Disability Allowance
For members enrolled in the Defined Benefit Plan
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.
Disability allowance overview

STRS Ohio has two disability benefit programs for members participating in the Defined Benefit Plan — disability allowance and disability retirement.

- Teachers who became members of STRS Ohio after July 29, 1992, participate under the disability allowance program.
- Teachers who were members of STRS Ohio on or before July 29, 1992, participate in either the disability allowance or the disability retirement program. Members who chose the disability retirement program should read the Disability Retirement brochure for an explanation of their disability benefits.

Teachers who are also members of OPERS and/or SERS must apply for disability benefits with the retirement system where they have the most service credit. The system with the most service will determine and pay the disability benefit.

Members who are unsure of their program selection should refer to their Annual Statement of Account or contact STRS Ohio toll-free at 888-227-7877.

Eligibility requirements

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 (see Pages 3–5) 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 (see Pages 3–5) within one year of the last date of earned service.

*Qualifying service credit includes earned credit with STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS); restoration of withdrawn credit with STRS Ohio, OPERS or SERS; interrupted Ohio public service due to military service; and earned and restored credit that transfers from Ohio Police &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.

Medical criteria

The medical criteria for a disability allowance are:

- A disabling medical condition prevents the individual from performing his or her most recent job duties; and
- The condition is expected to last at least 12 continuous months from the date STRS Ohio receives the completed Disability Benefit Application; and
- The disability must have occurred since membership began or, if you previously withdrew your account, since you returned to covered service with STRS Ohio. If your condition existed at the time you became a member, it must have increased in severity since that time as to make the condition disabling under the criteria above.

How to apply for disability allowance

Apply for disability allowance in a timely manner to avoid exhausting sick leave before the application process is complete. If you are also contributing to OPERS and/or SERS, the application must be filed with the retirement system where you have the most service credit. Due to the number of different review processes, allow approximately four to six months for consideration of a disability application. Listed on Pages 4–5 is a summary of the steps to follow when applying for disability allowance. For the
complete application process, contact STRS Ohio toll-free at 888-227-7877 to request a Disability Application Packet. A presentation providing an overview of the application process is available in the Videos section of the STRS Ohio website.

1. Contact STRS Ohio to request a Disability Application Packet, which includes the following:
   - Disability Benefit Application
   - Report by Employer
   - Attending Physician’s Report to be completed by a medical specialist
   - Disability Benefit Application Checklist
   - Questions and Answers booklet

2. All forms included in the packet must be completed and received by STRS Ohio before processing of the application begins. The Report by Employer should be returned to STRS Ohio by the employer with a copy of your most recent official job description.

Attending Physician’s Report requirements:
   - The report must be completed by a medical specialist who is a non-primary care doctor of medicine (M.D.) or doctor of osteopathic medicine (D.O.).
   - The physician’s medical specialty must be in an area of accepted care for your condition. For example, a neurologist for multiple sclerosis or a stroke, an oncologist for cancer, an orthopedist for degenerative joint disease or a psychiatrist for a mental condition.
   - The medical specialist must have an established therapeutic relationship with you and personally examined you within the last two months before the receipt of the complete application packet.

Your medical specialist is also responsible for submitting medical evidence including hospital records or test results from the last 12 months that support the disabling condition.

Note: Your spouse or a person acting on your behalf may also file the application. You must complete the Authorization for Release of Retirement Account Information form and submit it to STRS Ohio before the disability application can be discussed with a family member or any other individual representing you. This form is available at www.strsoh.org or by contacting STRS Ohio toll-free at 888-227-7877.

3. An independent medical examiner chosen by STRS Ohio will examine you. Most STRS Ohio examiners are located in the Columbus, Ohio, area. STRS Ohio pays the examiner’s fee, but not your travel expenses.

4. STRS Ohio’s Medical Review Board may recommend a period of medical treatment for up to six months before a recommendation is made to the State Teachers Retirement Board.

