



STATE TEACHERS RETIREMENT SYSTEM  
**RETIREMENT PLAN  
OPTIONS**



*Smart choices for your secure future.*

2023–2024 HIGHER EDUCATION FACULTY

# Congratulations on your new position!

New full-time faculty in Ohio's public institutions of higher education have a one-time opportunity to choose between participating in the State Teachers Retirement System of Ohio (STRS Ohio) or electing an alternative retirement plan (ARP). STRS Ohio was created in 1920, long before Social Security, to provide financial security before and after retirement specifically for Ohio's educators. STRS Ohio offers a choice among three different retirement plans to fit your personal situation — a Defined Benefit Plan, a Defined Contribution Plan and a Combined Plan. New full-time faculty also have the option of participating in an ARP provided by your employer through a private vendor. The ARP only offers a defined contribution plan. This packet outlines the STRS Ohio plans available to you.

## HOW TO USE **THIS BROCHURE:**

### **STEP 1 — Review the basics to understand how to choose your retirement plan**

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Basic information about STRS Ohio retirement plans and the resources offered to help you make your selection.

#### **How and when to make your choice** .....3-4

The nuts and bolts of plan selection and sample scenarios for new STRS Ohio members.

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The resources and services available to help you make your retirement plan selection.

The materials contained in this selection packet are a summary and are not intended to provide total information about STRS Ohio benefits. STRS Ohio reserves the right to make subsequent changes without prior notification. Information provided in this brochure is based on current rates, factors and laws, all of which are subject to change. Coverage under the STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time. Premiums, copayments/coinsurance, deductibles and all other charges or fees paid by an enrollee may change from year to year.

No one plan is right for everyone. You may want to consult with a financial planner or an STRS Ohio benefits counselor before selecting a plan that is right for you.

STRS Ohio has contracted with Nationwide Retirement Solutions (NRS) as administrative service provider for the defined contribution aspects of the STRS Ohio benefits.

# Getting Started

When you were hired, you received a *Retirement Plan Election Form* from your employer. On the election form, you will choose whether you want to participate in STRS Ohio or an ARP. You have 120 days from your first day of paid service to complete and return the election form to your employer. If you do not choose an ARP within the 120-day period, you will have an additional 60 days (a total of 180 days from your first day of paid service) to select one of three STRS Ohio plans described below and throughout this booklet.



## PLAN CHOICES

### **Defined Benefit Plan**

As its name implies, your retirement income is “defined” in advance so you can estimate what you will receive when you retire. Your retirement income is determined by a calculation that uses your age, years of service and final average salary. You also have access to survivor and disability benefits while you teach. Access to health care coverage is provided to retirees who meet the eligibility requirement (20 years of service credit for retirements Aug. 1, 2023, or later). Under this plan, STRS Ohio manages investments to provide the benefit.

For more details on this plan, see Pages 5–6.

### **Defined Contribution Plan**

In this plan, your retirement income is based on the performance of investment choices you select for the contributions in your account, the amount of contributions you and your employer make and the annuity rates at the time of retirement. You may allocate your contributions among various investment choices managed by STRS Ohio and described in the enclosed *Investment Options Guide*. Retirement, survivor and disability benefits are limited to the value of your account. Access to STRS Ohio health care coverage upon retirement is not provided. Plan reselection applies.\*

For more details on this plan see Pages 7–8.

### **Combined Plan**

This plan contains elements of the two preceding plans. It allows you to create part of your retirement income through the performance of your investment choices (allocation options are described in the enclosed *Investment Options Guide*) and annuity rates at retirement and a defined benefit portion that provides service retirement, disability and survivor benefits. Access to health care coverage is provided to retirees who meet the eligibility requirement (20 years of service credit for retirements Aug. 1, 2023, or later). Plan reselection applies.\*

For more details on this plan see Pages 9–10.

\*Plan reselection — If you choose the Defined Contribution Plan or Combined Plan, you will have the option of reselecting an STRS Ohio retirement plan before completing your fifth year of membership. You can then choose to remain in the same plan or transfer to one of the other two plans. At that time, your selection will be permanent.

## RESOURCES

### **Retirement Plan Selection Packet**

This packet contains information to help you consider which retirement plan best meets your needs. It includes plan descriptions, a plan comparison chart (Pages 11–12 of this brochure) and a separate *Investment Options Guide*.

