



RETIREMENT PLAN RESELECTION OPTIONS

For Combined Plan Participants



YOU ARE NOW ELIGIBLE FOR YOUR ONE-TIME
OPPORTUNITY TO CHANGE RETIREMENT PLANS.



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

FOUR STEPS. **ONE DEADLINE.**

☐ **STEP 1** — Know your plan options

☐ **STEP 3** — Select the best plan for you

☐ **STEP 2** — Review the plan features

☐ **STEP 4** — Notify STRS Ohio by June 1

QUESTIONS? **WE HAVE RESOURCES.**

- *This Retirement Plan Reselection Options* brochure
- Retirement Plan Comparison Chart (Pages 8–9)
- Account information letter (enclosed with this brochure)
- *Retirement Plan Reselection* presentation (at www.strsoh.org)
- STRS Ohio toll-free number (call 888-227-7877)
- An appointment with an STRS Ohio benefits counselor (schedule using your Online Personal Account at www.strsoh.org or by calling STRS Ohio)

It's **your choice!**

If changing plans, you must notify
STRS Ohio by **June 1, 2023.**

This booklet is written in plain language for use by members of the State Teachers Retirement System of Ohio. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, Ohio Administrative Code or Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code or Internal Revenue Code. The laws, statutes, rules and other regulations governing the retirement system are subject to change periodically. 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. Your decision about changing retirement plans is irrevocable. If you have questions about this material, please contact STRS Ohio or seek advice from your attorney and/or financial advisor.

STRS Ohio has contracted with Nationwide Retirement Solutions (NRS) as administrative service provider for the defined contribution aspects of the STRS Ohio benefits. NRS has a successful history of providing quality service and is committed to achieving the highest quality standards in service for STRS Ohio members.

As a Combined Plan participant in your fifth year of membership, you are now eligible for a one-time opportunity to reselect your STRS Ohio retirement plan. The plan you choose now will be your retirement plan for the duration of your STRS Ohio membership. If we do not receive your plan selection by June 1, you will remain in the Combined Plan.

YOUR PLAN OPTIONS AT A GLANCE

	Combined Plan (your current plan) Page 2	Defined Contribution Plan Page 4	Defined Benefit Plan Page 6
Investments selected by you	✓ (defined contribution portion)	✓ (entire account)	
Predictable monthly retirement benefit	✓ (defined benefit portion)		✓
Greatest portability		✓	
Greatest investment risk		✓	
Disability and survivor benefits during career*	✓		✓
Access to health care coverage in retirement*	✓		✓

*Upon meeting eligibility criteria.

INFORMING STRS OHIO OF YOUR SELECTION

- Log in to your **Online Personal Account** at www.strsoh.org.
- Click on "Member Information" in the top menu and then "Retirement Plan Reselection" under Useful Links.

Staying in your current plan? No action required.

YOUR STRS OHIO ACCOUNT

If you choose to remain in the **Combined Plan**:

- You will continue to make allocation decisions and manage the defined contribution portion of the plan.

If you change to the **Defined Contribution Plan**:

- Your Combined Plan account will be closed and this will become your permanent plan.
- The account balance in the defined contribution portion of your Combined Plan account will be deposited to your new Defined Contribution Plan account.
- The withdrawal value of your defined benefit account, if any, will be determined and added to your new account.
- Funds placed in your new account will be allocated based on your current investment allocations.

If you change to the **Defined Benefit Plan**:

- Your Combined Plan account will be closed, you will no longer have a defined contribution portion of the account to manage, and this will become your permanent plan.
- Your retirement income will be determined by a calculation, set by statute, based on service credit and salary. Your contributions, plus your employer's contributions and investment income, will be used to fund your defined benefit.

Plan selection and account transfers will be finalized following completion of annual employer reporting in September 2023.

Combined Plan

YOU ARE CURRENTLY ENROLLED IN THE COMBINED PLAN

The Combined Plan includes features of the Defined Benefit and Defined Contribution Plans, so you have benefits while teaching and two elements to your retirement benefit.