5. The Medical Review Board evaluates your medical records and makes a recommendation to the Retirement Board.

6. If the Medical Review Board recommends approval of the application, you must stop working by the end of that month.

7. The Retirement Board determines whether the application for disability benefits is approved.

8. STRS Ohio notifies you of the Retirement Board’s decision.

9. If the disability application is approved, STRS Ohio requests final average salary* (FAS) and service credit information from your employer to calculate the benefit payments. (Allow at least 90 days from the approval date to receive the first benefit payment.)

10. If the disability application is not approved, information about the appeal process is mailed to you.

*Final average salary (FAS) is the average of your five highest years of Ohio public earnings.
**Benefit effective date**

If approved, the benefit will become effective on the first day of the month following the latter of:

- The last day for which any compensation was paid, or
- The date on which your most recent complete disability application was received by STRS Ohio.

A disability application is considered complete when all four of the following items have been received by STRS Ohio: Disability Benefit Application; Attending Physician’s Report from a medical specialist that was completed within the last two months and includes medical evidence; most recent official job description from last employer; and Report by Employer.

**Important considerations**

- Members applying for disability benefits **should not resign**. A member who was under contract when disability benefits were granted and who has not resigned shall be considered on a leave of absence from his or her position during the first five years following the effective date of disability benefits.

- If disability benefits are approved by the Retirement Board and accepted by the member, it is the member’s option whether to use remaining sick leave; however, the employer may have guidelines the member must follow.

- Benefit payments begin on the first day of a month; they are not prorated for partial months. Benefit payments are direct deposited into the banking institution of the recipient’s choice. Benefit recipients with foreign addresses are able to receive paper checks at a home address.

- Disability benefit recipients are subject to annual medical examinations including requests for medical evidence. These examinations may require travel to Columbus, Ohio. STRS Ohio pays the examiner’s fee, but not the member’s travel expenses.

- As a condition for receiving a disability benefit, a recipient may be required to agree in writing to obtain medical treatment recommended by the Medical Review Board. If the recipient fails to obtain required treatment or to submit required medical reports, disability benefits will be terminated.

- Disability benefit recipients who have received a benefit for at least 14 months must annually complete and submit a **Statement of Employment and Earnings by a Disability Benefit Recipient** form. STRS Ohio automatically mails this form to disability benefit recipients in March. The form requires documentation of any volunteer service or earnings received for work duties performed while receiving disability benefits. If this form is not submitted, disability benefits will be terminated.

**Estimating a disability allowance benefit**

To estimate the amount of a disability allowance benefit, complete the following:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Enter total years of Ohio service credit</td>
</tr>
<tr>
<td>2.</td>
<td>Multiply years on Line 1 by 2.2%, enter results on Line 3 ( \times 0.022 )</td>
</tr>
<tr>
<td>3.</td>
<td>This is your disability benefit formula percentage (minimum = 45% of FAS) (maximum = 60% of FAS) ( % )</td>
</tr>
<tr>
<td>4.</td>
<td>Enter your FAS ( $ )</td>
</tr>
</tbody>
</table>
| 5.   | Multiply the FAS on Line 4 by the percentage on Line 3 to find your annual disability benefit \( \$ \) | \( \div 12 = \text{monthly} \) \( \$ \)
Length of disability allowance benefits

Disability benefits terminate:

• If the recipient performs any teaching service in a public or private setting, school or non-school setting, on a volunteer basis or for compensation, in or outside the state of Ohio (see Page 17);

• 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 Statement of Employment and Earnings by a Disability Benefit Recipient form noted on Page 7; 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.

<table>
<thead>
<tr>
<th>Age at Effective Date of Disability</th>
<th>Benefit Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 or 61</td>
<td>60 months</td>
</tr>
<tr>
<td>62 or 63</td>
<td>48 months</td>
</tr>
<tr>
<td>64 or 65</td>
<td>36 months</td>
</tr>
<tr>
<td>66, 67 or 68</td>
<td>24 months</td>
</tr>
<tr>
<td>69 or older</td>
<td>12 months</td>
</tr>
</tbody>
</table>

When disability benefits terminate, a member may:

1. Apply for service retirement if eligibility requirements have been met.

   If disability benefits terminate at age 65 or at the end of the specified benefit period, the percentage used in calculating a member’s service retirement benefit will be the greater of the following:

   • Total number of years of service credit multiplied by 2.2%, or
   • Total number of years of service credit plus years on disability allowance multiplied by 2.2% (not to exceed 45% of FAS).