### **Website ([www.strsoh.org](http://www.strsoh.org))**

The STRS Ohio website is considered one of the best among public pension plans. In addition to the New Member section that includes information and videos to help you with your plan section, the Online Personal Account section is a secure site where you can access information about your account throughout your career.

### **Member Services Center 888-227-7877 (toll-free)**

Call STRS Ohio for access to professionals who can answer your questions about each plan, Monday–Friday, 8 a.m.–5 p.m.

### **Member education**

STRS Ohio provides educational seminars, workshops and webinars to help you plan for a financially secure future — at all stages of your career. STRS Ohio also publishes newsletters and provides an email news service to keep you informed about plan changes,

legislative initiatives and other events of interest. If you’re enrolled in the Defined Contribution Plan or Combined Plan, you will receive a quarterly statement showing your account balance and activity. Defined Benefit Plan and Combined Plan members receive an annual statement that shows your account value, service credit and other defined benefit account information.

### **For investment assistance**

Nationwide Retirement Solutions (NRS) administers the defined contribution aspects of the STRS Ohio retirement plan options. NRS retirement specialists can discuss your defined contribution investment choices with you by phone at 866-332-3342 (toll-free), Monday–Friday from 8 a.m.–11 p.m., and Saturday 9 a.m.–6 p.m. If you choose the Defined Contribution Plan or the Combined Plan, you can use an interactive voice response system or securely access your defined contribution account on the NRS/STRS Ohio website ([www.nrsstrsoh.org](http://www.nrsstrsoh.org)) to: (1) make allocation changes; (2) move existing funds among the various investment choices; and (3) access performance information about each investment choice.

# How and when to make your choice

**120 DAYS**

**180 DAYS**

You have 120 days from your first day of paid service to choose to participate in STRS Ohio or an ARP. If you do not choose the ARP, you will have an additional 60 days (180 days total) to select an STRS Ohio retirement plan. **If STRS Ohio does not receive your plan selection within 180 days, you will automatically join the Defined Benefit Plan and this will be your retirement plan for the duration of your STRS Ohio membership.**

## CHOOSING A RETIREMENT PLAN

Below, we've provided three examples of members who need to choose a retirement plan. Because they are at varying stages of their working lives, they may prioritize their benefit needs differently. Each member's situation is unique, and you should consider your options carefully. Consider accessing the services available to you to help make your decision or consult with a financial planner or tax advisor concerning your retirement planning needs.

### Kasey, 30-year-old single mother with two children

- An interest in future benefits for her family
- No investment experience
- A busy lifestyle with little time to follow future investment issues and trends
- Little desire to manage financial issues beyond her family's monthly budget

For Kasey, the STRS Ohio Defined Benefit Plan may be the best choice. STRS Ohio is nationally recognized for providing financially secure, comprehensive benefits for members while teaching and during retirement.

If she chooses the Defined Benefit Plan at this time, she will remain in it throughout her teaching career. There are no additional opportunities to choose another STRS Ohio plan at a later date.



### Jason, 24-year-old with his first teaching appointment

- Uncertainty about teaching in Ohio his entire career
- Limited investment experience
- Recognition that he needs to establish a long-term retirement plan
- A desire for flexibility and choice

Plan portability and little need for other benefits are key issues for Jason; the STRS Ohio Defined Contribution Plan may be his best choice. In this plan, his retirement income is based on the performance of investment choices he selects, the amount of contributions deposited to his account and annuity rates at the time of retirement.

He will have the opportunity to reevaluate his selection and choose another STRS Ohio plan or stay in his current plan in his fifth year of membership.



### Andrea, 50-year-old successful entrepreneur who sold her business and is starting a second career as an educator

- Confident experience as an investment decision-maker
- Long-term experience with 401(k) plans and expectations to manage retirement assets
- Concerns about "other benefit" issues
- 25 years of adult experiences, including dealing with personal finances

Andrea may find the STRS Ohio Combined Plan is the best choice. This plan allows her to direct her investment choices, while providing benefits during teaching and retirement.

She will have the opportunity to reevaluate her selection and choose another STRS Ohio plan or stay in her current plan in her fifth year of membership.



