



Service Retirement AND **Plans of Payment**

For members enrolled in the
Defined Contribution Plan



2020|2021

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The primary purpose of the State Teachers Retirement System of Ohio (STRS Ohio) is to provide monthly pension benefits to retired teachers. STRS Ohio retirement benefits are a main source of income during retirement for many of Ohio’s public educators. This brochure details how retirement benefits under the STRS Ohio Defined Contribution Plan are calculated and explains the pension payment options available at retirement.

You have several options regarding your account once you terminate all STRS Ohio-covered employment. You may elect to convert your account balance to a lifetime annuity, withdraw your account or leave your account with STRS Ohio for an annuity or withdrawal at a later date. You must be at least age 50 to annuitize your account balance.

Members are encouraged to review the allocation of their investment choices throughout their career and especially when nearing retirement. STRS Ohio has partnered with Nationwide Retirement Solutions (NRS) to provide assistance with investment choices. For additional information on investment choices, call NRS toll-free at 866-332-3342. For information about service retirement options, contact STRS Ohio toll-free at 888-227-7877.

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.

Benefit calculation

Monthly benefits are based on contributions to the account, the performance of investment choices you selected for those contributions and annuity rates at retirement. Upon retirement, you are eligible beginning at age 50 to convert your account balance to a lifetime monthly annuity. The annuity is calculated by dividing your account balance by an annuity factor, which considers the payments over your life expectancy and the interest earned on the remaining balance. (Please see Page 15 for annuity factors.) For example, a \$450,000 account balance converted to an annuity by a member at age 60 provides a \$2,222 monthly lifetime benefit, based on the annuity factor of 16.8758 for a 60-year-old member.

STRS Ohio annuity rates are based on market conditions and are subject to change.

If the account balance is not large enough to provide a \$100 monthly benefit for the plan of payment selected, you must withdraw your account. Please see Page 23 for more information on account withdrawals.

Retirement effective date

You must terminate all Ohio public teaching service to be eligible for retirement benefits.

Your retirement effective date is the first day of the month following the latter of:

- Month in which you become age 50;
- Last day of actual employment in an STRS Ohio-covered position; or
- Month in which you apply.

Returning to Ohio public employment

If you are returning to Ohio public employment after retirement, to be eligible for retirement *you must have a minimum one-day break in service* between the last day of employment as an active member and the first day of employment as a reemployed retiree. This one day must be the last workday of the month before the service retirement

date *or* the first workday of the retirement month. It must be a normal workday and cannot be a Saturday, Sunday or holiday.

- For example, if your service retirement date is July 1 and:
 - If your last paid workday is between June 1 and June 29, the first day you can return to work to be eligible to retire will be July 1 (as long as June 30 is a normal workday).
 - If your last paid workday is June 30, the first day you can return to work to be eligible to retire will be July 2 (as long as July 1 is a normal workday).

In addition to the one-day break in service, there is a two-month waiting period requirement for returning to Ohio public employment. This includes paid service for Ohio public employment or volunteer work in the same position you held at retirement. If during your first two months of retirement you return to paid Ohio public employment or perform volunteer work that is the same as the duties you held at retirement, then you will forfeit monthly benefits for any month in which you are in violation. The amount forfeited is the Single Life Annuity benefit calculated before the reduction for a Joint and Survivor Annuity or Annuity Certain (if selected).

If you plan on retiring and returning to Ohio public employment, STRS Ohio must receive your *Service Retirement Application* before your reemployment begins. Further information can be found in the *Employment After Retirement* brochure.

Applying for service retirement

To apply for service retirement, you will need to complete a *Service Retirement Application*. The application should be completed at least three months, but no more than 12 months, before your retirement date. You can obtain the application online at www.strsoh.org or by contacting STRS Ohio.

Your employer will be notified of your retirement the latter of when you file your application or two months before your retirement date.

If your fully completed *Service Retirement Application* is received by STRS Ohio at least 30 days before your retirement date, STRS Ohio may issue a benefit payment on your retirement date. If the actual benefit amount is not calculated by your retirement date, a partial payment may be issued. Most members receive three or more partial payments. Once exact information is available, any balance will be retroactive to your effective date of retirement and paid as a catch-up payment, which is the difference paid to you after receiving partial payments and before your regular payments begin. Benefits are automatically deposited to your bank account on the first banking day of each month. No partial payments or regular payments will be issued if STRS Ohio is waiting for clarification of a court order providing for payment of a continuing benefit to a former spouse after the member's death.