- From your current contribution of 14% of annual salary, 12% goes into a defined contribution account where you manage the investment allocation and risk.
- The remaining 2% of your contribution along with employer contributions fund a defined benefit portion of the plan — managed by STRS Ohio — to pay for service retirement, disability or survivor benefits and access to retiree health care coverage.*
- Contribution rates and eligibility for health care are established by the State Teachers Retirement Board and are subject to change.
- You may be eligible to purchase service credit for teaching interrupted by military service and leaves of absence.
- If you have credit in the Ohio Public Employees Retirement System or the School Employees Retirement System, accounts cannot be combined for future benefits. Please call STRS Ohio toll-free at 888-227-7877 for more information.

BENEFITS WHILE TEACHING

This plan provides benefits and services during your teaching career. These include:

Portability

- If you leave STRS Ohio-covered employment before retirement eligibility, you can roll assets into an individual retirement account (IRA), an eligible employer plan or another qualified plan, or you may withdraw the account value.
- At age 50 or later, you may withdraw or annuitize the defined contribution portion and leave the defined benefit portion to fund a service retirement benefit at age 60 with at least five years of qualifying service credit.

Survivor benefits

- Upon your earning five years of service credit, qualified survivors are eligible to receive annual benefits that range from 25% to 60% of your final average salary (FAS), which is the average of your five highest salary years.
- Survivors receiving this benefit have access to health care coverage (medical/prescription, dental and vision)* through STRS Ohio.
- Contributions and earnings in your defined contribution account and the defined benefit portion of the plan will be used to fund this benefit. Your survivors will not have a defined contribution account to manage.
- Your survivors may withdraw your entire account in lieu of receiving a benefit.

Disability benefits

- With 10 years of service credit you may apply for monthly disability benefits if you become disabled while employed or within one year following your last date of STRS Ohio-covered service.
- Annual benefits range from 45% to 60% of your FAS.
- While receiving this benefit, you will have access to health care coverage (medical/prescription, dental and vision)* through STRS Ohio.
- If you become disabled, all contributions and earnings in your defined contribution account and the defined benefit portion of the plan are used to fund this benefit — you will no longer oversee a defined contribution account.
- At age 65, the disability benefit converts to a service retirement benefit that provides 2.2%** of your FAS for each year of service.
- In lieu of disability benefits, you may withdraw your account.

BENEFITS WHILE RETIRED

Retirement income

Benefits consist of two parts:

- An annuity from the defined benefit portion equal to 1% of your final average salary for each year of service credit.
- An annuity from the defined contribution portion based on the value of the account and market annuity rates at the time of retirement.
- You are eligible for the defined benefit portion at age 60 with at least five years of service; eligibility for the defined contribution portion is at age 50.

Access to health care coverage*

Starting at age 60, you and your eligible dependents will have access to health care coverage (medical/prescription, dental and vision) through STRS Ohio. Beginning Aug. 1, 2023, new retirees need 20 years of service for eligibility.

Death benefit

You have the option to purchase a \$1,000 or \$2,000 death benefit when you retire that your survivors would receive in a lump-sum payment upon your death.

*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.

**This multiplier is set by statute and is subject to change.

Defined benefit portion retirement income formula

Years of service	x	1.0%	X	Final average salary	=	Annual Benefit
35	x	1.0	=	35%	X	\$80,000
					=	\$28,000 annually

Example of how the defined contribution portion is funded

Starting salary	\$42,000
Member contribution allocated to DC (12% of \$42,000)	\$5,040
Funds placed in individual account during first year	\$5,040



Defined Contribution Plan

HOW DOES IT WORK?

Under the Defined Contribution Plan, member and employer contributions are deposited in a retirement account that you manage. You choose how to allocate the contributions among various investment choices offered through the plan. Benefits such as disability and survivor benefits and health care coverage in retirement are your responsibility; they are not provided by STRS Ohio.

Your retirement income is driven by three variables:

- The amount of member and employer contributions deposited to your account, (currently 14% of annual salary for members and 11.09% of annual salary for employers, for a total of 25.09%),
- The performance of investment choices you select, and
- The market annuity rates at retirement.

Contribution rates are established by law and the State Teachers Retirement Board and are subject to change.

Other items of note:

- If you leave teaching, you can withdraw these funds, plus any gains or losses
- You are vested in your member contributions immediately
- You are vested 20% per year in employer contributions
- You 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 you have credit in the Ohio Public Employees Retirement System or the School Employees Retirement System, accounts cannot be combined for future benefits. Please call STRS Ohio toll-free at 888-227-7877 for more information.

