

# Retirement Plan Comparison Chart

| Features   | Defined Benefit (DB) Plan   | Defined Contribution (DC) Plan  | Combined Plan  | <b>ARP</b><br><small>The information noted for ARPs may vary by plan. Specific questions should be directed to the ARP vendor. Your employer can provide you with contact information.</small>   |
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| <b>Service Retirement</b><br><br>For more information on STRS Ohio benefit payment options, call toll-free 888-227-7877 and request a <b>Service Retirement and Plans of Payment</b> brochure or visit the STRS Ohio website at <a href="http://www.strsoh.org">www.strsoh.org</a> . | <p><b>Retirement income is based on a calculation that uses the member's age, years of service and final average salary.</b></p> <p>Members receive 2.2% of their five-year final average salary for each year of service credit. You are eligible for a benefit at age 65 with five years of service or any age with 34 years of service. The service credit requirements for unreduced benefits at <b>any age</b> will increase to 35 years on Aug. 1, 2023.</p> <p>You can retire early with actuarially reduced benefits at age 60 with five years of service or age 55 with 29 years of service.</p> <p>Members can also retire early with a reduced benefit at any age with at least 30 years of service.</p> <p>Members can combine credit from other Ohio public plans in the Defined Benefit Plan.</p> | <p><b>Retirement benefits are based on the amount of member and employer contributions deposited to your account, the performance of investment choices you select and the annuity rate in effect at the time of retirement.</b></p> <p>Upon retirement members can take a lifetime annuity at age 50. The annuity is calculated by dividing the account balance by an annuity factor based on market rates in effect at the time of retirement.</p> <p>Not eligible for a combined retirement with other Ohio public pension plans. Members are vested in their own contributions immediately and become vested in employer contributions at a rate of 20% per year.</p> | <p><b>Retirement income is based on separate retirement benefits that are paid from the defined benefit and defined contribution portions of the member's account.</b></p> <p>Income from the DC portion is based on the value of the member's account at retirement. Eligible to take regular monthly payments (lifetime annuity) from the defined contribution account balance at age 50. Annuity calculated by dividing the account balance by an annuity factor. STRS Ohio annuity rates are based on market conditions and are subject to change.</p> <p>Eligible for defined benefit payments at age 60 with five years of service. The annual defined benefit amount is 1% of a five-year final average salary per year of service.</p> <p>Not eligible for a combined retirement with other Ohio public pension plans.</p> | <p>Contact vendor for payout options. Retirement amount depends on contributions and investment gains or losses on account and the annuity rate in effect at the time of retirement.</p> <p>Contributions to the ARP are currently:</p> <ul style="list-style-type: none"> <li>• 14% from the participant</li> <li>• 11.09% from the employer</li> </ul> |
| <b>Investment Decisions</b>  | STRS Ohio makes all investment decisions.   | Member makes all investment allocation decisions for the account. Investment choice and return information is available at <a href="http://www.strsoh.org">www.strsoh.org</a> .   | Member makes all investment allocation decisions for the DC portion of the plan. Investment choice and return information is available at <a href="http://www.strsoh.org">www.strsoh.org</a> .   | Each participant makes all investment allocation decisions for the account.  |
