

Higher Education Essentials: Part 1

Who is a member of STRS Ohio?

A member is an educator who currently contributes to STRS Ohio for teaching service provided in or through an Ohio public school or one who has an account balance with STRS Ohio.

As an STRS Ohio employer, it is critical that you correctly identify and report employees who should be members of STRS Ohio.

Ohio law defines STRS Ohio membership in Section 3307.01, Revised Code (R.C.). Generally, as it pertains to colleges and universities, membership is required for any teacher or faculty member employed in any school, college, university, institution or other agency wholly controlled and managed, or supported in whole or in part, by the state or any of its subdivisions. STRS Ohio members include:

- College or university faculty
- Instructors
- Academic deans
- Administrators with faculty status
- Reemployed retirees holding STRS Ohio-covered positions

STRS Ohio has the authority to make membership determinations as set forth by Chapter 3307, R.C. If you are unsure if a position should be reported to STRS Ohio, please forward a job description to your employer advisor at report@strsoh.org for review and determination.

Who is a reemployed retiree?

A reemployed retiree is anyone receiving a retirement benefit from an Ohio public retirement system or alternative retirement plan (ARP) who has returned to Ohio public employment. Retirees of federal, out-of-state or private employment are not considered reemployed retirees.



Is it possible for an educator to be exempt from STRS Ohio contributions?

Exemption from contributions

Administrative Code Rule 3307-4-01 allows members employed as faculty on a part-time basis by a college or university in which they are regularly attending classes to apply for exemption from contributions to STRS Ohio. The exemption applies only to periods in which they are attending classes.

Application for exemption must be made within 30 days of employment following each period of nonexempt employment. The exemption will remain in effect until employment as a student employee terminates or contributions are made

on compensation paid by the same employer, whichever occurs earlier. See the *Exemption From Contributions for Student Employees* form below.

Contributions are required during any period of employment during which the faculty member is not attending classes — summer sessions, for example. A new exemption form must be filed for any subsequent teaching service as a student employee.

This exemption does not apply to student employees who are not currently members of STRS Ohio. Student employees who have not previously contributed to STRS Ohio are automatically denied membership — no form is required. The exemption also does not apply to reemployed retirees.



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

275 East Broad Street
Columbus, OH 43215-3771
888-535-4050
www.strsoh.org/employer

EXEMPTION FROM CONTRIBUTIONS FOR STUDENT EMPLOYEES

Members employed as teachers on a part-time basis by a school, college or university in which they are regularly attending classes may apply for exemption from contributions to STRS Ohio. Application for exemption must be made within 30 days of employment following each period of nonexempt employment. The exemption will remain in effect until employment as a student employee terminates or contributions are made on compensation paid by the same employer, whichever occurs earlier. **Contributions are required during any period of employment during which the teacher is not attending classes.** A new exemption form must be filed for any subsequent teaching service as a student employee.

This exemption is applicable only to student employees who are currently members of STRS Ohio. Student employees who have not previously contributed to STRS Ohio are automatically denied membership and this exemption form is not required.

Teachers on leave of absence from other teaching positions covered by STRS Ohio are not eligible for exemption from contributions.

No service credit will be awarded for any period for which a member is exempt from contributions. Service credit for the exempt service may be purchased only as provided by Section 3307.73, Revised Code.

Exemption Declaration

I hereby request exemption from contributions to STRS Ohio as a part-time teacher in a school, college or university where I am regularly attending classes. I understand that no service credit will be awarded for periods covered by this exemption and that I must contribute during any periods that I am not attending classes.

I am not currently on leave of absence from another teaching position covered by STRS Ohio.

Student employee name _____
First Middle Last

Student employee signature _____

Social Security number _____ Date _____

Home address _____
Street City State ZIP code

Employer Certification

The employer joins in this request for exemption from contributions to STRS Ohio for the student employee named above. Contributions will be remitted for any period in which the employee is not attending classes.

Certified by _____ Title _____

Signature _____ Date _____

Employer name _____ Four digit employer no. _____

80-110, 12/21/0



Exemption From Contributions for Student Employees form



How do I notify STRS Ohio of new members and reemployed retirees?

