

STRS Total Guaranteed Return Choice

Stable

Unlike the other investment options offered by STRS Ohio, this option provides a guaranteed interest rate on contributions and transfers made in a given year. In exchange for this protection against any possible negative returns, participants must “lock-in” their contributions and transfers made during the year until the end of a five-year term. The interest rate is paid on the contributions and transfers until the end of the five-year term and is credited to the account on a daily basis. The five-year term begins with the initial investment choice and concludes on the last day of the fifth fiscal year, ending June 30. (The STRS Ohio fiscal year runs from July 1–June 30.)

For example, contributions made between July 1, 2017, and June 30, 2018, are locked in at a 4.25% annual interest rate until June 30, 2022.

At the end of the five-year term, the participant may make one of two choices:

1. Roll the accumulated value into a Total Guaranteed Return Choice for another five-year term, or
2. Transfer the accumulated value to other STRS Ohio investment options.

If neither of these options is chosen, the accumulated value of the choice automatically rolls into the STRS Target Choice 2025.

All contributions are placed into the Total Guaranteed Return Choice for the given fiscal year.

- Members who make this investment choice at the beginning of the fiscal year must place all contributions into this fund for the entire fiscal year.
- Members who make this investment choice during the fiscal year must transfer their entire STRS Ohio account balance into this fund. Subsequently, the participant must also place remaining contributions for the fiscal year into this choice.

Current Effective Annual Interest Rate: 4.25%

This rate will be reviewed and reset on an annual basis for the ensuing five-year term.

Investment Manager

STRS Ohio

Composition

This choice’s diversified assets are divided among domestic and international stocks, real estate, bonds and money market investments. The composition of the STRS Total Guaranteed Return Choice is expected to remain relatively unchanged over time.

Withdrawal

Members who leave teaching and elect to “withdraw” their STRS Total Guaranteed Return Choice account before the end of a five-year term will be assessed an early-term withdrawal penalty of 10% of their net asset value (NAV) on all funds that did not go to term. Members, age 50 or older, can avoid the early-term withdrawal penalty by converting the funds to an STRS Ohio annuity.

Rollovers

Members who elect to roll over or transfer funds from another qualified plan [e.g., IRA, 401(k)] into the Total Guaranteed Return Choice must also transfer their entire STRS Ohio defined contribution account balance into this choice. All remaining payroll contributions for the fiscal year must also be placed in the Total Guaranteed Return Choice. Rollovers cannot occur until after a member has permanently chosen the Defined Contribution or Combined Plan.

Annual Asset Management Fee

None