| <b>Investment Risk and Reward</b>  | Member assumes no investment risk.  | Investment risk is assumed entirely by the member. All gains or losses accrue to member's account.  | The member assumes investment risk for the DC portion of the account, while no risk is assumed by the member for the DB portion.   | Investment risk is assumed entirely by the participant. All gains or losses accrue to participant's account.   |
| <b>Health Care Coverage</b><br><br><small>Coverage under 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.</small>           | <p>Benefit recipients (including disability benefit recipients and survivor benefit recipients) and their dependents are eligible for access to health care coverage if they meet health care eligibility requirements. Coverage includes hospitalization, physician fees and prescriptions.</p> <p>Dental and vision coverage is also available to those who meet eligibility requirements.</p>  | STRS Ohio health care coverage is <b>not</b> available.   | <p>Disability benefit recipients and survivor benefit recipients have access to the same health care coverage provided under the Defined Benefit Plan if they meet health care eligibility requirements.</p> <p>Members who elect monthly retirement benefits from the Combined Plan at age 60 (defined benefit portion) have access to the same health care coverage provided under the Defined Benefit Plan if they meet health care eligibility requirements.</p> <p>Dental and vision coverage is also available to those who meet eligibility requirements.</p>   | Not included.  |
| <b>Disability Benefits</b>   | <p>After 10 years of service, members are eligible to apply for disability benefits if disabled while employed or within one year following last date of STRS Ohio-covered service.</p> <p>Members receive:</p> <ul style="list-style-type: none"> <li>• 2.2% of final average salary per year of service.</li> <li>• 45% minimum and 60% maximum of final average salary.</li> <li>• At age 65, the member converts to service retirement and receives credit for the period on disability.</li> </ul>   | <p>Account balance available to members who terminate employment and withdraw their account. At age 50, other payment options are available, but employment must first be terminated.</p>   | <p>Eligible with 10 years of service credit.</p> <p>Both employer contributions and the member's contributions and any investment gains in the defined contribution account are used to fund the benefit.</p> <p>Members receive:</p> <ul style="list-style-type: none"> <li>• 2.2% of final average salary per year of service.</li> <li>• 45% minimum and 60% maximum of final average salary.</li> <li>• At age 65, the member converts to service retirement and receives credit for the period on disability.</li> </ul> <p>Account balance is also available.</p>  | <p>Account balance available to participants who terminate employment and withdraw their account.</p>  |
| <b>Traditional Method of Payment Upon Retirement</b>   | <p>A lifetime annuity. Several different plans of payment to protect survivors are available. A lump-sum withdrawal is also an option.</p>  | <p>Members can take payment through a rollover, a lump-sum withdrawal or a lifetime annuity. Several different plans of payment to protect survivors are available.</p>   | <p>Same as the STRS Ohio Defined Benefit Plan for the DB portion of the account. For the DC portion of the account, members can take payment through a rollover, a lump-sum withdrawal or a lifetime annuity. Several different plans of payment to protect survivors are available.</p>   | <p>Usually a withdrawal or may purchase annuity. See individual plans for details.</p>   |

