Overview of STRS Ohio and Its Impact on the State

The State Teachers Retirement System of Ohio was founded in 1920, 15 years before Social Security. It is the oldest public pension system in Ohio with a mission to partner with members in helping to build retirement security. Its membership is comprised of licensed teachers and administrators of Ohio’s public schools, faculty of Ohio’s public colleges and universities, and educational employees of the Ohio Department of Education and County Boards of Developmental Disabilities.

STRS Ohio is widely recognized and respected as one of the leading retirement systems in the country. The system touches the lives of more than a half a million active, inactive and retired Ohio educators. STRS Ohio is also one of the largest pension funds in the United States, paying billions of dollars annually in benefits.

STRS Ohio operates by authority of the Ohio General Assembly, and benefits are provided under Chapter 3307 of the Ohio Revised Code. It is a qualified plan under Section 401(a) of the Internal Revenue Code. The system receives legislative oversight from the Ohio Retirement Study Council, which is comprised of members of the Ohio House and Senate, three members appointed by the Governor, as well as the executive directors of Ohio’s five public retirement systems.
The long-term direction of STRS Ohio is set by the 11-member State Teachers Retirement Board which includes elected contributing teacher members, elected retired teacher members, and the superintendent of public instruction or a designated investment expert. Additionally, the board has one investment expert appointed by each of the following: the governor, the treasurer of state, and jointly by the Speaker of the Ohio House of Representatives and the Ohio Senate President. Board members serve without compensation other than actual, necessary expenses. STRS Ohio’s day-to-day operations are managed by an executive director, three deputy executive directors and seven senior officers.

About 540 associates serve STRS Ohio’s membership. A large number of associates counsel members about their STRS Ohio benefits, answer several thousand member phone calls annually and prepare monthly benefit payments.

STRS Ohio offers three retirement plan options to its members: a Defined Benefit Plan, a Defined Contribution Plan and a Combined Plan. The majority of STRS Ohio’s members are enrolled in the Defined Benefit Plan, which provides disability and survivor benefits while the member is teaching, and a pension benefit and access to health care coverage in retirement. These benefits are offered to those meeting eligibility criteria. By law, STRS Ohio is not required to provide or fund health care. STRS Ohio’s primary obligation is to provide a monthly pension to eligible retirees and beneficiaries.

At the conclusion of an educator’s career, contributions to STRS Ohio from members and their employers, along with investment returns earned by the system, are used to provide benefits in lieu of Social Security.
More than 100 associates actively manage system investments daily. While several pension systems have their investments managed by outside professionals, STRS Ohio staff manages approximately 70% of the system’s investments. The remaining 30% is invested by outside managers.

The diversification of STRS Ohio’s assets among domestic and international stocks, real estate, and alternative and fixed-income investments helps the system “weather the storm” of market fluctuations. Historically, about 75% of STRS Ohio’s income has come from earnings on investments. Over the last 30 years, total fund returns have exceeded the assumed actuarial rate of return.

Ohio’s five public pension systems share one common goal: to provide retirement security for the public servants who have made a career out of serving others.

As one of those pension systems, STRS Ohio plays a critical role in supporting and sustaining the state of Ohio. Together, Ohio’s pension systems serve more than a million of the state’s citizens, both working and retired. Also, the systems provide a stable source of revenue for local economies, paying pension and health care benefits to Ohio’s citizens as well as investing in Ohio’s companies.

STRS Ohio is committed to helping Ohio’s educators build retirement security by providing comprehensive retirement benefits and quality service to its members. The focus in keeping this commitment is exceptional financial performance, ethical business practices and responsible resource management.