## WHAT IS MY DEADLINE FOR MAKING A RETIREMENT PLAN CHOICE?



You have 120 days from your first day of paid service to choose between STRS Ohio and an ARP. If you do not select an ARP, you will have an additional 60 days (a total of 180 days from your first day of paid service) to select one of STRS Ohio's three retirement plans. Defined Contribution Plan and Combined Plan participants have an additional decision to make during the fifth year of membership to remain in the same plan or transfer to another STRS Ohio plan. New members hired between July 1, 2023, and June 30, 2024, will receive reselection materials and will be required to make a final decision by June 1, 2028.

## HOW DO I INFORM STRS OHIO OF MY PLAN CHOICE?



First, complete the *Retirement Plan Election Form* available from your employer to choose between participating in STRS Ohio or an ARP. Return the completed form to your employer. If you choose to enroll in an STRS Ohio plan, make your plan selection choice online via the STRS Ohio website ([www.strsoh.org](http://www.strsoh.org)). This is a fast, secure method to make your plan choice. Just log in to your Online Personal Account and click on "Member Information" in the top menu and then "Retirement Plan Selection" under Useful Links.

If you haven't set up your Online Personal Account, just click "REGISTER" at the top of the page.

You must keep your STRS Ohio membership information — especially your contact information (mailing address, email, phone) — up to date. You may revise this information through your Online Personal Account or by calling our Member Services Center toll-free at 888-227-7877.

## WHAT HAPPENS IF I DON'T SELECT A PLAN?



You have 120 days to choose between STRS Ohio and an ARP. If you do not respond by then, you will participate in STRS Ohio. You will then have an additional 60 days to choose your STRS Ohio plan. Under Ohio law, members who do not select a plan within 180 days will automatically be placed in the STRS Ohio Defined Benefit Plan. If you choose or are placed in the Defined Benefit Plan, there is no reselection option and you will remain in this plan for the duration of your STRS Ohio membership.

## WHAT IF I'M ALREADY AN STRS OHIO MEMBER BUT I'M A NEW HIRE AT ANOTHER INSTITUTION?

Full-time faculty members who leave one Ohio public institution of higher education for another are considered a "new hire." The information below describes the plan selection options available to these individuals.

***Newly hired full-time faculty member who is participating in the STRS Ohio Defined Contribution Plan or Combined Plan, but has not made a final election in the fifth year of membership***

You are eligible to remain in the STRS Ohio plan in which you are currently enrolled or choose one of the ARPs offered by your new employer through a private vendor. You will have 120 days from your first day of paid service with your new employer to make this decision. If you do not elect an ARP, you will remain in your current STRS Ohio retirement plan and will retain your opportunity to choose another STRS Ohio plan during your fifth year of membership.

***Newly hired full-time faculty member who is participating in STRS Ohio with no reselection option***

You are eligible to choose between the STRS Ohio retirement plan you are currently enrolled in or one of the ARPs offered by your new employer through a private vendor. You will have 120 days from your first day of paid service with your new employer to make this decision. To choose your plan, complete the *Retirement Plan Selection Form* provided by your employer. Unless you elect an ARP, you will remain in your current STRS Ohio plan.

# Defined Benefit Plan

## HOW DOES IT WORK?

The Defined Benefit Plan is a comprehensive plan that provides benefits during your teaching career and in retirement. Under the Defined Benefit Plan, your retirement income is determined by a calculation that uses:

- Your age,
- Your years of service, and
- Your final average salary (FAS) — the average of your five highest salary years.

### Contribution rates:

- Members currently contribute 14% of annual salary.
- Employers currently contribute 14% of payroll.
- Contribution rates are established by law and the State Teachers Retirement Board and are subject to change.

STRS Ohio manages assets in the Defined Benefit Plan. You are not responsible for making investment decisions. This can be an ideal plan for career educators.

Defined Benefit Plan participants **are not** eligible to reselect their plan during their fifth year of membership.

## BENEFITS WHILE TEACHING

STRS Ohio's Defined Benefit Plan provides comprehensive benefits and services beyond funding your monthly income during retirement. These include:

### Portability

If you leave Ohio public employment before you're eligible to retire, you have the flexibility to withdraw your retirement assets or leave your STRS Ohio account intact to qualify for future benefits. Your STRS Ohio contributions plus interest can be refunded or rolled over to a traditional individual retirement account (IRA) or another qualified retirement plan. After you earn five years of qualifying service credit, interest plus a 50% match on your contributions and interest is paid on funds withdrawn or transferred.

