



Member contribution rate to increase on July 1



Pension reform legislation passed in 2012 included increasing the member contribution rate to 14%. The increase is being phased in 1% per year, with the next scheduled increase to take effect on **July 1, 2015, when the member rate will be 13%**. The final phase will take place on July 1, 2016, when the member rate will increase to 14%.

A portion of the employer contribution, the mitigating rate, is established by law and is used by the retirement system to offset the negative impact of participation in a defined contribution plan. At its April 2015 meeting, the Retirement Board approved a 1% increase in the mitigating rate for STRS Ohio's Defined Contribution (DC) Plan participants. The increase was to be phased in over two years beginning July 1, 2015, and by operation of law would have also applied to higher education faculty who participate in an alternative retirement plan (ARP).

A recent legislative initiative sought to modify STRS Ohio's increase in the mitigating rate for ARP participants. To provide an opportunity for STRS Ohio to work with the legislature on a long-term agreement on the mitigating rate, the Retirement Board voted at its June meeting to amend its April 2015 action regarding changes to the defined contribution program that pertained to increasing the mitigating rate. The board action means **the mitigating rate for DC Plan and ARP participants will remain for now at 4.5%**, with the remaining 9.5% of the 14% employer contribution and the 13% member contribution allocated to the member's defined contribution account.

The board let stand its April 2015 action affecting the allocation of member contributions under STRS Ohio's **Combined Plan**. Those contributions will be allocated as follows:

- **Effective July 1, 2015**, the member contribution rate of 13% will have 11.5% allocated to the member's defined contribution account and 1.5% allocated to the defined benefit portion of the Combined Plan; and
- **Effective July 1, 2016**, the member contribution rate of 14% will have 12% allocated to the member's defined contribution account and 2.0% allocated to the defined benefit portion of the Combined Plan.

Please check STRS Ohio's website (www.strsoh.org) for any updated information regarding changes to the mitigating rate that may have developed after the printing of this newsletter.

Plan selection and retirement preparation information available at www.strsoh.org

The STRS Ohio website (www.strsoh.org) offers information and resources to assist members during every stage of their career. A few resources targeted specifically to new members or members nearing retirement include the following:

NEW MEMBER RESOURCES

Retirement Plan Options presentation — For new members making their retirement plan selection, this online presentation provides details pertaining to the plan selection timeline, features of the three STRS Ohio retirement plan options, ARP features and considerations when making a plan selection. The presentation can be accessed in the Multimedia section of the website. (To schedule a *Retirement Plan Options Meeting* for your faculty on campus, please contact Shara Bailey, Coordinator of Higher Education Retirement Plans, at baileys@strsoh.org or (614) 227-5235. We are now scheduling meetings for this fall.)

Retirement plan election and selection forms

New members can access both the *Retirement Plan Election Form* (completed to indicate ARP or STRS Ohio selection) as well as the *Retirement Plan Selection Form* (completed to indicate STRS Ohio retirement plan selection). These fillable PDF forms can be completed online and printed. They can be accessed by clicking on "Forms" under "During Your Career."

RETIRING MEMBER RESOURCES

Service Retirement Application — Defined Benefit Plan participants can complete and submit their *Service Retirement Application* online via their Online Personal Account. A member has 90 days to make changes and submit the application from the time it is started. (Defined Contribution and Combined Plan members can access the *Service Retirement Application* specific to their retirement plan by clicking on "Forms" under "During Your Career." The form can then be printed, completed and mailed to STRS Ohio.)

Retirement Benefits presentation — For those nearing retirement, this presentation provides an overview of STRS Ohio retirement benefits, including: information about the monthly benefit payment, death benefits and restrictions on employment after retirement. The presentation can be accessed in the Multimedia section of the website.

Summer and fall individual member counseling dates announced

STRS Ohio recommends that members meet with a benefits counselor at least three years before retirement and again six to 12 months from retirement. During this session, the counselor will: review personal account information, discuss purchasable service credit, provide a retirement estimate, explain STRS Ohio benefits, and review applications processes and deadlines. Counseling session appointments at most locations are scheduled between 11 a.m. and 7 p.m.