Required forms

Once you have hired an individual to an STRS Ohio-covered position, you must notify STRS Ohio of his or her employment within **10 business days of the member's first date on payroll**. The first date on payroll is defined as the first date the teacher worked. STRS Ohio needs this information to establish the employee's membership in the system and to send plan option information to that individual.

Once membership is established in STRS Ohio, members can choose from three different retirement plan options — Defined Benefit Plan, Defined Contribution Plan or Combined Plan. Eligible full-time faculty can also elect to enroll in an alternative retirement plan (ARP). New STRS Ohio, ARP-eligible members have **120 days** from their first day of paid service to decide between an STRS Ohio retirement plan option or an ARP. If ARP-eligible faculty choose STRS Ohio, they have an additional 60 days to select a plan.

Even if the individual is a reemployed retiree, you still need to notify STRS Ohio of his or her reemployment.

STRS Ohio requires the following information be submitted upon employment.

1. New hire or reemployed retiree notification

This notification may be submitted online via Employer Self Service (ESS) or an electronic file sent via secure file upload on the employer website. **Do not send paper copies.** However, a *Member Information* form is available on the website for employers to collect new hire and reemployed retiree demographic data required to complete the notification process.

For step-by-step instructions on completing new hire and reemployed retiree notifications, see our ESS Instructions available on the employer website. In addition, brief tutorials are available in the Education & Training section of the website.

If you are submitting new hire and reemployed retiree notifications via electronic file, record layout formats can be found on the website under Publications or Secure File Upload.

2. The SSA-1945 form

Since this federal form requires a member's signature, you will need to mail, scan or fax a completed copy to STRS Ohio at 614-227-7893.

STRS Ohio prefers the form be scanned and uploaded via secure file upload on the employer website. For our members' protection, please **do not** email scanned copies to STRS Ohio.

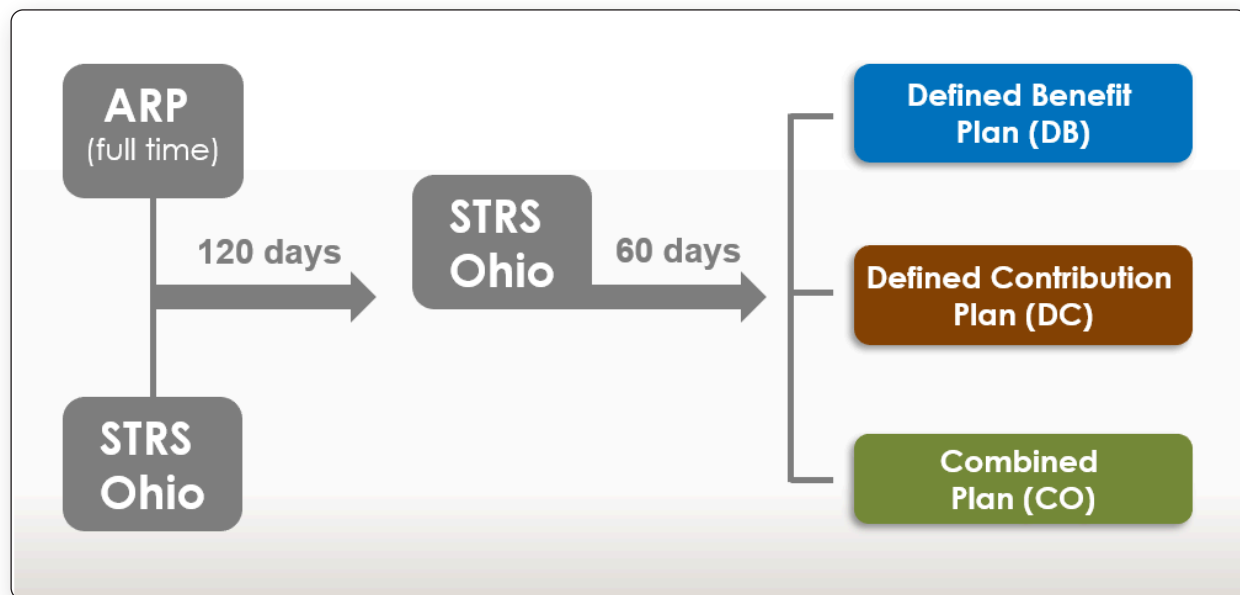


STRS Ohio member plans

When hired, new members have a one-time opportunity to choose between a private vendor-offered alternative retirement plan — also known as an ARP — or an STRS Ohio retirement plan. If a member does not make a selection within 120 days from the first day of paid service, he or she will participate in STRS Ohio.