### Survivor benefits

Upon earning five years of service credit, qualified survivors are eligible to receive annual benefits that range from 25% to 60% of your final average salary if you should die before retirement. Survivors receiving this benefit have access to health care coverage (medical/prescription, dental and vision)\* through STRS Ohio.

### Disability benefits

With 10 years of service credit, you may apply for monthly disability benefits if you become disabled while employed or within one year following your last date of STRS Ohio-covered service. Annual benefits range from 45% to 60% of your final average salary. Access to health care coverage (medical/prescription, dental and vision)\* is also available.

### Service credit purchase

You may be eligible to purchase additional service credit for many types of past employment. This may increase your retirement benefit or enable you to retire sooner.

\*Coverage under the STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.



## WHAT THIS MEANS FOR YOU

With the Defined Benefit Plan, your monthly benefit is predictable — it does not depend on you managing investments.

## BENEFITS WHILE RETIRED

### Retirement income

Members receive 2.2% of their five-year final average salary for each year of service credit. For example, with 34 years of service credit, you would receive  $34 \times 2.2\% = 74.8\%$  of your final average salary (average of your five highest salary years). You are eligible for a benefit at age 65 with five years of service or any age with 34 years of service. The service credit requirement for unreduced benefits at any age will increase to 35 years on Aug. 1, 2028.

#### Your retirement income is based on a formula:

Years of service  $\times$  2.2%  $\times$  Final average salary = Annual Benefit

$34 \times 2.2 = 74.8\%$   $\times$  \$100,000 = \$74,800 annually

You can retire early with an actuarially reduced benefit at age 60 with five years of service or at any age with at least 30 years of service.

### Access to health care coverage\*

You and your eligible dependents will have access to health care coverage (medical/prescription, dental and vision) through STRS Ohio. Beginning Aug. 1, 2023, new retirees will need 20 years of service for eligibility.

\*Coverage under the STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

## SUMMARY

- With the STRS Ohio Defined Benefit Plan, you receive a monthly benefit payment based on your age, years of service credit and final average salary — not prevailing market conditions — and access to health care coverage if you meet health care eligibility requirements. This plan may be the best choice for career educators.
- You are not responsible for making investment decisions.
- Benefits while you are teaching include survivor and disability benefits.
- **If you choose the Defined Benefit Plan now, your decision is permanent. You will not have an opportunity to change STRS Ohio plans at a later date.**
- You can compare this plan with your other STRS Ohio retirement plan options on Pages 11–12.



# Defined Contribution Plan

## HOW DOES IT WORK?

Under the Defined Contribution Plan, member and employer contributions are deposited in a retirement account that you manage. You choose how to allocate the contributions among various investment choices offered through the plan. Benefits such as disability and survivor benefits and health care coverage in retirement are your responsibility; they are not provided by STRS Ohio.

### Your retirement income is driven by three variables:

- The amount of member and employer contributions deposited to your account, (currently 14% of annual salary for members and 11.09% of annual salary for employers, for a total of 25.09%),
- The performance of investment choices you select, and
- The market annuity rates at retirement.

Contribution rates are established by law and the State Teachers Retirement Board and are subject to change.

### Other items of note include:

- If you leave teaching, you can withdraw these funds, plus any gains or losses.
- You are vested in your member contributions immediately.
- You are vested 20% per year in employer contributions.
- If you have credit in the Ohio Public Employees Retirement System or the School Employees Retirement System, accounts cannot be combined for future benefits. Please call STRS Ohio toll-free at 888-227-7877 for more information.

Defined Contribution Plan participants **are** eligible to reselect their plan during their fifth year of membership.

## WHAT THIS MEANS FOR YOU

With the Defined Contribution Plan, you have control over your retirement account. You have the ability to monitor and manage your account to meet your retirement goals.

## BENEFITS WHILE TEACHING

STRS Ohio's Defined Contribution Plan provides limited benefits and services during your teaching career. These include:

### Portability

You can easily roll the assets of your Defined Contribution Plan account into an individual retirement account (IRA), an eligible employer plan or another qualified plan if you leave STRS Ohio-covered employment before you reach retirement eligibility. **Your withdrawal amount will include both your contributions and vested employer contributions credited to your account, plus any investment gains or losses. This is the only STRS Ohio plan that offers this feature during the first five years.** With less than one year of STRS Ohio membership, you will receive only your contributions and the earnings on those contributions. If you end STRS Ohio-covered employment, you can leave your contributions on account until your fifth anniversary to reach 100% vesting.