Your benefit is final on your effective date of retirement. At this time, your account is cashed out and you cannot change your decision to begin taking your benefit.

Purchasing service credit

Members enrolled in the Defined Contribution Plan are not eligible to purchase service credit; however, you may make contributions on salary not earned if your teaching career is interrupted by military service. If the service is certified and a cost statement is issued by STRS Ohio before your retirement effective date, you have three months from your retirement date to pay the contributions, unless your retirement has become final.

Acceptance of rollover funds

Members enrolled in the Defined Contribution Plan who have made their final plan election can roll over money into 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. The funds rolled over will be 100% vested in the plan. These

funds can also be used to complete contributions on salary not earned if your teaching career is interrupted by military service.

Requesting a service retirement estimate

To request an estimate of retirement benefits, you can contact our Member Services Center toll-free at 888-227-7877 with the following information:

- Projected date of retirement
- Present contract salary (plus any supplemental earnings)
- Projected rate of return for investment choices
- Assumed last day of teaching (or last day of paid sick leave)
- Birth date of your beneficiary or beneficiaries and each beneficiary's relationship to you

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 you because of your eligibility for STRS Ohio benefits. We cannot calculate your Social Security benefit or predict future federal legislative changes regarding Social Security. For more information, contact Social Security toll-free at 800-772-1213 or go to www.ssa.gov.

Required minimum distribution

Federal tax law requires you to take a minimum distribution from your retirement plan by April 1 of the year that follows the latter of: the year in which you reach age 72 or the calendar year in which you stop working in an STRS Ohio-covered position. Failure to begin benefit payments by such date may subject you or your heirs to a federal tax penalty of 50% on the income that you should have taken.

If you do not apply for your monthly benefit payments or take an account withdrawal by the required beginning date, your account will be annuitized. Monthly benefit payments will be automatically made to you beginning with a retirement effective date of March 1 following the year in which you turn age 72. If the account balance is not large enough to provide a \$100 monthly benefit for the plan of payment selected, the account balance will automatically be paid to you in a lump sum.

It is important that you review your options with an STRS Ohio benefits counselor before making a decision. A benefits counseling appointment can be scheduled at www.strsoh.org using your Online Personal Account or by calling STRS Ohio toll-free at 888-227-7877.

To plan successfully for retirement, it is important to be familiar with your payment options and to consider your financial needs in retirement.

Your considerations should include:

- Your health and age at retirement (you must be at least age 50 to be eligible to retire)
- The need for survivor benefits
- Availability of other financial resources
- Anticipated financial obligations
- Reemployment opportunities
- Potential Social Security benefits (see Page 5)
- Whether or not you are obligated under a court order to select a plan of payment that provides a continuing monthly benefit to a former spouse after your death

If you elect to annuitize your defined contribution account balance at retirement, you will select a plan of payment from among several different actuarially equivalent plans. All plans provide you with lifetime benefits but vary in the benefits provided to survivors. If you are married, please review the spousal consent requirement on Page 12.

If a court order requires you to leave a continuing monthly benefit to a former spouse or spouses upon your death, you must submit a copy of the court order to STRS Ohio with your *Service Retirement Application*. Any amounts payable due to court orders must remain in place during the lifetime of that beneficiary. Further details pertaining to divorce and your STRS Ohio account are available in the Life Events section of the STRS Ohio website at www.strsoh.org.

There are three basic plans of payment:

Plan I — Single Life Annuity

Plan II — Joint and Survivor Annuity

Plan III — Annuity Certain

Any changes to the plan of payment you select at retirement must be submitted in writing and received

by STRS Ohio by the 15th day of the month of your first regular monthly benefit payment.

Plan I — Single Life Annuity

The Single Life Annuity plan provides maximum monthly benefits for your lifetime. *This plan does not provide any payment to a survivor upon your death.* Upon electing a Single Life Annuity, your defined contribution account balance is converted to a lifetime annuity. There is no refundable amount even if the total annuity payments are less than the defined contribution account balance that was converted to an annuity.