BENEFITS WHILE TEACHING

This plan provides limited benefits and services during your teaching career. These include:

Portability

- If you leave STRS Ohio-covered employment before retirement eligibility, you can roll assets into an individual retirement account (IRA), an eligible employer plan or another qualified plan, or you may withdraw the account value.
- The withdrawal amount will include both your contributions and vested employer contributions credited to your account, including any investment gains or losses. This is the only STRS Ohio plan that offers this feature during the first five years.

Survivor benefits

There are no predetermined survivor benefits; however, a surviving spouse or sole survivor may annuitize the account balance for lifetime monthly benefits.

Disability benefits

There are no disability benefits. If you become disabled, you may withdraw your account after terminating employment. At age 50, other payment options are available, but you must first terminate employment.

BENEFITS WHILE RETIRED

Retirement income

You can annuitize your account balance at age 50 or later upon terminating employment.

Death benefit

You have the option to purchase a \$1,000 or \$2,000 death benefit when you retire that your survivors would receive in a lump-sum payment upon your death.

Access to health care coverage is not provided

Example of how the plan is funded

Starting salary	\$42,000
Member contribution (14% of \$42,000)	\$5,880
Employer contribution ¹ (11.09% of \$42,000)	\$4,657
Funds placed in individual account during first year	\$10,537

¹Employers contribute to STRS Ohio plans based on teacher payroll. A portion of employer contributions is set aside to pay for the existing unfunded liability of the retirement system. The 11.09% contribution is subject to change by the Retirement Board. Members are vested in employee contributions immediately. Members become vested in employer contributions at a rate of 20% per year.



Defined Benefit Plan

HOW DOES IT WORK?

The Defined Benefit Plan is a comprehensive plan that provides benefits during your teaching career and in retirement. Under the Defined Benefit Plan, your retirement income is determined by a calculation that uses:

- Your age,
- Your years of service, and
- Your final average salary (FAS) — the average of your five highest salary years.

Contribution rates:

- Members currently contribute 14% of annual salary.
- Employers currently contribute 14% of payroll.
- Contribution rates are established by law and the State Teachers Retirement Board and are subject to change.

STRS Ohio manages assets in the Defined Benefit Plan. You are not responsible for making investment decisions. This can be an ideal plan for career educators.

Service credit purchase:

- You may be eligible to purchase credit for many types of past employment. This may increase your retirement benefit or enable you to retire sooner.

BENEFITS WHILE TEACHING

This plan provides comprehensive benefits and services beyond funding your monthly income during retirement. These include:

Portability

- If you leave Ohio public employment before you're eligible to retire, you have the flexibility to withdraw your retirement assets or leave your STRS Ohio account intact to qualify for future benefits. Your STRS Ohio contributions plus interest can be refunded or rolled over to a traditional individual retirement account (IRA) or another qualified retirement plan.
- After you earn five years of qualifying service credit, interest plus a 50% match on your contributions and interest is paid on funds withdrawn or transferred.

Survivor benefits

- Upon your earning five years of service credit, qualified survivors are eligible to receive annual benefits that range from 25% to 60% of your final average salary (FAS).
- Survivors receiving this benefit have access to health care coverage (medical/prescription, dental and vision)* through STRS Ohio if eligible.

Disability benefits

- With 10 years of service credit you may apply for monthly disability benefits if you become disabled while employed or within one year following your last date of STRS Ohio-covered service.
- Annual benefits range from 45% to 60% of your FAS.
- While receiving this benefit, you will have access to health care coverage (medical/prescription, dental and vision)* through STRS Ohio if eligible.
- At age 65, the disability allowance converts to a service retirement benefit that provides 2.2%** of your FAS for each year of service.
- In lieu of disability benefits, you may withdraw your account.

BENEFITS WHILE RETIRED

Retirement income

Members receive 2.2% of their five-year final average salary for each year of service credit. For example, with 35 years of service credit, you would receive $35 \times 2.2\% = 77\%$ of your final average salary (average of your five highest salary years).

Your retirement income is based on a formula:

Years of service	x	2.2%	=		X	Final average salary	=	Annual Benefit
35	x	2.2	=	77%	X	\$80,000	=	\$61,600 annually

You are eligible for a benefit at age 65 with five years or service or any age with 34 years of service. The service credit requirement for unreduced benefits at any age will increase to 35 years on Aug. 1, 2023.