### Survivor benefits

There are no predetermined survivor benefits; however, a surviving spouse or sole survivor may annuitize the account balance for lifetime monthly benefits.

### Disability benefits

There are no disability benefits. If you become disabled, you may withdraw your account after terminating employment. At age 50, other payment options are available, but you must first terminate employment.

### Service credit purchase

You are not eligible to purchase service credit; however, you may make contributions on salary not earned if your teaching career is interrupted by military service.

### Example of how the plan is funded

Starting salary	\$65,000
Member contribution (14% of \$65,000)	\$9,100
Employer contribution <sup>1</sup> (11.09% of \$65,000)	\$7,208
<b>Funds placed in individual account during first year</b>	<b>\$16,308</b>

<sup>1</sup>Employers contribute to STRS Ohio plans based on teacher payroll. A portion of employer contributions is set aside to pay for the existing unfunded liability of the retirement system. The 11.09% contribution is subject to change by the Retirement Board. Members are vested in employee contributions immediately. Members become vested in employer contributions at a rate of 20% per year.



## BENEFITS WHILE RETIRED

### Retirement income

You can annuitize your account balance at age 50 or later upon terminating employment.

Reevaluating your asset mix on a regular basis can help ensure it aligns with your current investment strategy and future goals.

Investment gains and losses are posted daily to your account, and asset management fees will be deducted from investment returns of the individual options.

## IMPORTANT CONSIDERATIONS

- Am I willing to make my own decisions about investment allocations?
- Am I comfortable with the variability of a defined contribution account and timing retirement with changing annuity rates?
- How long will I teach?
- Will I be comfortable with the investment gains and losses my retirement savings will experience while I'm working?
- How will I provide for survivor and disability benefits?

## COMPARISON WITH AN ARP

- **Reselection option** — If you choose the STRS Ohio Defined Contribution Plan now, you will have a second and final opportunity to choose an STRS Ohio plan during your fifth year of membership. At that time, you can choose to remain in the same plan or transfer to one of the other two STRS Ohio plans. If you choose an ARP now, your decision will be final (unless you change employers).
- **Competitive fees** — Fees for STRS Ohio's investment choices compare favorably with fees charged by ARPs.

## INVESTMENT CHOICES

The Defined Contribution Plan offers 17 investment choices to determine the accumulation of your account.

STRS Ohio's *Investment Options Guide* is included with this selection packet and contains detailed information on the investment choices provided under this plan. The guide provides a profile for each investment choice — including investment objectives, top holdings and annual fees.

The guide also includes a questionnaire that can help you identify your investment style. You will have considerable flexibility in transferring among the investment choices once you make your initial allocation through the online selection process. You can also change your allocation of future contributions at any time.

## SUMMARY

- With the STRS Ohio Defined Contribution Plan, your retirement income is based on the performance of investment choices you select for the contributions deposited to your account and the annuity rates at retirement.
- Access to STRS Ohio health care coverage upon retirement is not provided.
- You can plan for your retirement by developing an allocation strategy that balances your long-term needs with the opportunities and risks of the financial markets.
- If you are not planning to be a career educator, this plan offers greater value than the Defined Benefit Plan if you withdraw the account.
- **If you choose the Defined Contribution Plan now, your decision is not permanent. You will have an opportunity to evaluate your decision before completing your fifth year of membership.**
- You can compare this plan with your other STRS Ohio retirement plan options on Pages 11–12.



# Combined Plan

## HOW DOES IT WORK?

The STRS Ohio Combined Plan includes features of the Defined Benefit and Defined Contribution Plans. You have benefits while teaching and two elements to your retirement benefit.

- From your current contribution of 14% of annual salary, 12% goes into a defined contribution account where you manage the investment allocation and risk.
- The remaining 2% of your contribution along with employer contributions fund a defined benefit portion of the plan — managed by STRS Ohio — to pay for service retirement, disability or survivor benefits and access to retiree health care coverage.\*
- Contribution rates and eligibility for health care are established by the State Teachers Retirement Board and are subject to change.
- If you have credit in the Ohio Public Employees Retirement System or the School Employees Retirement System, accounts cannot be combined for future benefits. Please call STRS Ohio toll-free at 888-227-7877 for more information.