If you choose a Single Life Annuity plan at retirement and later marry, you may change your plan to a Joint and Survivor Annuity with your spouse as beneficiary within the first year of your marriage. *This is the only circumstance in which you may change a Single Life Annuity plan.*

A copy of your marriage certificate must accompany the application to change to a Joint and Survivor Annuity. The new selection is effective on the date the application is received by STRS Ohio and the new benefit amount is paid the first of the next month.

Plan II — Joint and Survivor Annuity

Under the Joint and Survivor Annuity, you will receive a reduced lifetime monthly benefit. Upon your death, one or multiple primary beneficiaries receive lifetime monthly benefits. There are four options under this plan of payment:

- Options 1, 2 and 3 apply to a single primary beneficiary (see below and Pages 9–10).
- Option 4 applies to multiple primary beneficiaries (see Pages 10–11).

Upon electing a Joint and Survivor Annuity, your defined contribution account balance is converted to a lifetime annuity for you and your primary beneficiary(ies). There is no refundable amount even if the total annuity payments are less than the defined contribution account balance that was converted to an annuity.

Single primary beneficiary

Option 1:

Upon your death, the primary beneficiary receives the **same** monthly benefit you received.

Option 2:

Upon your death, the primary beneficiary receives **one-half** the monthly benefit you received.

Option 3:

Upon your death, the primary beneficiary receives a specific dollar amount or percentage that you designate. The amount you designate must be at least \$50 per month and cannot exceed 100% of your benefit.

If the primary beneficiary is not your spouse, the Internal Revenue Service may limit the percentage of the benefit that you can designate to this person. Contact STRS Ohio for additional information on these limitations.

Under these three Joint and Survivor Annuity options, there are two basic choices.

With reversion: If you select this choice, you may revert to the Single Life Annuity plan of payment if:

- Your beneficiary dies before you. A copy of the death certificate must accompany the application to revert to the Single Life Annuity plan. The effective date of the new benefit amount is the first day of the month following the beneficiary's death.
- Your marriage to the beneficiary terminates, provided that you have written consent from your former spouse or the appropriate court documentation authorizing such a change. The new selection is effective on the latter of the date the application is received by STRS Ohio or the date of divorce. The new benefit amount is paid the first of the next month.

Also, if a Joint and Survivor Annuity with reversion is selected and a non-spouse is named at retirement and you later marry, you may reselect your spouse as the new beneficiary within the first year of your marriage.

Without reversion: With this choice you may **never** revert to a Single Life Annuity payment. Neither the plan of payment nor the primary beneficiary may be changed after retirement. You maintain this plan of payment even if your beneficiary dies or your marriage to the beneficiary terminates.

With Options 1 and 2 you can select a guarantee feature that provides benefits to a secondary beneficiary for a specific number of years from your retirement date. A guaranteed period is provided at no cost based on the age of both you and your beneficiary. You may extend the guaranteed period by taking a reduction in your monthly benefit amount. The guaranteed period may be any number of years up to an actuarially determined maximum and is selected when applying for retirement.

If both you and your primary beneficiary die before the end of the guaranteed period, a monthly benefit is paid to the secondary beneficiary for the remainder of the guaranteed period. If you name more than one secondary beneficiary, a lump-sum payment representing the present value of the remaining payments is divided equally and paid to the beneficiaries.

If the secondary beneficiary is a legal entity such as a trust, charity or church, a lump-sum payment of the present value of any remaining payments will be made.

If you or your primary beneficiary outlive the guaranteed period, benefits continue for your lifetime and the lifetime of your primary beneficiary, but the secondary beneficiary would not receive benefits.

Multiple primary beneficiaries

Option 4:

Members may elect to provide continuing lifetime benefits for up to four primary beneficiaries under a Joint and Survivor Annuity. You may specify percentages of your benefit or a flat dollar amount for each beneficiary; however, the total amount payable to all beneficiaries cannot exceed the amount payable to you.

For example, upon your death, one beneficiary could continue to receive 30% of your benefit,

while a second could continue at 20%, and a third and fourth could continue at 10% each. Your benefit will be reduced based on the ages of the beneficiaries and the amount of the benefit provided to each beneficiary. The percentages designated to beneficiaries do not have to equal 100%.