Members can register using an Online Personal Account at www.strsoh.org or by calling 1-888-227-7877 (toll-free). See below for a schedule of upcoming dates.

Summer/Fall 2015 Counseling Schedule		First date to schedule
July 2015		
July 13–16	Akron/Fairlawn – Holiday Inn	May 29
July 20–23	Cincinnati/Blue Ash – Crowne Plaza	June 5
August 2015		
Aug. 10–13	Toledo – Toledo Federation of Teachers	June 26
Aug. 24–26	Elyria – Hampton Inn	July 10
Aug. 24–26	Ashtabula – Holiday Inn Express	July 10
Aug. 31–Sept. 3	Wooster – Hilton Garden Inn	July 17
September 2015		
Sept. 14–17	Cleveland/Westlake – DoubleTree Hotel	July 31
Sept. 21–24	Cincinnati/Blue Ash – Crowne Plaza	Aug. 7
Sept. 21–24	Toledo/Oregon – Holiday Inn Express	Aug. 7
Sept. 28–Oct. 1	North Canton – Holiday Inn	Aug. 14
October 2015		
Oct. 5–8	Youngstown/Boardman – Holiday Inn	Aug. 21
Oct. 5–8	Portsmouth – Holiday Inn	Aug. 21
Oct. 19–21	Zanesville – Muskingum County Convention Facility	Sept. 4
Oct. 19–22	Defiance – Hampton Inn	Sept. 4
Oct. 26–29	Cleveland/Beachwood – Embassy Suites	Sept. 11
November 2015		
Nov. 2–4	Upper Sandusky – Comfort Inn	Sept. 18
Nov. 2–5	Strongsville – Holiday Inn	Sept. 18
Nov. 9–12	Dayton/Englewood – Clarion Inn	Sept. 25
Nov. 9–12	Cleveland/Beachwood – Embassy Suites	Sept. 25
Nov. 16–19	Cincinnati – Courtyard by Marriott	Oct. 2
Nov. 16–19	Warren – Holiday Inn Express	Oct. 2
Nov. 23–24	Gallipolis – Quality Inn	Oct. 9
Nov. 23–24	Coshocton – Coshocton Village Inn & Suites	Oct. 9
Nov. 30–Dec. 3	Dayton/Beavercreek – Hilton Garden Inn	Oct. 16
Nov. 30–Dec. 3	Toledo/Maumee – Holiday Inn	Oct. 16
December 2015		
Dec. 7–8	Chillicothe – Quality Inn	Oct. 23

Law Change Impacts Members With OPERS and SERS Accounts

Under Senate Bill 42 legislation passed in late 2014, members can now withdraw their account from one Ohio public retirement system (STRS Ohio, OPERS or SERS) without withdrawing from the other. However, members cannot withdraw their STRS Ohio account if they are under contract in an STRS Ohio-covered position, on a leave from STRS Ohio-covered employment or have a verbal or written agreement for future STRS Ohio-covered employment. Additionally, Defined Benefit Plan members cannot withdraw their STRS Ohio accounts if they continue to work with the same employer in a position covered by Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS).

Members contemplating withdrawing their account(s) should be aware of options related to combining credit and accounts at retirement. At retirement, members can combine their OPERS, SERS and STRS Ohio **nonconcurrent** service credit (credit in multiple systems that did not occur in the same fiscal year) to qualify for retirement or to increase the monthly retirement benefit amount. Even when credit is earned **concurrently** (credit in multiple systems that occurred in the same fiscal year), combining accounts may be beneficial if the earnings in the other systems increase the final average salary (FAS) — a key element in the retirement benefit calculation. OPERS and/or SERS credit that was earned concurrently with STRS Ohio service usually does not improve the STRS Ohio benefit.

We advise members with accounts in multiple retirement systems to discuss the impact of account withdrawal with those systems before applying for withdrawal. Members may obtain further information about their account(s) with the other systems by contacting **OPERS (1-800-222-7377)** or **SERS (1-866-280-7377)**.