

The Defined Contribution Plan is one of three STRS Ohio retirement plan options available to new members of the system making their retirement plan selection.

DEFINED CONTRIBUTION PLAN

Key Plan Features



- ✓ You **select investments**
- ✓ **Plan reselection** option
- ✓ **Retirement income** is based in part on performance of investments you select
- ✓ **Contributions** on salary not earned (military service)

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The Defined Contribution Plan offers you control over your entire retirement account in that you can make and change your investment selections.

You can change to the Defined Benefit Plan or the Combined Plan during your fifth year of STRS Ohio membership.



Your retirement income is based on contributions to your account, investment performance and annuity rates at retirement.

You are not eligible to purchase service credit under this plan; however, you may make contributions on salary not earned if your teaching career is interrupted by military service, provided you meet eligibility.

DEFINED CONTRIBUTION PLAN
STRS Ohio Contributions



- **Your contribution — 14% of your annual salary**
- **Employer contribution — 14% of your annual salary**
 - 11.09% to defined contribution account
 - 2.91% mitigating rate*

Your contribution to your account (14%)  **Employer contribution to your account (11.09%)**  **Total to your account managed by you (25.09%)**

*Amount is subject to change.

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Under the Defined Contribution Plan, you and your employer each contribute 14% of your annual salary to STRS Ohio.

Of your employer's contribution, 11.09% goes to your account and 2.91% — the mitigating rate — is set aside to pay for the existing unfunded liability of the retirement system.

Under this plan, 25.09% of your annual salary goes directly into your defined contribution account that you manage.

DEFINED CONTRIBUTION PLAN

Retirement Income Funding



Example of how the plan is funded

Starting salary	\$65,000
Member contribution (14% of \$65,000)	\$9,100
Employer contribution (11.09% of \$65,000)	\$7,208
Funds placed in individual account during first year	\$16,308

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This example shows how the plan is funded. With a starting salary of \$65,000, the required member contribution of 14% would equate to \$9,100. The employer contribution of 11.09% would equate to \$7,208. So the funds placed in this member's account during the first year would total \$16,308.

DEFINED CONTRIBUTION PLAN

Retirement Benefit Eligibility, Calculation



- **Age 50 or termination of service**
- **Lifetime annuity or lump-sum payment**
 - **Amount contributed** to the account
 - **Performance** of investments you select
 - **Annuity rates** at retirement

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Distributions from your defined contribution account are available upon retirement, beginning at age 50 or upon ending service. You can take your retirement income as a lifetime annuity or lump-sum payment. Your retirement benefit amount will be based upon:

- Your contributions and the amount of employer contributions added to your account;
- The performance of your investment selections; and
- Annuity rates in effect at the time of your retirement.

DEFINED CONTRIBUTION PLAN

Leaving an STRS Ohio-Covered Position



Three options

1. Keep account with **STRS Ohio**
2. **Roll over** funds
 - Individual retirement account, eligible employer plan or another qualified plan
3. **Withdraw** the account*

*Early withdrawal tax penalties may apply.



If you leave Ohio public employment before retirement eligibility, you can leave your Defined Contribution Plan account at STRS Ohio. You can also roll over the funds to an individual retirement account, an eligible employer plan or another qualified plan. Or, you can withdraw the account. If you choose to do so, it will be subject to tax withholding.

DEFINED CONTRIBUTION PLAN

Account Withdrawal Value*



- **Member contributions** plus gains or losses
- **Employer contributions** plus gains or losses (vested 20% per year; 100% at five years)
- **Less than one year of service:** only member contributions plus gains or losses

*Early withdrawal tax penalties may apply.

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The account withdrawal value would include both your contributions and vested employer contributions to your account, plus any investment gains or losses. Members are vested at 20% per year for the employer contributions and are 100% vested after obtaining five years.

With less than one year of service, you would receive only your contributions plus gains or losses on those contributions.

DEFINED CONTRIBUTION PLAN

Key Characteristics and Considerations



- ✓ **Plan reselection** option (not an option with an Alternative Retirement Plan, also known as ARP)
- ✓ Offers **greatest portability**
- ✓ **Investment performance risk**
- ✓ **No disability and survivor benefits**
- ✓ **No health care** coverage in retirement

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As you compare this plan to the other two STRS Ohio retirement plans, here are a few key characteristics to keep in mind.

- You would have the option to change STRS Ohio retirement plans during your fifth year of membership.
- This plan offers you the greatest portability with your retirement funds.
- There would be risk associated with the performance of investments.
- This plan does not offer disability and survivor benefits during your career nor does it offer access to health care coverage through STRS Ohio in retirement.

STRS
OHIO**DEFINED CONTRIBUTION PLAN**
Investment Choices

Asset Class	STRS Ohio Options
Cash	STRS Money Market Choice
Bonds	STRS Bloomberg U.S. Universal Bond Index Choice
Large-Cap	STRS Large-Cap Core Choice
Large-Cap	STRS Russell 1000 Index Choice
Mid-Cap	STRS Russell Midcap Index Choice
Small-Cap	STRS Russell 2000 Index Choice
International	STRS MSCI World ex USA Index Choice
International	STRS MSCI ACWI ex USA Index Choice
Real Estate	STRS REIT Index Choice
Blend	STRS Target Choice Options ← Eight choices

- **17 investment choices**
- **Includes eight Target Choice Options**
- **More details:**
Investment Options Guide and Selecting Investments video

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STRS Ohio offers 17 investment choices. These choices are comprised of cash; bonds; large-, mid- and small-cap domestic funds; international; real estate and target date asset classes. There are eight STRS Target Choice Options. Those funds target a year closest to the participant's expected retirement date and the investment mix becomes more conservative the closer to the target date.

For further details, please see the *Investment Options Guide* or view the *Selecting Investments* video.

Plan Selection Resources



- **STRS Ohio website**
 - Plan selection videos
 - New Member section
- **Call STRS Ohio: 888-227-7877 (toll-free)**
- **An appointment with an STRS Ohio benefits counselor**
- **Nationwide Retirement Solutions: 866-332-3342 (toll-free) — to discuss investment questions**

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For a better understanding of STRS Ohio's other two retirement plan options, view the *Defined Benefit* and *Combined Plan Overviews*.

The STRS Ohio website also includes a New Member section. There you will find plan descriptions and frequently asked questions.

If you have any questions, please contact us toll-free at 888-227-7877.

To discuss your plan options with an STRS Ohio benefits counselor, schedule an appointment using your Online Personal Account.

To discuss your investment choices, please contact Nationwide Retirement Solutions at 866-332-3342.