Unless directed by a court order, you cannot provide a benefit that is less than 10% of the benefit you will receive. If a beneficiary is not your spouse, the Internal Revenue Service may limit the percentage of the benefit that you can designate to this person.

At your death, monthly benefits will be paid to the beneficiaries you designated at retirement. If a beneficiary dies before you, contact STRS Ohio to increase your monthly benefit by the amount of the reduction taken for that beneficiary. Benefit amounts payable to the other beneficiaries after your death will not change.

If you select this choice, you may make changes to your plan of payment only if:

- One of the beneficiaries is your spouse and your marriage terminates, provided you have written consent from your former spouse or the appropriate court documentation authorizing such a change. The new selection is effective the latter of the date the application is received by STRS Ohio or the date of divorce. The new benefit amount is paid the first of the next month.
- All beneficiaries are non-spouses and you get married after retirement. Within the first year of marriage, you may reselect a plan of payment with your new spouse as beneficiary. You may retain up to three beneficiaries you selected at retirement; however, the total monthly amount payable to all beneficiaries at your death cannot exceed the monthly benefit paid to you.

Plan III — Annuity Certain

The Annuity Certain plan provides monthly benefits for your lifetime. In addition, your beneficiary will receive benefits for a specific number of years from your retirement date. The guaranteed period may be any number of years up to an actuarially determined maximum and is selected when applying for retirement.

If your death occurs before the guaranteed period ends, your beneficiary receives the same monthly benefit until the guaranteed period expires. If you name more than one person as beneficiary, a lump-sum payment, representing the present value of the remaining payments, is divided equally and paid to the beneficiaries.

If the beneficiary is a legal entity such as a trust, charity or church, then a lump-sum payment of the present value of any remaining payments will be made.

If you outlive the guaranteed period, benefits continue for your lifetime but the named beneficiary would not receive benefits.

If you choose the Annuity Certain plan at retirement, you cannot reselect a different plan after retirement. However, you may name a different beneficiary for the remaining years on the guaranteed period.

Spousal consent

If you are married on your benefit effective date, your spouse must consent to your selection if you have chosen one of the following plans of payment:

Plan I — Single Life Annuity

Plan II — Joint and Survivor Annuity:

- Providing your spouse with less than one-half of the benefit, or
- Providing benefits for a non-spouse beneficiary.

Plan III — Annuity Certain

Your spouse may consent to your selection of any of these plans by signing the spousal consent on the *Service Retirement Application* before a notary public.

Without spousal consent you will receive a Joint and Survivor Annuity with one-half to beneficiary (with reversion).

Spousal consent is **not** required if:

- You are required to elect a plan of payment pursuant to a court order and your current spouse is also a beneficiary under that plan to receive a survivor annuity of at least 50% or the remaining available survivor benefit if less.
- You are required to provide an amount to a former spouse or spouses pursuant to a court order or orders that is the maximum amount payable in a Joint and Survivor Annuity plan of payment.

Taxation of monthly retirement benefits

Federal income tax

Beginning with the first payment, STRS Ohio retirement benefits are taxable. STRS Ohio will withhold federal taxes from your benefits unless you direct otherwise. If federal taxes are not withheld, you will be responsible for filing federal quarterly estimates.

If you paid taxes on some of your contributions, a small percentage of your benefit will be tax-free until your taxed contributions are exhausted. For example, if you paid taxes on \$25,000 of contributions and the IRS determines these contributions are to be spread over 25 years, \$1,000 of your retirement benefits will be tax-free for the first 25 years of your retirement. Information regarding any amount excludable from tax will be sent to you after your retirement account is finalized and will be reflected on your 1099-R form.

A W-4 Tax Withholding calculator is available at www.strsoh.org. The calculator in the Online Personal Account area populates with your account information.

Ohio income tax

The taxable portion of a retirement benefit is subject to Ohio income tax for Ohio residents. On request, we will withhold Ohio income taxes.

Income tax — other states

If you are a resident of another state, your state tax liability is governed by the laws in that state. STRS Ohio cannot withhold tax for states other than Ohio.

Local or municipal taxes

STRS Ohio retirement benefits are exempt from local or municipal taxes in Ohio.

School district income tax

STRS Ohio retirement benefits may be subject to local school district income taxes in Ohio. Some districts in Ohio have a provision where the school district income tax applies to earned income only.

