



Pension Benefits and Health Care Coverage Overview

For Defined Benefit Plan Enrollees Preparing for Retirement

As an STRS Ohio member approaching retirement, you will want to be aware of the items detailed in this document related to your pension benefits and health care coverage.

Pension Benefits

Benefit Payment Details

If your fully completed *Service Retirement Application* is received by STRS Ohio at least 30 days before your retirement date, we 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 the month, which is usually the first day of the month.
- If the first day of the month is a holiday or falls on a weekend, the direct deposit date is adjusted accordingly.
- You will be notified when you receive your first regular benefit payment, every January and following changes to your benefit amount.

A list of first banking days for each month is available at www.strsoh.org under Receiving Benefits, Payment of Benefits.

Employment After Retirement

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

- To be eligible for service retirement, there **must be a minimum one-day break in service** between the last day of employment as an active member of STRS Ohio and the first day of employment as a reemployed retiree. This one day must be the last workday of the month or the first workday of the retirement month and cannot be a Saturday, Sunday or holiday.

- If you are employed by **only one public employer** at the time of retirement, you must wait two months after your date of retirement to return to public employment.
- If you are employed at the time of retirement by **more than one employer** covered by STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS), you may retire with the highest paying (primary) employer and continue to work with one or all of the lower paying (secondary) employers with no waiting period. You must have held the secondary position for at least 12 consecutive months prior to retirement to be eligible to continue working with the secondary employer with no waiting period. For example, if your retirement date is July 1, 2021, you must have been working in your secondary position in July 2020 and continue working for the next 12 months.
- **If your secondary employer is covered by OPERS or SERS**, then you must also combine that account with your STRS Ohio account at retirement to avoid a forfeiture of benefits.

If you continue public employment after retirement, you will contribute to the applicable Ohio public retirement system. If you become employed in an STRS Ohio-covered position, you will be eligible to receive your contributions plus interest upon termination from reemployment. Ohio law may require public notice if you are returning to your former employer. Please contact your employer for details.

Purchasing Service Credit

The Revised Code allows you to **purchase service credit for certain types of past employment and leaves of absence**, which may increase the amount of your retirement income or enable you to retire sooner.

Provided the service credit is certified before your effective date of retirement, all service credit **must be paid in full within three months following your retirement effective date or earlier if you allow your**

benefit to be final. Purchasing service credit after retirement will delay the finalization of your retirement benefit and may delay partial payments. (See “Benefit Payment Details” on Page 1.) If you are not eligible for retirement without purchased credit, STRS Ohio will not issue partial payments until your credit purchase is completed.

Taxes

Under federal law, **STRS Ohio is required to withhold federal income tax** from taxable monthly benefits. You may elect to be excluded from the withholding requirement by filing an exemption form. If federal taxes are not withheld, you will be responsible for filing federal quarterly estimates.

- **If you are an Ohio resident**, benefits are subject to Ohio income tax and may be subject to school district income tax. Ohio income tax will be withheld upon request. School district taxes cannot be withheld.
- **If you are a resident of another state**, the laws in that state govern your state tax liability. STRS Ohio cannot withhold tax for states other than Ohio.
- Benefit payments are **exempt from local or municipal taxes in Ohio**.

Death Benefit

At the time of a service or disability benefit recipient’s death, a **\$1,000 lump-sum death benefit is automatically payable** to the beneficiary designated at retirement. You may purchase additional death benefits of either \$1,000 or \$2,000 at retirement or at age 65. Your beneficiary may be changed at any time.

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.



Health Care Coverage

STRS Ohio offers access to health care plans that include **hospital, medical and prescription drug coverage**. We also offer **dental and vision plans** to supplement health care plan coverage. Unlike your pension benefit, access to health care coverage is not guaranteed under Ohio law. However, STRS Ohio understands that quality health care in retirement is important to you and continues work to preserve this benefit.

Health Care Costs

As you evaluate your retirement options and estimate retirement income and expenses, you should consider how health care costs will impact your retirement income. The 2021 monthly health care premium under the Basic Plan for a career teacher (30 or more years of service) and spouse (nonteacher), both without Medicare coverage, is \$411 for the member and \$1,071 for the spouse.

Eligibility Criteria

Service retirement **benefit recipients with 15 or more years of qualifying service** credit have access to health care coverage and receive a premium subsidy. (Members who retire Aug. 1, 2023, or later, will need 20 or more years of qualifying service credit.) Other eligibility criteria is as follows:

- **Disability benefit recipients:** Eligible for access to health care coverage. If the disability recipient later applies for service retirement, coverage access and cost is based on whether the disability effective date was before or after Jan. 1, 2004.
- **Eligible dependents (spouse, child and/or disabled adult child):** Eligible for coverage once the benefit recipient enrolls.
- **Beneficiaries of service retirement benefit recipients:** Eligible for coverage if the service retirement benefit recipient was eligible for coverage at the time of death.
- **Survivors of active members or disability benefit recipients:** Eligible for coverage if granted survivor benefits and was an eligible dependent at the time of the active member’s or disability benefit recipient’s death.

- **Employed non-Medicare enrollees:** Coverage under the STRS Ohio Health Care Program is limited for non-Medicare enrollees employed in public or private positions. Employed enrollees are eligible only for **secondary** coverage through STRS Ohio's **Basic Plan** if: (1) eligible for medical and prescription drug coverage through the employer, or (2) hold a position for which similarly situated employees are eligible for medical and prescription drug coverage at the same cost as full-time employees.