After choosing or defaulting to STRS Ohio, members have an additional 60 days to select the Defined Benefit Plan, Defined Contribution Plan or Combined Plan.

Choosing an STRS Ohio plan depends on the member's needs. The three plan options offer different features that allow new members to select the best plan for them based on their preferences. Features such as plan portability, control over investments, access to health care coverage in retirement and disability and survivor benefits are considerations in making a plan selection.



	Defined Benefit Plan	Defined Contribution Plan	Combined Plan
Investments selected by you		✓ (entire account)	✓ (defined contribution portion)
Predictable monthly retirement benefit	✓		✓ (defined benefit portion)
Greatest portability		✓	
Greatest investment risk		✓	
Disability and survivor benefits during career*	✓		✓
Access to health care coverage in retirement*	✓		✓

*Upon meeting eligibility criteria.



ARP Election

What is an ARP?

An alternative retirement plan (ARP) is a defined contribution plan offered to eligible public college and university faculty teaching in Ohio. ARPs are offered through each college or university by private vendors and offer an “alternative” to participation in STRS Ohio.

The chancellor of the Ohio Department of Higher Education has approved ARP vendors that Ohio public colleges and universities may use. There are currently seven vendors that offer ARP plans to faculty eligible for STRS Ohio membership.

ARP eligibility

Certain academic and administrative employees employed full time by a public college or university are able to choose a retirement plan other than STRS Ohio. Eligible employees include all new full-time academic and administrative employees as well as full-time reemployed retirees employed by a college or university.

Employers are required to report employees electing an ARP and contribute a percentage of the electing employee’s compensation to STRS Ohio. The contributions are called mitigating contributions. The current mitigating contribution rate is 4.47% of compensation.

ARP election process

Election period

A full-time employee working in a position covered under STRS Ohio has 120 days from his or her starting date of employment to select a retirement plan. Once an employee elects to contribute to an ARP, the choice cannot be changed; the election is final, and the election period is closed. Employees who do not elect an ARP will automatically become members of STRS Ohio. New STRS Ohio members who do not choose an ARP within the 120-day election period have an additional 60 days (a total of 180 days from the first day of paid service) to select one of the three STRS Ohio retirement plans. Employees who do not select an STRS Ohio plan during this

ARP Election Checklist

- ☑ Require eligible employees to complete *Retirement Plan Election Form*
- ☑ ARP-eligible individuals have 120 days from first date of employment to elect a retirement plan
- ☑ If ARP is elected, certify contributions made on regular payroll during election period and send form to STRS Ohio
- ☑ ARP election is irrevocable
- ☑ If ARP was elected in another Ohio public retirement system previously, be sure to send additional information to STRS Ohio



180-day period will automatically join the Defined Benefit Plan and remain in it as long as they are an STRS Ohio member.

An ARP election becomes irrevocable when the election is made and is effective back to the first day of employment.

Example: You hire a new faculty member who begins employment on Sept. 1. The new employee elects an ARP on Nov. 12. This election is irrevocable on Nov. 12. The effective date of the election is the first date of employment, Sept. 1. This means that all earnings since Sept. 1 are subject to mitigating contributions.

An election to participate in STRS Ohio becomes irrevocable after the employee's 120-day election period expires.

Example: You hire a new employee who begins employment on Sept. 1. The new employee elects STRS Ohio on Nov. 12. This election becomes irrevocable on Dec. 31, the 121st day after the first date of employment.

ARP participants who terminate employment in an ARP-eligible position must remain in the ARP as long as there is no more than a one-year break in employment with their college or university. This rule affects both (1) ARP participants who move from a full-time to a part-time position, and (2) ARP participants whose break in service with their college or university is less than one year.