   If disability benefits terminate for any other reason, the service retirement calculation will be based on the total years of service credit multiplied by 2.2%. If you retire with less than 33 years of service credit and before age 65, benefits are reduced. The reduction is based on your total years of service credit and age at retirement. Age and service requirements for an unreduced retirement benefit will increase to a minimum age 60 with 35 years of service by Aug. 1, 2026.

2. Become inactive and apply for service retirement when eligible.

3. Return to teaching.

   • A member who was under contract when disability benefits were granted and who has not resigned is considered on a leave of absence from his or her position during the first five years following the effective date of disability benefits. If disability benefits are terminated by the Retirement Board within the five-year period, the member is entitled to employment in the same or a similar position and at the same salary no later than the next Sept. 1, unless the member was dismissed, resigned or does not hold a valid teaching license.

   • A member who returns to public employment following termination of disability benefits and earns two years of Ohio service credit in STRS Ohio, OPERS or SERS receives credit toward service retirement for the time on disability. The total credit granted will be the lesser of the time on disability, five years or credit to match the amount of time the member returned to work.

Account withdrawal in lieu of benefits

Upon termination of public employment in Ohio, you may elect to withdraw your account. It is important to understand that withdrawing your STRS Ohio account is not a type of service retirement. **Withdrawal of your account will cancel your STRS Ohio membership, your accumulated service credit and your eligibility to qualify for STRS Ohio retirement benefits, including access to health care coverage if eligible.**

Once disability benefits begin or if you have ever received disability benefits, a withdrawal of the account by you or your survivors would consist only of your contributions; no interest or 50% matching funds would be payable. Receiving disability allowance benefits does not reduce the member’s contributions.

**Account withdrawal restrictions**

You cannot withdraw your STRS Ohio account if you are:

- Under any form of teaching contract in an STRS Ohio-covered position, including substitute teaching;
- Under any type of verbal or written agreement for future teaching with an STRS Ohio employer under the retirement law;
- On a leave of absence;
- Currently receiving a monthly service retirement or disability benefit from STRS Ohio; or
- Currently contributing to a college or university alternative retirement plan. Only a transfer of STRS Ohio funds to the alternative retirement plan is permitted.

### Monthly payments vs. account withdrawal

<table>
<thead>
<tr>
<th>Plan Feature</th>
<th>Monthly Payments</th>
<th>Account Withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survivor benefits</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Access to health care coverage*</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Five year job protection if able to return to work</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Cost-of-living adjustments**</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Direct control over funds</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Possible rollover to a qualified plan</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Possible tax penalties</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Death benefits</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Possible investment costs</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Individual investment risk</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Subject to reemployment guidelines for Ohio public positions</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

**Note:** Any payments you receive from STRS Ohio may affect your eligibility for Social Security benefits. For more information, contact Social Security toll-free at 800-772-1213.

**Spousal consent on account withdrawal**

If you are married and meet the age and service requirements for retirement, you can withdraw your account only if your spouse consents to the withdrawal by signing the withdrawal application before a notary public.

*See Page 15 for more information on access to health care coverage.*

**New benefit recipients are eligible to receive a cost-of-living adjustment beginning on the fifth anniversary of their retirement date. All cost-of-living increases granted on or after July 1, 2017, are currently set at 0%.*
**Withdrawal amount**

The withdrawal amount consists of your contributions plus interest and, with 5.00 or more years of qualifying service credit, 50% matching funds.

- **With 5.00 or more years of qualifying service credit,** interest at a current rate of 3% compounded annually will be paid on your member contributions and an additional amount equal to 50% of the sum of your member contributions, plus interest, will also be paid.

- **With at least 3.00 years but less than 5.00 years of qualifying service credit,** interest at a current rate of 3% compounded annually will be paid on your member contributions.

- **With less than 3.00 years of qualifying service credit,** interest at a current rate of 2% compounded annually will be paid on your member contributions.

Interest rates are subject to change. To confirm current interest rates, contact STRS Ohio toll-free at 888-227-7877.