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 STRS Ohio Online Personal Account or by submitting a *Verification of Employment and Employer Health Care Access* form (available on our website or upon request). If you prefer to opt out of secondary coverage by canceling your STRS Ohio plan enrollment, contact STRS Ohio.

How to Enroll

If you are eligible for the STRS Ohio Health Care Program and complete the Health Care Program section of the *Service Retirement Application*, STRS Ohio will mail you information for choosing a health care plan, as well as dental and vision coverage information.

Be sure to **verify the date your employer-sponsored health care coverage will end** in order to determine an accurate effective date of STRS Ohio health care coverage. You will not be able to change the effective date of STRS Ohio health care coverage after premium deductions and coverage have begun.

Outside of enrolling in coverage when monthly benefits begin, you **may request enrollment for yourself under the following limited circumstances** by submitting an enrollment application to STRS Ohio.

- **Loss of other coverage** — Coverage becomes effective the first of the month in which other coverage is lost if STRS Ohio receives the enrollment application and required documentation within 31 days of the date your other coverage ended.
- **Medicare enrollment** — You may enroll yourself upon initial eligibility for and enrollment in Medicare Parts A & B or Part B-only. Coverage will be effective the first of the month Medicare coverage begins.
- **Open enrollment** — STRS Ohio currently offers an open-enrollment period each year from Nov. 1 through the Tuesday before Thanksgiving. During this time, you can change your health care plan or enroll for the first time. Dental and vision plan enrollment is offered in even-numbered years. Coverage will be effective Jan. 1 following open enrollment.

Dental and Vision Coverage

STRS Ohio offers dental and vision coverage under separate plans. Coverage is available to benefit recipients with **15 or more years of service credit and eligible dependents**. STRS Ohio **health care plan enrollment is not required** to enroll in the dental and vision plans; however, you must be enrolled in the dental and/or vision plan(s) for eligible dependents to participate. You may enroll in either or both plans. Once enrolled you must remain enrolled and pay monthly premiums through the end of the two-year contract period.

Medicare and STRS Ohio Coverage

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). You do not need to contribute to Social Security to be eligible for Medicare.

- STRS Ohio requires you to sign up for **Medicare Part B** (medical insurance) and pay a monthly premium to Medicare.
- You must also enroll in **Medicare Part A** (hospital insurance) if it is premium-free.
- To enroll in Medicare, call your local Social Security Administration office to schedule an appointment or call **Social Security toll-free at 800-772-1213**.
- Once you enroll in Medicare, you'll need to **submit your Medicare information to STRS Ohio** through your Online Personal Account.

Medicare also offers Part D (prescription drug insurance). **Do not enroll in any other Part D prescription drug plan** if you enroll in an STRS Ohio health care plan. All of the health care plans we offer for enrollees with Parts A & B or Part B-only include Part D prescription drug coverage.

When you enroll in Medicare, STRS Ohio's health care costs are reduced, and you pay a lower monthly premium for STRS Ohio health care coverage. If you decline Medicare coverage for any reason, you will not be eligible for an STRS Ohio medical plan.

Part B Partial Premium Reimbursement

Service retirement and disability benefit recipients who submit proof of Medicare Part B enrollment to STRS Ohio may receive partial reimbursement to offset the standard monthly premium charged by Medicare for Part B coverage.

- Enrollment in an STRS Ohio medical plan is required to receive the reimbursement.
- If you do not enroll in Part B or discontinue Part B coverage, you will not be eligible to receive the reimbursement.
- Dependents do not receive reimbursement.

Online Resources at www.strsoh.org

STRS Ohio website

Go to www.strsoh.org to access:

- Benefit information (while teaching and in retirement)
- Your Online Personal Account
- A video library
- Counseling and seminar information
- STRS Ohio publications and forms
- Benefit calculators

Online Service Retirement Application

Save time and submit your *Service Retirement Application* online using your Online Personal Account. Benefits and features of the online application include:

- Step-by-step instructions
- Flexibility to complete the application in stages
- First partial benefit payment on your retirement date (if you submit your application at least 30 days before)
- Processing status updates via your online account

Retirement Benefits Presentation

This presentation, available in the Videos section of the website, provides information pertaining to health care coverage, applying for retirement, the retirement benefit payment, employment after retirement and death benefits.

Online Account Features

As a retired member you will be able to access the following account features after STRS Ohio has completed the processing of your *Service Retirement Application*.

- Benefit check details
- Direct deposit information (view or change)
- Benefit recipient information (plan of payment, beneficiary, direct deposit information)
- Important documents
- Tax withholding information (view or change)
- Health care plan options
- Health care coverage enrollment or changes (during open enrollment in the fall)
- Seminar registration
- Contact information (view or change)
- *Annual Statement of Account* (if reemployed and working in an STRS Ohio-contributing position)

eUPDATE

STRS Ohio uses its email news service to update members about legislation, benefits and other issues affecting the STRS Ohio membership. All members with an email on file with STRS Ohio receive the eUPDATE.

If you do not currently receive these emails and would like to stay abreast of STRS Ohio news, log in to your personal account and add your email address to your contact information or contact us toll-free at 888-227-7877.