Required election form

An ARP election made by an eligible employee is irrevocable and is effective back to the first day of eligible employment. Employees must complete Sections 1, 2 and 3 of the *Retirement Plan Election Form* and return it to their employer (see Page 7). The employer completes the certification at the bottom of the form and forwards the form to STRS Ohio within 10 days. The employer can scan and send election forms via secure file upload or mail to the address below.

STRS Ohio
Employer Reporting Dept.
275 E. Broad St.
Columbus, OH 43215-3771

Certified election forms should include the amount of employee and employer contributions already remitted to STRS Ohio via payroll reporting from the ARP effective date through the last date the employee was included on an STRS Ohio payroll report.

STRS Ohio will forward contributions to the employee's selected ARP vendor within 30 days of receiving the properly certified election form. The contributions should not be included on the annual report. Any underpayment or overpayment to the vendor as a result of an employer's certification error will be the responsibility of the employer.

ARP considerations when transferring between Ohio retirement systems

If an employee has an active ARP election with another Ohio public retirement system and is now employed in an STRS Ohio-covered position, the employee must remain a participant in the ARP and is not eligible to make a new election with STRS Ohio. A new hire notification or reemployed retiree notification is not required for this employee; however, STRS Ohio requires you to provide the following information about the employee for our records:

- Name
- Social Security number
- Birth date
- Gender
- Effective date of employment in an STRS Ohio-covered position
- Certification that ARP contributions are the result of an active ARP election made with another Ohio public retirement system

Please provide the required information to the address or fax number shown in the bottom left corner of this page.

While a copy of the election form is not required, it can be used to provide us with the necessary information listed above. If you choose to send the election form, include the employee's date of employment in an STRS Ohio-covered position.

Keep in mind that the mitigating contribution rate may be different if an employee's membership requires a change in retirement systems.



For example, if an employee moves from an STRS Ohio-covered position to a position covered by Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS) while continuously employed and contributing to an ARP, the employer remits the 4.47% mitigating contribution to STRS Ohio until the effective date of the change in the employee's position. After that

time, the applicable contribution rate should be remitted to OPERS or SERS. Conversely, the 4.47% mitigating contribution should be remitted to STRS Ohio when continuously employed individuals contributing to an ARP move from an OPERS- or SERS-covered position to an STRS Ohio-covered position.

RETIREMENT PLAN ELECTION FORM

You will have **120 days** from your first day of paid service to complete and return this election form to the Human Resources Department at your institution. If you want to become a member of an Ohio state retirement system, simply check the appropriate box in Section 2 below. If you want to participate in an alternative retirement plan (ARP) offered by a private plan provider, check the appropriate box in Section 2 below and select one of the plans. If you do not elect to participate in an ARP or do not return this form within the prescribed time period, you will be enrolled in the applicable state retirement system.

Section 1 — Biographical Information (Please print or type.)

Name _____ Social Security no. _____
First Middle initial Last
 Address _____ Phone number _____
Area code
 Birth date _____ Gender _____
City State ZIP code
 Employee identification number _____ Hire date _____
If applicable
 Are you receiving a retirement benefit from one of these Ohio retirement systems: HPRS, OPERS, OP&F, SERS or STRS Ohio? ☐ Yes ☐ No
 If "Yes," which system? _____ Effective date of retirement _____

Section 2 — Election (Choose only one.)

☐ **I elect to participate in the state retirement system for which I am eligible.**

- OPERS*
- SERS
- STRS Ohio*

I understand that I may not change my election to participate in the state retirement system after my election period expires and that my election will be **irrevocable** while I am continuously employed in a position at my current college or university.

*Eligible employees may be able to participate in a defined contribution plan. Contact your applicable retirement system for more information about these plans and eligibility.

☐ **I elect to participate in an ARP:** (Select only one of the following ARP carriers. You must contact your chosen carrier to enroll.)