Interest for all years to be withdrawn begins to accrue in the fiscal year following deposit. For example, interest on 2019–2020 contributions would begin July 2020 and be payable August 2020 or later. No interest is payable if a member withdraws his or her account in July and contributed to STRS Ohio for only the year just ended. Interest stops accruing the month before account withdrawal.

**Items to consider**

There are situations in which an account withdrawal in lieu of a disability benefit may be beneficial. For example, if the member has a terminal illness or shortened life expectancy and does not have any survivors who qualify for monthly benefits, a withdrawal may be a good choice.

Keep in mind that you and your survivors give up the opportunity to qualify for STRS Ohio-sponsored health care coverage, survivor benefits and other potential benefits if your account is withdrawn. For more information about survivor benefits, please see the Survivor Benefits brochure.

**Important tax considerations**

If you choose to withdraw your STRS Ohio account, there are important tax implications.

If you choose to have your withdrawal paid directly to you:

- Your payment will be taxed in the year in which it is issued.
- STRS Ohio will withhold federal tax at a rate of 20%.
- If you receive the payment before age 59-1/2, you may have to pay a 10% tax penalty for an early withdrawal.

You may roll over your withdrawal amount to an eligible retirement account that will accept your rollover and:

- Your payment will not be taxed in the current year and no taxes will be withheld.
- The rolled over funds will be taxed when removed from the account to which they were deposited.

Beginning in the year you reach age 70-1/2 or terminate employment, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you. STRS Ohio can tell you if your payment includes amounts that cannot be rolled over.

There are other tax implications if you withdraw your STRS Ohio account. Review our Account Withdrawal brochure and consult a professional tax advisor for more information. STRS Ohio cannot provide tax advice.

**Account withdrawal procedures**

If you want to withdraw your STRS Ohio account, log in to your Online Personal Account at www.strsoh.org to complete the online application. (To register for an Online Personal Account, click on “Login” and then “Register Now.”) You can

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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.
also access a paper copy of the Application for Withdrawal Payment on the website or by calling STRS Ohio toll-free at 888-227-7877.

### Other important benefits

#### Survivor benefits

Disability benefit recipients have survivor benefits. Qualified survivors may be eligible to receive a monthly benefit or to withdraw the account balance. This withdrawal payment consists of the member’s contributions only; no additional amounts are payable. For more information regarding survivor benefits, please refer to the Survivor Benefits brochure.

#### Access to health care coverage

A disability benefit recipient may choose to participate in the STRS Ohio Health Care Program* by paying a monthly premium for this coverage. Health care coverage (medical, dental and vision) may begin the first month following Retirement Board approval of disability benefits or the benefit effective date, whichever is later.

A disability benefit recipient’s eligible dependents may also enroll in an STRS Ohio health care plan for additional premiums. Eligibility, coverage levels and the cost of the STRS Ohio Health Care Program are determined by the Retirement Board.

Monthly premiums are automatically deducted from disability benefits and are deducted after taxes. If your monthly benefit payment is not large enough to cover the premiums, STRS Ohio will deduct as much as possible from your monthly benefit. The remaining balance must be paid by direct debit, which you are required to establish with your financial institution.

STRS Ohio offers a Health Care Assistance Program to help qualified benefit recipients who need financial assistance paying for their STRS Ohio health care plan. Eligibility is based on total family income and total liquid assets. Call toll-free 888-227-7877 for more information.

A disability recipient must have 15 or more years of service credit (or 20 years of service credit if granted disability benefits on or after Aug. 1, 2023) to have access to health care coverage if the recipient later applies for service retirement. Health care eligibility

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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.
is based on the service credit used to calculate the service retirement benefit.

**Medicare enrollment**

STRS Ohio requires all medical plan participants to enroll in Medicare Parts A & B at age 65 or when eligible. If Medicare Part A (hospital insurance) is not premium-free, you do not need to enroll in Part A. However, Medicare Part B (medical insurance) is required. If you decline Medicare coverage, you will not be eligible for an STRS Ohio medical plan.