### What are my investment choices?

A portion of your retirement income will be created through the performance of investment choices you select for your contributions. Learn more about these investment choices on Page 8 of this brochure and in the enclosed *Investment Options Guide*.

\*Coverage under the STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

## BENEFITS WHILE TEACHING

STRS Ohio's Combined Plan provides benefits and services during your teaching career. These include:

### Portability

You can withdraw the assets of your Combined Plan or roll them into an individual retirement account (IRA), an eligible employer plan or another qualified plan if you leave STRS Ohio-covered employment before you reach retirement eligibility. Your withdrawal amount in your defined contribution account includes all contributions deposited to the account plus any investment gains or losses. The defined benefit withdrawal amount is the greater of employee contributions deposited to the account or the present value of your future benefits. At age 50 or later, you may withdraw or annuitize the defined contribution portion and leave the defined benefit portion to fund a service retirement benefit at age 60 with at least five years of service credit.

### Survivor benefits

Upon earning five years of service credit, qualified survivors are eligible to receive annual benefits that range from 25% to 60% of your final average salary if you should die before retirement. Survivors receiving this benefit have access to health care coverage (medical/prescription, dental and vision)\* through STRS Ohio. All contributions and earnings in your defined contribution account and the defined benefit portion of the plan will be used to fund this benefit; therefore, your survivors will not have a defined contribution account to manage. Survivors will also have the option of withdrawing your entire account in lieu of receiving a benefit.

### Disability benefits

With 10 years of service credit, you may apply for monthly disability benefits if you become disabled while employed or within one year following your last date of STRS Ohio-covered service. Annual benefits range from 45% to 60% of your final average salary. Access to health care coverage (medical/prescription, dental and vision)\* is also available through STRS Ohio. If you become disabled, all contributions and earnings in your defined contribution account and the defined benefit portion of the plan are used to fund this benefit; therefore, you will no longer have a defined contribution account to manage. At age 65, the disability benefit converts to a service retirement benefit that provides 2.2% of your final average salary for each year of service. In lieu of disability benefits, you may withdraw your account.

### Service credit purchase

You may be eligible to purchase credit for teaching interrupted by military service and leaves of absence.

## BENEFITS WHILE RETIRED

### Retirement income

Benefits consist of two parts:

- An annuity from the defined benefit portion equal to 1% of your final average salary for each year of service credit.

#### Your retirement income is based on a formula:

Years of service	x	1.0%	X	Final average salary	=	Annual Benefit	
34	x	1.0	=	34%	X	\$100,000	
						=	\$34,000 annually

- An annuity from the defined contribution portion based on the value of the account and market annuity rates at the time of retirement.

#### Example of how the defined contribution portion is funded

Starting salary	\$65,000
Member contribution allocated to DC (12% of \$65,000)	\$7,800
Funds placed in individual account during first year	\$7,800

- You are eligible for the defined benefit portion at age 60 with at least five years of service; eligibility for the defined contribution portion is at age 50.

### Access to health care coverage\*

You and your eligible dependents will have access to health care coverage (medical/prescription, dental and vision) through STRS Ohio. Beginning Aug. 1, 2023, new retirees will need 20 years of service for eligibility.

\*Coverage under the STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.



## WHAT THIS MEANS FOR YOU

With the Combined Plan, if you retire with 34 years of service under the current formula, you will receive 34% of your final average salary as an annual retirement benefit starting at age 60. You can also select from several payout options for the defined contribution portion of your account.

## SUMMARY

- With the STRS Ohio Combined Plan, you get the security of the Defined Benefit Plan for a portion of your account with the flexibility, portability and choice of the Defined Contribution Plan from the other portion of your account.
- You receive a predictable monthly benefit payment in retirement equal to 1% of final average salary for each year of service from your defined benefit account, and
- You have control of the investments in your defined contribution account.
- If you choose the Combined Plan now, your decision is not permanent. You will have an opportunity to evaluate your decision before completing your fifth year of membership.

You can compare this plan with your other STRS Ohio retirement plan options on Pages 11–12.



