

COMPENSATION

STRS Ohio members are required to contribute a percentage of earned compensation for teaching services, including supplemental and summer earnings. Please refer to the chart on Page 3 of this section for the correct contribution rates for each fiscal year. Employers must withhold the correct contribution amounts from STRS Ohio members' salary payments and remit contributions to STRS Ohio within five days of each payroll.

In addition, contributions are required for retirees of Ohio public retirement systems who are employed in teaching positions on a temporary or full-time basis. See Section 17 for more information about the employment of retirees.

For purposes of STRS Ohio contributions, compensation is defined in Section 3307.01, Revised Code, as all salary, wages and other earnings, including compensation paid in accordance with supplemental contracts. Further, such amounts are subject to contributions without regard to whether they are treated as deferred income for federal income tax purposes.

If a benefit cafeteria plan is available and a member elects to reduce stated salary to receive additional fringe benefits, retirement contributions must be based on the gross salary before reduction. Conversely, cash payments that are in addition to stated salary and are in lieu of cafeteria plan benefits, are not subject to retirement contributions.

The following types of payments are specifically excluded from compensation for retirement purposes:

- Payments for accrued but unused sick leave or personal leave, including payments for perfect attendance;
- Payments for accrued but unused vacation and vacation pay covering concurrent periods for which other salary or compensation is paid;
- Amounts paid to provide insurance coverage of any type and cash payments in lieu of providing insurance coverage, including payments for Medicare;
- Incidental benefits such as lodging, food, laundry, parking or services furnished by the employer; use of the employer's property or equipment; or job-related expenses such as housing, moving, travel or costs related to professional development;
- Anything of value that is based on retirement or an agreement to retire, including employees completing their contract early;
- Payments made by the employer in exchange for a member's waiver of a right to receive any payment amount or benefit;
- Retroactive increases that are not paid in accordance with uniform criteria applicable to all STRS Ohio members who are employed by the employer;
- Payments for services not actually rendered; or
- Payments that exceed the annual compensation limits for plans qualified under Section 401 of the Internal Revenue Code. These limits can vary depending on the type of plan a member participates in. See the Annual Compensation Limits table on the following page for a complete listing of these limits.

ANNUAL COMPENSATION LIMITS

Fiscal Year	Defined Benefit Plan		Defined Contribution Plan*		Combined Plan	
	For new members on or after July 1, 1996	For members before July 1, 1996	For new members on or after July 1, 1996	For members before July 1, 1996	For new members on or after July 1, 1996	For members before July 1, 1996
2009–2010	\$245,000	\$360,000	\$230,000	\$239,024	\$245,000	\$360,000
2008–2009	\$230,000	\$345,000	\$230,000	\$239,024	\$230,000	\$345,000
2007–2008	\$225,000	\$335,000	\$224,390	\$224,390	\$225,000	\$335,000
2006–2007	\$220,000	\$325,000	\$214,634	\$214,634	\$220,000	\$325,000
2005–2006	\$210,000	\$315,000	\$204,878	\$204,878	\$210,000	\$315,000
2004–2005	\$205,000	\$305,000	\$200,000	\$200,000	\$205,000	\$305,000
2003–2004	\$200,000	\$300,000	\$195,121	\$195,121	\$200,000	\$300,000
2002–2003	\$200,000	\$295,000	\$200,000	\$202,020	\$200,000	\$295,000
2001–2002	\$170,000	\$285,000	\$170,000	\$176,768	\$170,000	\$285,000
2000–2001	\$170,000	\$275,000				
1999–2000	\$160,000	\$270,000				
1998–1999	\$160,000	\$265,000				
1997–1998	\$160,000	\$261,600				
1996–1997	\$150,000	\$247,600				
1995–1996		\$247,600				
1994–1995		\$242,280				

These amounts are based on compensation limits under 401(a)(17) and contribution limits** under 415(c) of the Internal Revenue Code. If an amount is not shown, annual compensation limits were not applicable for that time period.

*Amounts have not been updated by the IRS for the current fiscal year. Amounts to be revised when available at the end of 2009.

**Contribution limits have been converted to compensation amounts for convenience.