of retirement date**
- **State Teachers Retirement Board periodically evaluates whether it is payable in accordance with the law in effect at the time**
- **When granted, paid on anniversary of retirement date and each month thereafter**

As a new benefit recipient, you are eligible to receive a COLA beginning on the fifth anniversary of your retirement date. The State Teachers Retirement Board periodically evaluates whether a COLA is payable in accordance with the law in effect at the time. When a COLA is granted, it is added to the base benefit on the retirement anniversary date and each month thereafter.





# Employment After Retirement



- **One employer at retirement: a two month wait**
- **Position covered by:**
  - STRS Ohio
  - Ohio Public Employees Retirement System (OPERS)
  - School Employees Retirement System (SERS)
  - Ohio Police & Fire Pension Fund
  - Highway Patrol Retirement System
  - City of Cincinnati Retirement System

Employment in a public position in Ohio after retirement is restricted during the first two months following retirement.

If you are employed by one public employer at retirement, you cannot work during the first two months of retirement in a position covered by any of the Ohio public retirement systems.

Violation of reemployment provisions will result in forfeiture of retirement benefits for the months worked.



# Employment After Retirement



- **Multiple employers at retirement (covered by STRS Ohio, OPERS or SERS)**
  - Retire with highest paying employer
  - Continue working with lower paying employer(s)
  - No waiting period
  - Lower paying position held 12 consecutive months prior to retirement

If you are employed at retirement by more than one public employer covered by STRS Ohio, Ohio Public Employees Retirement System or School Employees Retirement System, you may retire with the highest paying employer and continue working with one or all of the lower paying employers with no waiting period. You must have held the lower paying (secondary) position for at least 12 consecutive months prior to retirement. If your secondary employer is covered by OPERS or SERS, you must combine that account with your STRS Ohio account at retirement to avoid a forfeiture of benefits.



## STRS Ohio Pays a \$1,000 Death Benefit



- **Paid upon service retirement or disability benefit recipient's death**
- **Beneficiary**
  - Designated when applying for benefits
  - May be changed at any time through your Online Personal Account

STRS Ohio death benefits may help defray expenses incurred when an STRS Ohio service retirement or disability benefit recipient dies. Upon your death, STRS Ohio pays a \$1,000 tax-free death benefit to your beneficiary. This beneficiary is designated when applying for disability or retirement benefits and may be changed at any time through your Online Personal Account.





## Additional Death Benefit May Be Purchased

- **Additional \$1,000 or \$2,000**
- **At retirement or age 65**
- **Age 65 or older when retiring: purchase at retirement**
- **Premium deducted from monthly benefit payment**

Benefit recipients may purchase an additional death benefit of either \$1,000 or \$2,000 at retirement. If you are under age 65 when you retire, you will have a second opportunity three months before your 65th birthday to purchase additional coverage. If you are age 65 or older when you retire, or when disability benefits begin, your only opportunity to purchase the additional coverage is when your benefits begin.

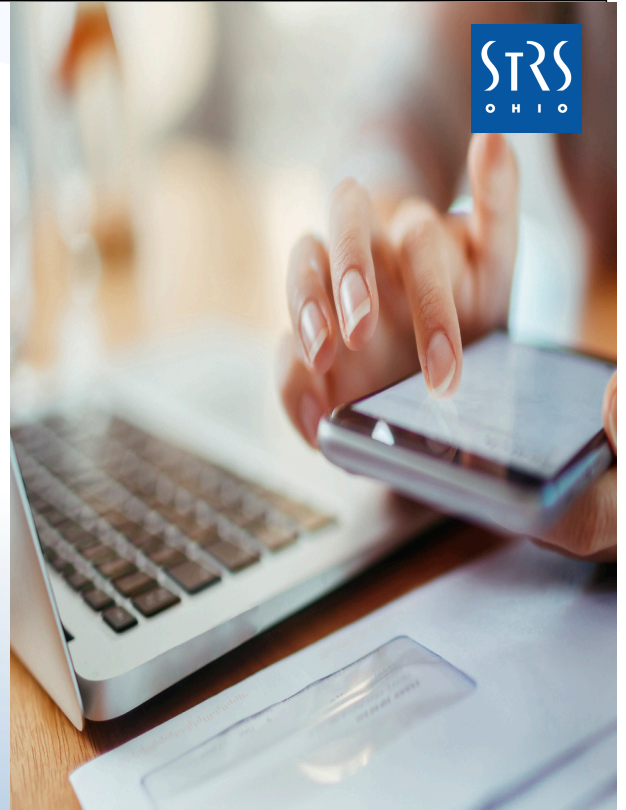
If you elect to purchase an additional death benefit, the premium is deducted from your monthly benefit payment.



## Online Account Features

- Retire online
- View benefit payment details
- Access calculators
- View documents
- Update contact information

**And much more!**



Log in to your Online Personal Account on the STRS Ohio website any hour of the day to manage several aspects of your STRS Ohio account. Remember to review and update your contact information in your online account to stay abreast of important information about your STRS Ohio account and benefits.







## We Will Keep You Informed

- Newsletters
- [www.strsoh.org](http://www.strsoh.org)
- *eUPDATE* email news service



**Please complete our benefits counseling session survey.**

As you approach retirement, please contact STRS Ohio if you have any questions. We will continue to keep you informed about issues affecting STRS Ohio members via our newsletters, website, *eUPDATE* email news service and social media channels.

If you are meeting with an STRS Ohio benefits counselor, please complete and return the satisfaction survey you will receive following your appointment.

