



Changes made to defined contribution program

The State Teachers Retirement Board approved changes to the system’s defined contribution program in May that impact STRS Ohio’s Defined Contribution Plan and Combined Plan. The changes, effective July 1, 2018, are as follows:

- **The Total Guaranteed Return Choice (TGRC) fund option will not be available for future member payroll contributions.** The TGRC offers a guaranteed interest rate for a specified fiscal year. If the member selects this fund option, 100% of the member’s contributions to the fund must be committed for five years. For future fiscal year contributions beginning July 1, 2018, members will be required to allocate their contributions among STRS Ohio’s other fund options. STRS Ohio members currently enrolled in the TGRC fund were recently notified regarding selection of investment allocations for future contributions.
- **STRS Target Choice 2055 and STRS Target Choice 2060 fund options will be added.** The nine target choice funds, including these two new additions, each have a future year that roughly matches the participant’s expected retirement date. The investment mix in these funds becomes more conservative the closer the participant is to the target date.
- **An additional international fund choice will be added.** The STRS MSCI ACWI ex USA Index Choice will give participants exposure to emerging markets. The fund provides large- and mid-cap representation across 22 of 23 developed markets (excluding the U.S.) and 24 emerging market countries.
- **The percent of assets collected from participants as asset management fees will be reduced.** This proposed fee reduction will collectively save participants about \$600,000 per year based on Dec. 31, 2017, market values.
- **The defined contribution annuity interest rate will be reduced to the defined benefit actuarial assumed rate of return less 350 basis points (3.95%).** This change brings annuity rates more in alignment with the rate offered under STRS Ohio’s Defined Benefit Plan. Monthly retirement benefits from a defined contribution account are based on contributions to the account, the

performance of investment choices the member selects for those contributions and annuity rates at retirement. STRS Ohio continues to offer a competitive annuity option after this rate change. For example, a 60-year-old retiree annuitizing \$500,000 (as a single life annuity) would receive a monthly amount of:

- \$2,326 – Guardian Life
- \$2,339 – MassMutual
- \$2,356 – New York Life

\$2,469 – STRS Ohio (more than 5% higher)

Further information about fund options available to Defined Contribution and Combined Plan participants can be found in the *Investment Options Guide*, available in the Publications section of the STRS Ohio website at www.strsoh.org. Annuity rates shown above are as of May 2018. Source: www.immediateannuities.com.

Retirement Plan Selection Statistics (July 1, 2017–May 17, 2018)

STRS Ohio	62%
Alternative Retirement Plan	38%

STRS Ohio Plan Selections



*Includes 58% who defaulted to Defined Benefit Plan (no plan selection made by the deadline).

Help STRS Ohio stay in touch!

As an employer, please be sure to submit current contact information for faculty to STRS Ohio — including mailing and email addresses. A valid mailing address is important for STRS Ohio’s timely notification of your new faculty about their retirement plan options and deadlines. STRS Ohio also relies on up-to-date contact information to keep the system’s members informed by both mail and email about their benefits throughout their career and in retirement.

Online resources help simplify plan selection process

In addition to mailing a retirement plan selection packet to new higher education faculty, STRS Ohio also offers the following **retirement plan selection resources at www.strsoh.org**.

Plan option information — The During Your Career section of the STRS Ohio website includes a New Member area with details including: retirement plan descriptions, choosing a plan, frequently asked questions, investment fund returns and available services STRS Ohio offers to support new faculty in making a plan selection decision.

Retirement Plan Options presentation — Available in the Videos Library, this presentation provides details pertaining to the plan selection timeline, features of the three STRS Ohio retirement plan options, Alternative Retirement Plan (ARP) features and considerations when making a plan selection.

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), in the Forms section of the website. These fillable PDFs can be completed online and printed for submitting to the member's employer (election form) and STRS Ohio (selection form).



Benefits counseling locations announced

An individual counseling session offers the opportunity for members to obtain the information they will want to know leading up to retirement. STRS Ohio recommends this appointment three years before and again six to 12 months before retirement.

STRS Ohio will be in Akron and Cincinnati this July (details below), providing one-on-one benefits counseling to members. Appointments are required and can be scheduled at www.strsoh.org via the Online Personal Account area or by calling STRS Ohio toll-free at 888-227-7877.

July 9-12 **Holiday Inn Akron West — Akron/Fairlawn**
4073 Medina Road, Akron, OH 44333

July 16-19 **Embassy Suites by Hilton — Cincinnati/Blue Ash**
4554 Lake Forrest Drive, Blue Ash, OH 45242

STRS Ohio also offers benefits counseling year-round at our Columbus offices and by teleconference. Members can call STRS Ohio to schedule one of these opportunities.

Member survey results reflect favorable impressions of STRS Ohio

An STRS Ohio membership survey in late 2017, showed that 95% of retirees and about 80% of active members have positive impressions of the retirement system. A few other notable findings included:

Most **retirees 85%** and **active educators 72%** indicated STRS Ohio has earned the trust and confidence of its members.

About **8 out of 10 active members** and **9 out of 10 retirees** indicated that STRS Ohio keeps them well-informed about pension- and retirement-related issues.

75% of active educators are setting aside additional savings for retirement (in addition to their retirement plan with STRS Ohio and savings for health care).



STRS Ohio updates member online account area

Updates have been completed to the Online Personal Account area of the STRS Ohio website. The easy-to-use navigation provides STRS Ohio members **with access to account information, calculators, and seminar and counseling session registration**. Useful Links are also provided for quick access to account-related tasks, such

as retirement or account withdrawal applications. More than 160,000 members are currently registered for online access. Members can register at www.strsoh.org by selecting "Login" and then "Register now." Additional information is available in the presentation titled *Online Personal Account Features — During Your Career*, available in the Videos section of the website.