Taxable income

Following the end of the calendar year, benefit recipients who have not opted out of receiving paper copies will be mailed a 1099-R form for monthly benefits showing annual gross benefits and taxable amount as computed by STRS Ohio. This form is also made available in your Online Personal Account.

For more details about taxation of benefits, contact the Internal Revenue Service, the Ohio Department of Taxation or a qualified tax consultant. STRS Ohio cannot provide tax advice.

Defined Contribution Retirement Estimate

To estimate your Defined Contribution Plan retirement benefit, complete the following:

1.	Estimate your total account balance, which consists of the member contributions plus investment gains (or losses) and employer contributions plus investment gains (or losses) \$
2.	Find the annuity factor* from the table below for the age you are nearest
3.	Divide Line 1 by Line 2 for your annual Single Life Annuity (SLA) \$
4.	Divide Line 3 by 12 for your monthly SLA \$

Annuity Factors* for Defined Contribution Account			
Member's Age	Annuity Factor	Member's Age	Annuity Factor
50	19.6291	66	14.7499
51	19.3929	67	14.3549
52	19.1485	68	13.9474
53	18.8957	69	13.5270
54	18.6344	70	13.0935
55	18.3643	71	12.6830
56	18.0853	72	12.2633
57	17.7972	73	11.8344
58	17.4998	74	11.3966
59	17.1927	75	10.9500
60	16.8758	76	10.4949
61	16.5487	77	10.0314
62	16.2112	78	9.5596
63	15.8630	79	9.0797
64	15.5035	80	8.5917
65	15.1326		

*Table based on annuity rates as of July 1, 2018. STRS Ohio annuity rates are based on market conditions and are subject to change annually. Contact STRS Ohio within three months of retirement for current rates.

Other retirement benefits

Optional retiree-funded death benefit

STRS Ohio's optional death benefit can help defray expenses incurred when an STRS Ohio service retirement benefit recipient dies.

Service retirement 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 payments.

To purchase a death benefit of either \$1,000 or \$2,000 at retirement, you must complete the appropriate section of your *Service Retirement Application*.

Benefits begin before age 65

If you are under age 65 when your service retirement benefits are effective, you have the following options:

1. **Do not purchase retiree-funded death benefit when benefits begin.** Then, within the three months immediately before the end of the month you turn age 65 you may choose to purchase a \$1,000 or \$2,000 retiree-funded death benefit.
2. **Purchase the \$1,000 retiree-funded death benefit when benefits begin.** Then, within the three months immediately before the end of the month you turn age 65 you may choose to purchase an additional \$1,000 retiree-funded death benefit.
3. **Purchase the \$2,000 retiree-funded death benefit when benefits begin.**

Benefits begin at age 65 or older

If you are age 65 or older when you retire, your only opportunity to purchase a \$1,000 or \$2,000 retiree-funded death benefit is when your benefits begin.

Cost of coverage

The cost is based on your age at the time the death benefit deduction begins and the amount of death benefit you obtain. The table on Page 18 shows the monthly amount.

Once the death benefit is in effect, your cost does not change as you get older. However, if the cost structure for all premiums changes, your premium could be adjusted.

Once you reach age 100, you will no longer be required to pay a monthly premium; however, coverage will continue.

The following example illustrates the pricing structure: A service retiree, who is age 60 at retirement, obtains a \$1,000 retiree-funded death benefit. At age 65, the retiree obtains an additional \$1,000 retiree-funded death benefit. The death benefit deduction for this person is indicated below.

Age	Death Benefit	Monthly Deduction
60	\$1,000	\$1.78
65	<u>+\$1,000</u>	<u>+\$2.45</u>
	\$2,000	\$4.23

Service Retirement Benefit Recipient		
Age as of Purchase Date of Death Benefit	Monthly Benefit Deduction for Retiree-Funded Death Benefit	
	\$1,000 Benefit	\$2,000 Benefit
50	.93	1.86
51	.99	1.98
52	1.06	2.12
53	1.13	2.26
54	1.21	2.42
55	1.29	2.58
56	1.37	2.74
57	1.47	2.94
58	1.56	3.12
59	1.67	3.34
60	1.78	3.56
61	1.90	3.80
62	2.02	4.04
63	2.15	4.30
64	2.30	4.60
65	2.45	4.90
66	2.62	5.24
67	2.79	5.58
68	2.99	5.98
69	3.19	6.38
70	3.42	6.84

Effective date of coverage

The death benefit selected at retirement is effective on the service retirement date. This benefit is payable regardless of when the retiree dies. There is no waiting period.