You can retire early with an actuarially reduced benefit at age 60 with five years of service or age 55 with 29 years of service. Members can also retire early with a reduced benefit at any age with at least 30 years of service.

Access to health care coverage*

You and your eligible dependents will have access to health care coverage (medical/prescription, dental and vision) through STRS Ohio. Beginning Aug. 1, 2023, new retirees need 20 years of service for eligibility.

Death benefit

Your survivors will receive a lump-sum payment of \$1,000 at your death. You may purchase an additional \$1,000 or \$2,000 benefit when you retire.

*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.

**This multiplier is set by statute and is subject to change.



Retirement Plan Comparison Chart

Features	Combined Plan Your Current Plan	Defined Contribution (DC) Plan	Defined Benefit (DB) Plan
Service Retirement For more information on STRS Ohio benefit payment options, call toll-free 888-227-7877 and request a <i>Service Retirement and Plans of Payment</i> brochure or visit the STRS Ohio website at www.strsoh.org .	<p>Retirement income is based on separate retirement benefits that are paid from the defined benefit and defined contribution portions of the member's account.</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>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.</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>Retirement income is based on a calculation that uses the member's age, years of service and final average salary.</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 any age 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>
Investment Decisions	Member makes all investment allocation decisions for the DC portion of the plan. Investment choice and return information is available at www.strsoh.org .	Member makes all investment allocation decisions for the account. Investment choice and return information is available at www.strsoh.org .	STRS Ohio makes all investment decisions.
Investment Risk and Reward	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 member. All gains or losses accrue to member's account.	Member assumes no investment risk.
Health Care Coverage 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.	<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>	STRS Ohio health care coverage is not available.	<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>
Disability Benefits	<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"> • 2.2% of final average salary per year of service. • 45% minimum and 60% maximum of final average salary. • At age 65, the member converts to service retirement and receives credit for the period on disability. <p>Account balance is also available.</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>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"> • 2.2% of final average salary per year of service. • 45% minimum and 60% maximum of final average salary. • At age 65, the member converts to service retirement and receives credit for the period on disability.
Traditional Method of Payment Upon Retirement	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.	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.	A lifetime annuity. Several different plans of payment to protect survivors are available. A lump-sum withdrawal is also an option.

Features	Combined Plan Your Current Plan	Defined Contribution (DC) Plan	Defined Benefit (DB) Plan
Survivor Benefits	<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>Dependent-based — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p>Service-based — 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>Retirement-based — 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. 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 receive the highest benefit from among the following for which they are eligible.</p> <p>Dependent-based — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p>Service-based — 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>Retirement-based — 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>
Benefit Portability/ Account Withdrawal	<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>Defined contribution withdrawal amount: Members are eligible for contributions in the account and the gains or losses on those contributions.</p> <p>Defined benefit withdrawal amount: 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>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>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"> • 2.99 years or less, the member receives contributions plus interest of 2%. • 3.00 to 4.99 years, the member receives contributions plus interest of 3%. • 5.00 or more years of credit, the member receives contributions plus interest of 3% and a 50% match on that total. <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>
Inflation Protection/COLA	<p>Cost-of-living adjustments are not provided.</p>	<p>Cost-of-living adjustments are not provided.</p>	<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, you will receive it on the anniversary of your retirement date.</p>
Administrative Costs or Fees	<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>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>Administrative costs are paid from total fund investment earnings.</p>

A portion of contributions in all three 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 reselection packet are based on current rates, factors and laws — all of which are subject to change.



State Teachers Retirement System of Ohio

275 East Broad Street

Columbus, OH 43215-3771

Resources

WEB



www.strsoh.org

24 hours a day

Select "Contact" from the top menu to email

WRITE



STRS Ohio

275 E. Broad St.

Columbus, OH 43215-3771

CALL



Member Services Center

888-227-7877 (toll-free)

614-233-8713 (fax)

Monday through Friday

8 a.m. to 5 p.m.

VISIT



STRS Ohio

Downtown Columbus

275 E. Broad St.

Columbus, OH 43215-3771



It's your choice!

The plan you choose now will be your retirement plan for the duration of your STRS Ohio membership.