# Retirement Plan Comparison Chart

Features	Defined Benefit (DB) Plan	Defined Contribution (DC) Plan	Combined Plan	<b>ARP</b> <small>The information noted for ARPs may vary by plan. Specific questions should be directed to the ARP vendor. Your employer can provide you with contact information.</small>
<b>Service Retirement</b>  For more information on STRS Ohio benefit payment options, call toll-free 888-227-7877 and request a <b>Service Retirement and Plans of Payment</b> brochure or visit the STRS Ohio website at <a href="http://www.strsoh.org">www.strsoh.org</a> .	<p><b>Retirement income is based on a calculation that uses the member's age, years of service and final average salary.</b></p> <p>Members receive 2.2% of their five-year final average salary for each year of service credit. You are eligible for a benefit at age 65 with five years of service or any age with 34 years of service. The service credit requirements for unreduced benefits at <b>any age</b> will increase to 35 years on Aug. 1, 2028.</p> <p>You can retire early with actuarially reduced benefits at age 60 with five years of service or at any age with at least 30 years of service.</p> <p>Members can combine credit from other Ohio public plans in the Defined Benefit Plan.</p>	<p><b>Retirement benefits are based on the amount of member and employer contributions deposited to your account, the performance of investment choices you select and the annuity rate in effect at the time of retirement.</b></p> <p>Upon retirement members can take a lifetime annuity at age 50. The annuity is calculated by dividing the account balance by an annuity factor based on market rates in effect at the time of retirement.</p> <p>Not eligible for a combined retirement with other Ohio public pension plans. Members are vested in their own contributions immediately and become vested in employer contributions at a rate of 20% per year.</p>	<p><b>Retirement income is based on separate retirement benefits that are paid from the defined benefit and defined contribution portions of the member's account.</b></p> <p>Income from the DC portion is based on the value of the member's account at retirement. Eligible to take regular monthly payments (lifetime annuity) from the defined contribution account balance at age 50. Annuity calculated by dividing the account balance by an annuity factor. STRS Ohio annuity rates are based on market conditions and are subject to change.</p> <p>Eligible for defined benefit payments at age 60 with five years of service. The annual defined benefit amount is 1% of a five-year final average salary per year of service.</p> <p>Not eligible for a combined retirement with other Ohio public pension plans.</p>	<p>Contact vendor for payout options. Retirement amount depends on contributions and investment gains or losses on account and the annuity rate in effect at the time of retirement.</p> <p>Contributions to the ARP are currently:</p> <ul style="list-style-type: none"> <li>• 14% from the participant</li> <li>• 11.09% from the employer</li> </ul>
<b>Investment Decisions</b>	STRS Ohio makes all investment decisions.	Member makes all investment allocation decisions for the account. Investment choice and return information is available at <a href="http://www.strsoh.org">www.strsoh.org</a> .	Member makes all investment allocation decisions for the DC portion of the plan. Investment choice and return information is available at <a href="http://www.strsoh.org">www.strsoh.org</a> .	Each participant makes all investment allocation decisions for the account.
<b>Investment Risk and Reward</b>	Member assumes no investment risk.	Investment risk is assumed entirely by the member. All gains or losses accrue to member's account.	The member assumes investment risk for the DC portion of the account, while no risk is assumed by the member for the DB portion.	Investment risk is assumed entirely by the participant. All gains or losses accrue to participant's account.
<b>Health Care Coverage</b>  <small>Coverage under the STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.</small>	<p>Benefit recipients (including disability benefit recipients and survivor benefit recipients) and their dependents are eligible for access to health care coverage if they meet health care eligibility requirements. Coverage includes hospitalization, physician fees and prescriptions.</p> <p>Dental and vision coverage is also available to those who meet eligibility requirements.</p>	STRS Ohio health care coverage is <b>not</b> available.	<p>Disability benefit recipients and survivor benefit recipients have access to the same health care coverage provided under the Defined Benefit Plan if they meet health care eligibility requirements.</p> <p>Members who elect monthly retirement benefits from the Combined Plan at age 60 (defined benefit portion) have access to the same health care coverage provided under the Defined Benefit Plan if they meet health care eligibility requirements.</p> <p>Dental and vision coverage is also available to those who meet eligibility requirements.</p>	Not included.
<b>Disability Benefits</b>	<p>After 10 years of service, members are eligible to apply for disability benefits if disabled while employed or within one year following last date of STRS Ohio-covered service.</p> <p>Members receive:</p> <ul style="list-style-type: none"> <li>• 2.2% of final average salary per year of service.</li> <li>• 45% minimum and 60% maximum of final average salary.</li> <li>• At age 65, the member converts to service retirement and receives credit for the period on disability.</li> </ul>	<p>Account balance available to members who terminate employment and withdraw their account. At age 50, other payment options are available, but employment must first be terminated.</p>	<p>Eligible with 10 years of service credit.</p> <p>Both employer contributions and the member's contributions and any investment gains in the defined contribution account are used to fund the benefit.</p> <p>Members receive:</p> <ul style="list-style-type: none"> <li>• 2.2% of final average salary per year of service.</li> <li>• 45% minimum and 60% maximum of final average salary.</li> <li>• At age 65, the member converts to service retirement and receives credit for the period on disability.</li> </ul> <p>Account balance is also available.</p>	<p>Account balance available to participants who terminate employment and withdraw their account.</p>
<b>Traditional Method of Payment Upon Retirement</b>	<p>A lifetime annuity. Several different plans of payment to protect survivors are available. A lump-sum withdrawal is also an option.</p>	<p>Members can take payment through a rollover, a lump-sum withdrawal or a lifetime annuity. Several different plans of payment to protect survivors are available.</p>	<p>Same as the STRS Ohio Defined Benefit Plan for the DB portion of the account. For the DC portion of the account, members can take payment through a rollover, a lump-sum withdrawal or a lifetime annuity. Several different plans of payment to protect survivors are available.</p>	<p>Usually a withdrawal or may purchase annuity. See individual plans for details.</p>

