



## Total fund returns +9.57% for fiscal year 2018

STRS Ohio's total fund return for the year ending June 30, 2018, was +9.57%. This follows returns of +14.29% in fiscal year 2017 and +0.92% in fiscal year 2016. The value of investment assets as of June 30, 2018, was \$77.7 billion, an increase of about \$2.6 billion from the June 30, 2017, level of \$75.1 billion.

The return beat the total fund benchmark by +0.63%. The system's active management of the funds, rather than relying on index funds, added approximately \$350 million in value after all investment costs during the fiscal year. STRS Ohio's fiscal 2018 return ranked in the top 20% of Callan's public fund sponsor database. Callan serves as an investment consultant to the State Teachers Retirement Board.

While the fiscal 2018 return topped the fund's actuarial assumed rate of return, STRS Ohio's investment consultant continues to call for lower than normal returns over the next decade. STRS Ohio manages about 70% of its assets through its in-house investment department. A report by CEM Benchmarking, a leading global research company, shows that STRS Ohio's internal investment strategy is a key reason the retirement system has the fourth lowest investment costs in its peer group of 17 large U.S. public fund sponsors. The report showed STRS Ohio saved about \$95 million in calendar year 2017 by using this internal management approach.

### STRS OHIO'S RETURNS OVER VARIOUS TIME PERIODS

5-year total fund return	9.26%
10-year total fund return	7.04%
20-year total fund return	6.78%
30-year total fund return	8.57%
Current assumed actuarial rate of return	7.45%

## Retirement planning education opportunities offered for all stages of member's career

Some STRS Ohio members may not be aware that preparation for a financially secure retirement goes beyond selecting a retirement plan as a new member and submitting a *Service Retirement Application* when ready to retire. **STRS Ohio is here as a planning resource for your faculty members throughout their career, not just at the beginning and end.**

We offer a variety of seminars, targeting each stage of an STRS Ohio member's career, throughout the state as STRS Ohio-sponsored programs or upon request as employer-sponsored programs. Benefits counseling is offered at locations throughout the state, at STRS Ohio's offices and via teleconference.

A schedule of upcoming seminars and benefits counseling dates and locations is available at [www.strsoh.org](http://www.strsoh.org) in the *During Your Career* section. Members can register for a seminar or schedule a benefits counseling appointment using the *Online Personal Account* area of the website. For a counseling appointment at STRS Ohio offices or to schedule a teleconference, members should call STRS Ohio at 888-227-7877 (toll-free). To schedule an employer-sponsored program on your campus, please contact Member Education at [MBGroupEducation@strsoh.org](mailto:MBGroupEducation@strsoh.org) or 614-227-4082.

We also offer online learning opportunities (available in the *Videos* section at [www.strsoh.org](http://www.strsoh.org)) where members can view presentations about retirement plan selection, retirement benefits, supplemental savings and more!

### Seminars (STRS Ohio-sponsored)

#### *Financial Fitness: Your Pathway to Retirement*

- Defined Benefit and Combined Plan participants in early to mid-stages of their careers
- Offers information pertaining to improving overall financial health

#### *Beyond the Classroom*

- Defined Benefit Plan participants five to 10 years from retirement
- Focuses on retirement options and how to finance retirement

#### *Retirement Countdown*

- Defined Benefit Plan participants retiring in 12–18 months
- Guides members through key steps in the retirement process

#### *Individual benefits counseling*

- Defined Benefit, Combined and Defined Contribution Plan participants
- Recommended at least three years before and again six to 12 months before retirement
- Includes review of account and benefits information and retirement application processes and deadlines



## Health care program update: 2019 premiums and board's action to make fund more stable, reliable and secure

For many STRS Ohio members, projecting future health care costs is an important component in determining their financial needs in retirement. About 92% of STRS Ohio benefit recipients enrolled in health care coverage through STRS Ohio have 2019 health care premiums equal to their 2018 premiums. The 2019 monthly health care premium under the Basic Plan for a career teacher (30 or more years of service) and spouse (nonteacher), both without Medicare coverage, is \$399 for the member and \$957 for the spouse. Under the Aetna Medicare Plan, the rates are \$127 and \$342, respectively. A complete list of 2019 premiums for all STRS Ohio health care plans is available at [www.strsoh.org](http://www.strsoh.org).

For the 2019–2020 enrollment period, premiums for dental coverage through Delta Dental remain essentially the same. Coverage for a benefit recipient is \$30.38 per month, and coverage for a benefit recipient along with another adult is \$70.29 per month (\$30.38 for the benefit recipient and \$39.91 for the other adult). Premiums for vision coverage (2019–2020) under Vision Service Plan's (VSP) network remain essentially the same. Coverage for a benefit recipient is \$6.82 per month, while coverage for a benefit recipient and another adult is \$13.53.

### Board approves plan management policy

At its December meeting, the State Teachers Retirement Board approved a plan management policy for the Health Care Fund to provide the guidance necessary to make the health care program more stable, reliable and secure. The policy addresses two key principles: The desire to offer a meaningful premium subsidy to plan enrollees and sustainability of the fund for current and future plan enrollees.

With no employer contributions currently going into the Health Care Fund, STRS Ohio staff said the retirement system should position itself to be able to withstand investment market volatility. The Health Care Fund is now funded by premiums paid by enrollees, government reimbursements and investment earnings on these funds.

The balance of the Health Care Fund increased to \$3.72 billion as of July 1, 2018, up from \$3.69 billion on Jan. 1, 2018. It is estimated that if the fund earns 7.45% in all future years — which could be challenging in the next decade — and all other plan experience matches assumptions, the fund is projected to remain solvent for all current members.

## STRS Ohio needs current contact information

If a faculty member moves after beginning employment, it is important that they provide updated contact information (mailing address and email address) **to both the employer and STRS Ohio**. A valid mailing address is important for STRS Ohio's timely notification to your faculty about their retirement plan options and deadlines. Thank you for your assistance in sharing this important reminder.