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| <b>Survivor Benefits</b>                      | <p>Eligible with five years of service credit.</p> <p>Qualified survivors receive the highest benefit from among the following for which they are eligible.</p> <p><b>Dependent-based</b> — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p><b>Service-based</b> — from 29% of final average salary with 20 years of service credit to 60% of final average salary with 29 or more years of service credit based on the years of credit the member had at the time of death.</p> <p><b>Retirement-based</b> — if the member had met the age and service requirements for service retirement, the survivor is eligible for a benefit as if the member had retired and selected a same-to-beneficiary Joint and Survivor Annuity.</p> <p>If there are no minor children, a lump-sum withdrawal is also an option.</p> | <p>Account balance available to beneficiaries. The surviving spouse or sole survivor may withdraw the account or begin receiving monthly annuity benefits.</p>  | <p>Eligible with five years of service credit.</p> <p>Qualified survivors have the option of receiving dependent-, service- or retirement-based survivor benefits. Both employer contributions and the member's contributions and any investment gains in the defined contribution account are used to fund the benefit.</p> <p><b>Dependent-based</b> — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p><b>Service-based</b> — from 29% of final average salary with 20 years of service credit to 60% of final average salary with 29 or more years of service credit based on the years of credit the member had at the time of death.</p> <p><b>Retirement-based</b> — if the member had met the age and service requirements for service retirement under the Defined Benefit Plan, the survivor is eligible for a benefit as if the member had retired under the Defined Benefit Plan and selected a same-to-beneficiary Joint and Survivor Annuity.</p> <p>Survivors also have the option to withdraw the DC and DB portions of the account.</p>           | <p>Account balance available to beneficiaries.</p>   |
| <b>Benefit Portability/Account Withdrawal</b> | <p>When withdrawing an account, members are eligible for their contributions with interest and in some cases matching funds as follows:</p> <ul style="list-style-type: none"> <li>• 2.99 years or less, the member receives contributions plus interest of 2%.</li> <li>• 3.00 to 4.99 years, the member receives contributions plus interest of 3%.</li> <li>• 5.00 or more years of credit, the member receives contributions plus interest of 3% and a 50% match on that total.</li> </ul> <p>Account withdrawals are paid as a lump-sum distribution, part of which may be taxable at time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.</p> <p>Interest rates are subject to change.</p>   | <p>Upon ending employment, members may withdraw the value of their account. Before one year of membership in STRS Ohio, members receive only their contributions and the gains or losses on those contributions.</p> <p>Members vest 20% per year in employer contributions and all gains and losses on those contributions.</p> <p>After five years of membership in STRS Ohio, members are fully vested and receive both their contributions and the employer contributions deposited to the account, and any gains or losses on those contributions.</p> <p>Account withdrawals are paid as a lump-sum distribution, part of which may be taxable at time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.</p> | <p>Before age 50, a withdrawal must include both the DB and DC portions of the account. At age 50 or after, members may withdraw the DC portion upon termination of employment and leave the DB portion on account for a benefit at age 60. They may withdraw the DB portion only if they are also withdrawing the DC portion.</p> <p>Account withdrawals are paid as a lump-sum distribution, part of which may be taxable at time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.</p> <p><b>Defined contribution withdrawal amount:</b> Members are eligible for contributions in the account and the gains or losses on those contributions.</p> <p><b>Defined benefit withdrawal amount:</b> Members are eligible for the greater of member contributions in the defined benefit account or the present value of future benefits with five years of service credit. For example, a member with 10 years of service is eligible for 10% of final average salary at age 60. The withdrawal amount is equal to the present value of that benefit.</p> | <p>Participants may withdraw the value of their account if no longer employed.</p> <p>Before meeting employer vesting requirements, participants receive their contributions and the gains or losses on those contributions.</p> <p>After meeting employer vesting requirements, participants receive their contributions and all employer contributions — and all gains or losses on those contributions.</p> |
| <b>Inflation Protection/COLA</b>              | <p>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, it is received on the anniversary of the member's retirement date.</p>   | <p>Cost-of-living adjustments are not provided.</p>   | <p>Cost-of-living adjustments are not provided.</p>   | <p>Automatic cost-of-living adjustments are not provided.</p>  |
| <b>Administrative Costs or Fees</b>           | <p>Administrative costs are paid from total fund investment earnings.</p>   | <p>Asset management fees and a \$10 quarterly account fee reduce the investment return. Inactive members with an account balance of less than \$5,000 are also subject to a \$10 per month fee. ("Inactive" is defined as not having any member or employer contributions applied to an account for more than 120 days.) A member is not charged the quarterly account fee if a low balance fee is charged during the quarter.</p>  | <p>Asset management fees and a \$10 quarterly account fee reduce the investment return of the DC portion of the account. Inactive members with a DC account balance of less than \$5,000 are also subject to a \$10 per month fee. ("Inactive" is defined as not having any member or employer contributions applied to an account for more than 120 days.) A member is not charged the quarterly account fee if a low balance fee is charged during the quarter.</p>   | <p>May be required to pay annual contract fees, sales loads, commissions, redemption or exchange fees, management fees or other costs.</p>   |

A portion of contributions in all four plans is set aside to pay for the existing unfunded liability of the retirement system.

Note: The information provided on this chart and on all materials in this selection packet are based on current rates, factors and laws — all of which are subject to change.