Five-year plan reselection period
now underway for eligible members

In the coming weeks, STRS Ohio will mail retirement plan reselection packets to Defined Contribution Plan and Combined Plan participants who are in their fifth year of service and are now eligible for their permanent plan election. If you are now eligible to reselect your plan, you must submit your retirement plan selection by June 1, 2020, and the plan choice will become effective on July 1, 2020. Below, SmartTALK provides answers to some common questions about the reselection period.

Who is eligible to reselect their retirement plan?
This year, the reselection window is open to Defined Contribution Plan or Combined Plan participants who are in their fifth year of STRS Ohio membership. Members are eligible if they enrolled as a new member between July 1, 2015, and June 30, 2016. If you were hired after this period, you will be notified when you are eligible for plan reselection during your fifth year of membership.

What retirement plan choices are available and how do I indicate my selection?
Your options include the STRS Ohio Defined Benefit Plan, the Defined Contribution Plan and the Combined Plan. You can log in to your Online Personal Account and make your selection online, or you can complete and return the paper enrollment form that you will receive in your reselection packet.

Do I have to change plans?
No, however, you must indicate your permanent plan selection. Eligible members who do not make a choice during the reselection period must remain in their current plan for as long as they are STRS Ohio members.

What happens to my defined contribution account if I change plans?
The answer depends on your current plan and the plan you now choose as your permanent plan. If you select the Defined Benefit Plan, your current defined contribution account will be closed, and you will no longer have an account to manage. Instead, a defined benefit account will be created for you, based on your years of service as if you originally enrolled in the Defined Benefit Plan. However, if you now select either the Defined Contribution Plan or the Combined Plan as your permanent plan, you will still have a defined contribution account to manage. The STRS Ohio Retirement Plan Reselection Options brochure that you will receive in the mail covers these options in greater detail.

Will I have another chance to reselect my retirement plan?
No. This is a one-time opportunity to change plans. The decision you make now is permanent, and the plan you choose will be your retirement plan for as long as you are an STRS Ohio member. The deadline for your permanent reselection is June 1, 2020. You must respond with your selection by that date. If STRS Ohio does not receive your selection by the deadline, you must remain in your current plan, in accordance with Ohio law.

What if I don’t receive my reselection packet in the mail or if I have more questions?
STRS Ohio will be happy to assist you with this important decision. Just call our Member Services Center toll-free at 888-227-7877 and we will answer your questions and provide you with the materials you need.
Investment choice profile

This quarter’s SmartTALK profiles the STRS MSCI World ex USA Index Choice. The STRS MSCI World ex USA Index Choice is intended to closely match the return of the Morgan Stanley Capital International (MSCI) World ex USA Index, before fees. This allocation choice is based on the share price of approximately 1,000 companies listed on stock exchanges in 22 developed countries/regions. Companies listed on exchanges in Japan, the United Kingdom, France, Canada, Switzerland, Germany and Australia make up about 80% of the index.

This allocation option is intended as a long-term investment choice due to the higher volatility of returns of international stocks over short-term periods. Risks of international investments include (but are not limited to) currency fluctuation, political instability and different security exchange regulations. Intermediate and long-term performance figures for this and all allocations choices are provided on the enclosed Investment Performance Report.

Resolve to rebalance

Looking for a new year’s resolution that you can follow through on? Resolve to examine your asset allocation and to rebalance it, if desired. When you established your defined contribution account, you may have used the questionnaire in our Investment Options Guide to help determine your asset allocation strategy. (Access the questionnaire at https://www.strsoh.org/_pdfs/investments/20-608-pg2-3.pdf.) Since asset values can change over time, many experts recommend a periodic review of your portfolio. Does your current asset allocation reflect your investment goals going forward?

If you would like more information about asset allocation, the retirement specialists at Nationwide Retirement Solutions (NRS) are available to help. Just call toll-free 866-332-3342 Monday–Friday from 8 a.m. until 6 p.m. to talk with an NRS representative.

If I leave teaching, can I roll over funds from my Defined Contribution Plan or Combined Plan?

Yes, you can roll the assets of your Defined Contribution Plan account or Combined Plan account to an individual retirement account (IRA) or another qualified plan if you leave STRS Ohio-covered employment before you reach retirement eligibility. For participants in the Defined Contribution Plan, your withdrawal amount will include both your contributions and vested employer contributions credited to your account, plus any investment gains or losses. If you have been a member for less than one year, you will receive only your contributions and the investment earnings or losses on those contributions, as employer contributions will not have been vested. For participants in the Combined Plan, your withdrawal amount will include both your contributions to your defined contribution account, plus any investment gains or losses, and the withdrawal value of your defined benefit portion.