



EMPLOYER EDUCATION



Higher Education Essentials Part 1: Membership, ARP Election and Reporting

50-207g, 4/22/0

Agenda

- Membership criteria
- Student exemptions
- Notification process
- STRS Ohio member plans
- ARP election
- ARP contributions and reporting
- Mitigating rate change
- Resources

Membership criteria

STRS Ohio members

- Faculty, instructors, academic deans
- Administrators with faculty status
- Reemployed retirees holding STRS Ohio-covered positions
 - Reemployed retiree: anyone receiving a retirement benefit from an Ohio public retirement system or ARP
- Contact us if unclear



Student exemptions

- STRS Ohio members employed as part-time faculty and regularly attending classes
- Complete and submit exemption form within 30 days of employment (see handout for form)
- Doesn't apply to student employees who are not currently members of STRS Ohio

Notification process

Notifying STRS Ohio of new hires and reemployed retirees

- Employer is required to send the new hire or reemployed retiree notification within **10 business days of the member's first day worked**
- Notification is completed in Employer Self Service (ESS) or sent via secure file upload in a properly formatted file
- [Member Information](#) form (optional)
- Member's email address is required



Notification process

Other required notification: [SSA-1945 form](#)

- Form is available as handout
- Send via secure file upload or mail
- Can also fax to 614-744-3340 — use this fax number for this form only, no cover sheet needed
- Complete form and print for employee's signature

Social Security Administration

Statement Concerning Your Employment in a Job Not Covered by Social Security

Employee Name _____ Employee ID# _____

Employer Name _____ Employer ID# _____

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2013, the maximum monthly reduction to your Social Security benefit as a result of this provision is \$395.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, "Windfall Elimination Provision."

Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$200 widow(er) benefit, you will receive \$100 per month from Social Security (\$200 - \$400 = \$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to Social Security Publication, "Government Pension Offset."

For More Information

Social Security publications and additional information, including information about exceptions to each provision, are available at www.ssa.gov/ssa1945. You may also call toll free 1-800-775-1717, or for the deaf or hard of hearing call the TTY number 1-800-325-0778, or contact your local Social Security office.

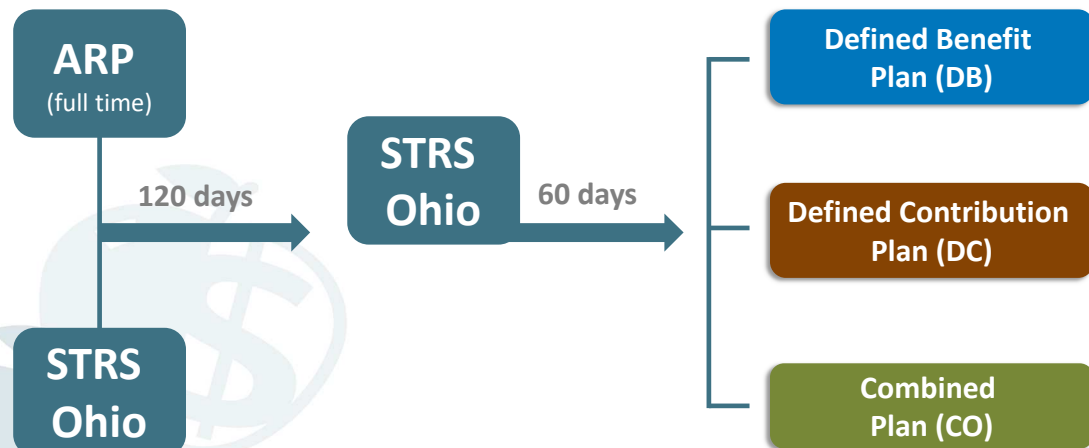
I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security benefits.

Signature of Employee _____ Date _____

Form SSA-1945 (01-2013)
Destroy Prior Editions



STRS Ohio member plans



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STRS Ohio member plans

	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.

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ARP election

What is an ARP?

Alternative retirement plan

Eligibility

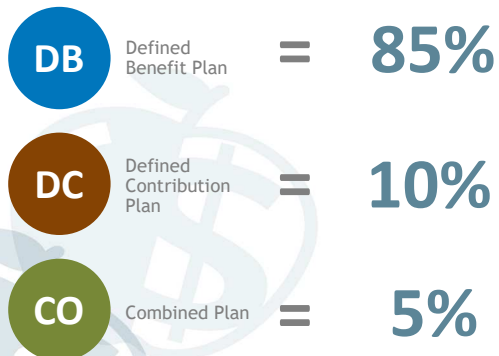
- Full-time academic and administrative employees employed by a college or university
- Full-time reemployed retirees employed by a college or university
- ARP eligibility flow chart



ARP election

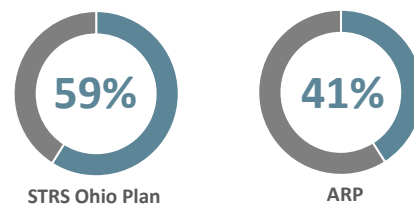
RETIREMENT PLAN CHOICES

CURRENT ACTIVE MEMBER ENROLLMENT



ALTERNATIVE RETIREMENT PLANS (ARP)

NOTE: Current STRS Ohio plan versus ARP selection percentages for full-time higher education faculty



ARP contributions and reporting

Contribution requirements

- Ohio law requires employers to contribute to the ARP vendor a percentage of each ARP participant's compensation – the current rate is **9.53%**
- Employer is also required monthly to remit and report **4.47%** of each ARP participant's compensation to STRS Ohio – this is the **mitigating contribution rate**



ARP contributions and reporting

- Member contribution: 14% of annual salary
- Employer contribution: 14% of member's annual salary
 - 9.53% to ARP account
 - 4.47% mitigating rate to STRS Ohio

Member contribution (14%) + Employer contribution to ARP account (9.53%) = ARP account (23.53%)



ARP contributions and reporting

ARP reporting process

- Submit monthly ARP report with mitigating contributions for each ARP participant
- One report only per month – report and contributions due by the **15th of the month** for the prior month's payroll
 - Send via ESS, or
 - Send electronic file via secure file upload
 - See handouts for record layout
- Reporting errors are corrected by creating an ARP adjustment report in ESS



Mitigating rate change

- Mitigating contribution rate will change to 2.91% of all new earnings for work performed July 1, 2022, and after
- The mitigating rate will continue to be 4.47% of all earnings for work performed prior to July 1, 2022, but paid after June 30, 2022
- Employers may choose to send two files if submitting earnings at both rates



Resources

We're here to assist you:

STRS Ohio Employer Reporting

ARP Reports and Payments

Jim Peterman

Employer Account Representative

614-228-7224

petermaj@strsoh.org

STRS Ohio Member Services

ARP/STRS Ohio Plan Questions

Shara Bailey

Senior Counselor

614-227-5235

baileys@strsoh.org

Retirement Plan Options Video Series: Higher Education Faculty –
available on employer website under Retirement Plans & Benefits



Thank You!

- A recording of this webinar will be available in the Education & Training section of the employer website
- Certificates of completion will be emailed within two weeks
- Please complete the evaluation