A death benefit bought after retirement and within the three months immediately before the end of the month the retiree turns age 65 is subject to a six-month waiting period. If the retiree dies within six months of the effective date of the death benefit, STRS Ohio refunds to the beneficiary the deductions withheld but does not pay the death benefit.

For example, a service retiree, age 55 at retirement on July 1, 2021, purchases a \$1,000 death benefit. At age 65 on Jan. 1, 2031, the retiree purchases an additional \$1,000 death benefit. The retiree dies on April 10, 2031. The following death benefits are payable:

Example	
Death benefit obtained at retirement	\$1,000.00
Refund of deductions for an additional \$1,000 death benefit obtained at age 65 (\$2.45 × 4 months)	+ \$9.80
Total death benefits payable	\$1,009.80

In the example above, if the retiree had died on or after July 1, 2031 (six months or more after the effective date of the death benefit), the beneficiary would have received a \$2,000 in death benefits.

Decreasing or canceling the death benefit

You may decrease or cancel your death benefit at any time. For example, if you bought a \$2,000 benefit, you may decrease the benefit to \$1,000 or cancel it completely.

To decrease or cancel your benefit, please send STRS Ohio a signed notification. If your notice is received on or before the 15th of the month, we will decrease or cancel the amount you specify on the first day of the following month. If notice is received after the 15th, we will decrease or cancel the amount you specify on the first day of the second month following our receipt of your notification.

When you decrease or cancel your death benefit, past deductions are not refundable.

If you are under age 65 when you decrease or cancel your death benefit, you will have an opportunity to obtain the benefit again within the three months immediately before the end of the month you turn age 65.

If you are age 65 or older when you decrease or cancel your death benefit, you will have no further opportunity to buy additional coverage.

Naming a beneficiary for the death benefit

When applying for service retirement benefits, you will be asked to designate a beneficiary on the *Service Retirement Application*.

You may change your death benefit beneficiary designation any time after monthly benefits begin. This can be done using your Online Personal Account at www.strsoh.org, by completing and submitting the *Beneficiary Designation — All STRS Ohio Death Benefits* form (available on the website) or by calling STRS Ohio toll-free at 888-227-7877.

The beneficiary for your pension benefit may be different from your death benefit beneficiary.

If you name more than one beneficiary, they will share equally in your death benefit. You cannot designate unequal shares to your beneficiaries. For example, you could not designate \$1,500 to one beneficiary and \$500 to a different beneficiary.

You may name your estate as your beneficiary.

If you do not name a beneficiary, or, if you have an invalid beneficiary designation on file, payment will be made as follows:

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

How is the death benefit paid?

Upon notification to STRS Ohio of your death, information explaining how to receive payment will be mailed to your death benefit beneficiaries. A copy of the death certificate is required. You may report the benefit recipient's death online using the Death Notification Application. To access the application, go to www.strsoh.org, select "Life Events" under Receiving Benefits and click on "Death of a Benefit Recipient."

Is a death benefit taxable?

The retiree-funded death benefit is taxable. However, premiums paid by the retiree for the death benefit are nontaxable if refunded to the beneficiary due to the member's death occurring within six months of the effective date of the death benefit.

If a spouse is the named beneficiary, STRS Ohio will automatically withhold 20% from the retiree-funded death benefit for federal taxes. However, federal tax can be deferred if the spouse completes a rollover of the death benefit to 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.

If the beneficiary of the retiree-funded death benefit is not the spouse, we will automatically withhold 20% for federal taxes. A non-spouse beneficiary may elect no withholding; however, the beneficiary is liable for taxes at year-end regardless of the withholding elected. Non-spouse beneficiaries may be eligible to roll over this benefit to an inherited IRA.

Your beneficiaries will receive information about taxation and rollovers upon applying for payment of the death benefit.

Life expectancy

Below is a chart indicating the average life expectancy of males and females in the State Teachers Retirement System of Ohio.