Most people age 65 or older qualify for premium-free Medicare Part A based on their own or their current or former spouse’s employment history. Even if you aren’t yet age 65, you may be eligible for Medicare coverage if you have a qualifying disability, end-stage renal disease or amyotrophic lateral sclerosis (ALS). Contact Medicare toll-free at 800-633-4227 or www.medicare.gov for eligibility determination.

After you’ve enrolled in Medicare, you must submit your Medicare information through your Online Personal Account or send STRS Ohio a copy of your Medicare card with your STRS Ohio account number noted. Your Medicare status determines your health care plan eligibility, the cost of your health plan and the percentage you will be responsible for paying when your medical claims are processed.

**Dental and vision coverage**

STRS Ohio offers dental and vision plans to disability benefit recipients who are eligible to enroll in the STRS Ohio Health Care Program (see Pages 15–16). A disability benefit recipient’s eligible dependents may also enroll. Enrollment in an STRS Ohio medical plan is not a requirement to enroll in the dental plan or the vision plan. Separate monthly premiums apply to the dental and the vision plans. For more information, contact STRS Ohio toll-free at 888-227-7877.

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

Ohio law gives the State Teachers Retirement Board the authority to grant a COLA to benefit recipients. New benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. All cost-of-living increases granted on or after July 1, 2017, are currently set at 0%. No later than the next actuarial experience review, anticipated to be completed in 2022, the Retirement Board will evaluate whether an upward adjustment to the cost-of-living increase is payable without materially impairing the fiscal integrity of the retirement system.

**Death benefits**

An automatic $1,000 death benefit is payable to a disability benefit recipient’s designated beneficiary. This automatic benefit is considered a nontaxable life insurance payment; therefore, it is a tax-free benefit to the beneficiary.

A disability benefit recipient may purchase an additional $1,000 or $2,000 death benefit for a monthly premium. This optional death benefit is subject to a six-month waiting period and is taxable when it is paid. For further information about this benefit, please see the *Death Benefits* brochure.

**Employment while receiving disability benefits**

Employment on any basis while receiving disability benefits may raise the issue of whether a recipient remains incapacitated from teaching.

A disability benefit terminates if the disability benefit recipient performs any teaching service. Performing teaching service includes any and all teaching service, as well as any service that you participate in that is similar to the position held as a contributing member of STRS Ohio, whether full time or part time, in a public or private setting, school or nonschool setting, on a volunteer basis or for compensation, in or outside the state of Ohio. STRS Ohio defines to “perform any teaching service” as follows:

1. All employment, contracted services or volunteer work, that if performed in an Ohio public school would be covered by STRS Ohio; and

2. All teachers, tutors, substitute teachers, electronic classroom instructors, day care teachers, community school instructors and private-lesson providers; and
3. Work that relates to the work of educators, such as but not limited to, writing curriculum; leading workshops; providing training; instructing students of any age; or directing teachers, student teachers or students.

The Retirement Board has the final determination.

A member receiving a disability benefit from STRS Ohio on a combined basis with OPERS, SERS or both, is ineligible for employment covered by any system that participates in the combined disability retirement. In addition, any employment restrictions in those systems will also apply to you.

Disability recipients receiving a disability benefit independent from OPERS, SERS or both, also may not work in any position covered by another Ohio public retirement system for the first two months of benefits. After this two-month waiting period, part-time or full-time employment in a position covered by any other retirement system may be permitted. While this employment is not performing teaching service, it can raise the issue of whether the member remains incapacitated from teaching and result in reexamination.

Disability benefit recipients who have received a benefit for at least 14 months must annually complete and submit a Statement of Employment and Earnings by a Disability Benefit Recipient form. STRS Ohio automatically mails this form to disability recipients in March. The form requires documentation of any earnings received and work duties performed while receiving disability benefits. If this form is not submitted, disability benefits and health care coverage, if applicable, will be terminated.

In addition, STRS Ohio may request disability recipients to be reexamined annually to ensure they are still incapacitated from teaching.

Before becoming reemployed while receiving disability benefits, members should submit a job description to STRS Ohio for evaluation.
Publications available

The following STRS Ohio publications are available on the STRS Ohio website at www.strsoh.org or by calling toll-free 888-227-7877:

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