- | | |
|---|---|
| <input type="checkbox"/> AIG VALIC | <input type="checkbox"/> Lincoln Financial Group |
| <input type="checkbox"/> AXA Equitable Life Insurance Co. | <input type="checkbox"/> MassMutual Financial Group |
| <input type="checkbox"/> Fidelity Investments | <input type="checkbox"/> TIAA |
| <input type="checkbox"/> Voya Financial | |

I understand that by electing to participate in an ARP I am **irrevocably** waiving my right to participate in the eligible state retirement system while I am continuously employed in a position at my college or university. I also understand that by electing to participate in an ARP offered by a private plan provider, I will be forever barred from claiming or purchasing service credit or participating in other plans offered by any state retirement system for the period that an election to participate in an ARP is effective.

Section 3 — Authorization

I hereby certify the election chosen above in Section 2. I understand that I will be able to make an election to participate in another ARP or Ohio public retirement system if I cease to be continuously employed or am subsequently employed full time by another Ohio public institution of higher education in a position for which a retirement election is available.

 Employee's signature Date

OFFICE OF HUMAN RESOURCES USE ONLY

For ARP Elections Only

Contributions made to the applicable state system during the election period to be forwarded to the ARP provider:

	Amount
Employee contributions	_____
Total employer contributions	_____
Less supplemental contributions	_____
Employer contributions to ARP provider	_____
Date of last payroll report with employee contributions to applicable state system	_____

Applicable state system ☐ OPERS ☐ SERS ☐ STRS Ohio

Annual compensation _____

Date election form received by college/university _____

First date eligible to participate in an ARP _____

Certified by _____

Title _____

College/University _____

Employer code _____

20-4876, 10/20/0
 ARP-3



ARP Reporting

ARP contribution requirements

Ohio law requires employers to contribute to the ARP vendor a percentage of each ARP participant's compensation. The current required employer contribution rate is 9.53%.

ARP mitigating contributions

Currently, the employer is also required monthly to remit and report 4.47% of each ARP participant's compensation to STRS Ohio. The 4.47% employer contribution is referred to as the mitigating contribution rate. These payments go toward meeting the employer's proportionate share of STRS Ohio's unfunded accrued liability. This contribution requirement begins with an employee's ARP effective date.

ARP reporting process

Mitigating contributions are due to STRS Ohio for as long as the employee is continuously employed in an STRS Ohio-covered position.

An employer's 4.47% mitigating contribution for ARP participants is due to STRS Ohio for each month in which compensation is paid. Compensation for ARP mitigating contributions is the same definition used for reporting member and employer contributions. It generally includes all earnings, salary and wages paid to an individual during his or her employment.

ARP reports listing mitigating contributions and payments for ARP participants are due to STRS Ohio by the 15th of each month for the prior month's payroll. This process includes the following steps:

1. Remit payment of your 4.47% mitigating contributions along with a cash remittance form. Note: A cash remittance form is not required if paying through STRS Ohio's direct debit payment system in Employer Self Service (ESS).

ARP Reporting Checklist

- ☒ If ARP is elected, employer certifies ARP form, including contributions made to STRS Ohio during the election period, and sends to STRS Ohio
- ☒ Send ARP mitigating contributions and report to STRS Ohio monthly



2. Submit the ARP report containing mitigating contributions and earnings for each ARP participant using one of the following methods:
 - An electronic file via secure file upload on the STRS Ohio Employer Website. (See website for the required record layout.) Or,
 - Online via ESS.
3. The ARP report and payment are reconciled at STRS Ohio. STRS Ohio will contact you if any errors are identified or if payments do not match the amounts listed on the report.
4. Contributions for compensation reported on the monthly ARP report should not appear on your payroll reports or annual report.

Employers can only submit one ARP report per month. Do not include multiple records for an employee, or negative contributions or earnings on the monthly ARP report. An ARP adjustment report can be completed in ESS to make corrections. Please see the ARP Reporting section of the employer website for more detail.

Upcoming mitigating rate change

The mitigating rate is reviewed every five years per Ohio law and can change at that time. **The rate will change to 2.91% of all new earnings for work performed July 1, 2022, and after.**

The mitigating rate will remain 4.47% of earnings for work performed prior to July 1, 2022, but paid after June 30, 2022. Employers may send two different ARP reports if earnings are being submitted at the two different rates.