Average Life Expectancy		
At Age	Years Remaining for	
	Men	Women
50	35.7	37.8
51	34.8	36.9
52	33.8	35.9
53	32.9	35.0
54	32.0	34.0
55	31.1	33.1
56	30.2	32.2
57	29.2	31.2
58	28.3	30.3
59	27.4	29.3
60	26.5	28.4
61	25.6	27.5
62	24.7	26.6
63	23.8	25.6
64	22.9	24.7
65	22.1	23.8
66	21.2	22.9
67	20.3	22.0
68	19.4	21.1
69	18.6	20.2
70	17.7	19.3
71	16.9	18.5
72	16.1	17.6
73	15.3	16.8
74	14.5	16.0
75	13.7	15.2

This chart is for informational purposes only. Actuarial computations are completed using current gender-neutral life expectancy tables.

Account Withdrawal

Account withdrawal in lieu of benefits

Upon termination of public employment in the STRS Ohio-covered position, you may elect to withdraw your account. **Withdrawal of your account will cancel your STRS Ohio membership.** If you are younger than age 50, a withdrawal of the entire account is the only payment option available.

If you have an account with Ohio Public Employees Retirement System (OPERS) and/or School Employees Retirement System (SERS), you may withdraw your STRS Ohio defined contribution account without withdrawing from OPERS and/or SERS.

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 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.

Spousal consent on account withdrawals

If you are married, at least age 50 and are eligible to withdraw a balance of at least \$5,000, you can withdraw your account only if your spouse consents to the withdrawal by signing the withdrawal application before a notary public. If your spouse does not consent, your application for withdrawal shall be considered an application for service retirement paid as a Joint and Survivor Annuity with one-half to beneficiary.

Monthly payments vs. account withdrawal

Plan Feature	Monthly Payments	Account Withdrawal
Lifetime monthly benefit	Yes	No
Survivor benefits	Yes	No
Direct control over funds	No	Yes
Possible rollover to a qualified plan	No	Yes
Control of estate to pass to heirs	No	Yes
Possible tax penalties	No	Yes
Optional death benefit	Yes	No
Possible investment costs	No	Yes
Individual investment risk	No	Yes
Subject to reemployment guidelines for Ohio public positions	Yes	No

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.

Withdrawal amount

Account withdrawal amounts consist of member contributions plus any gains or losses on those contributions. Withdrawal amounts will also include the employer portion of the account (consisting of the employer contributions plus any gains or losses), according to the following vesting schedule:

- **If your membership began before July 1, 2013,** you are 100% vested in the employer portion of the account after one year of membership.
- **If your membership began on or after July 1, 2013,** you are 20% vested in the employer portion of the account for each full year of membership (i.e., 100% vested after five full years).

Your withdrawal amount might be affected by fees and early withdrawal penalties.

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 funds rolled over will be taxed when removed from the account to which they were deposited.

Beginning in the year you reach age 72 or terminate employment, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum distribution” 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

An online account withdrawal application is available in the Online Personal Account area at www.strsoh.org. (To register for an online account, click on “Login” and then “Register now.”) You can access an account withdrawal packet that includes a paper copy of the *Application for Withdrawal Payment* on the website (in the Forms section) or by calling STRS Ohio toll-free at 888-227-7877. For an estimate of your current withdrawal value, please contact Nationwide Retirement Solutions toll-free at 866-332-3342.

Return to employment

If you withdraw your account after permanently electing the Defined Contribution Plan and later return to STRS Ohio-covered employment, you will reestablish your defined contribution account.

If you did not make a final plan election, you will be able to select the Defined Benefit Plan, Combined Plan or Defined Contribution Plan upon your return to employment.

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

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

- Call Monday–Friday, 8 a.m.–5 p.m.

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

On the Internet: www.strsoh.org

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

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

By email: contactus@strsoh.org

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*.



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*
- *Educational Opportunities*
- *Employment After Retirement*
- *Preparing for Retirement*
- *Service Retirement and Plans of Payment*
- *Understanding Your STRS Ohio Benefits — Plan Summary*

STATE TEACHERS RETIREMENT SYSTEM OF OHIO
275 East Broad Street • Columbus, OH 43215-3771
888-227-7877 • www.strsoh.org