Features	Defined Benefit (DB) Plan	Defined Contribution (DC) Plan	Combined Plan	<b>ARP</b> <small>The information noted for ARPs may vary by plan. Specific questions should be directed to the ARP vendor. Your employer can provide you with contact information.</small>
<b>Survivor Benefits</b>	<p>Eligible with five years of service credit.</p> <p>Qualified survivors receive the highest benefit from among the following for which they are eligible.</p> <p><b>Dependent-based</b> — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p><b>Service-based</b> — from 29% of final average salary with 20 years of service credit to 60% of final average salary with 29 or more years of service credit based on the years of credit the member had at the time of death.</p> <p><b>Retirement-based</b> — if the member had met the age and service requirements for service retirement, the survivor is eligible for a benefit as if the member had retired and selected a same-to-beneficiary Joint and Survivor Annuity.</p> <p>If there are no minor children, a lump-sum withdrawal is also an option.</p>	<p>Account balance available to beneficiaries. The surviving spouse or sole survivor may withdraw the account or begin receiving monthly annuity benefits.</p>	<p>Eligible with five years of service credit.</p> <p>Qualified survivors have the option of receiving dependent-, service- or retirement-based survivor benefits. Both employer contributions and the member's contributions and any investment gains in the defined contribution account are used to fund the benefit.</p> <p><b>Dependent-based</b> — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p><b>Service-based</b> — from 29% of final average salary with 20 years of service credit to 60% of final average salary with 29 or more years of service credit based on the years of credit the member had at the time of death.</p> <p><b>Retirement-based</b> — if the member had met the age and service requirements for service retirement under the Defined Benefit Plan, the survivor is eligible for a benefit as if the member had retired under the Defined Benefit Plan and selected a same-to-beneficiary Joint and Survivor Annuity.</p> <p>Survivors also have the option to withdraw the DC and DB portions of the account.</p>	<p>Account balance available to beneficiaries.</p>
<b>Benefit Portability/Account Withdrawal</b>	<p>When withdrawing an account, members are eligible for their contributions with interest and in some cases matching funds as follows:</p> <ul style="list-style-type: none"> <li>• 2.99 years or less, the member receives contributions plus interest of 2%.</li> <li>• 3.00 to 4.99 years, the member receives contributions plus interest of 3%.</li> <li>• 5.00 or more years of credit, the member receives contributions plus interest of 3% and a 50% match on that total.</li> </ul> <p>Account withdrawals are paid as a lump-sum distribution, part of which may be taxable at time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.</p> <p>Interest rates are subject to change.</p>	<p>Upon ending employment, members may withdraw the value of their account. Before one year of membership in STRS Ohio, members receive only their contributions and the gains or losses on those contributions.</p> <p>Members vest 20% per year in employer contributions and all gains and losses on those contributions.</p> <p>After five years of membership in STRS Ohio, members are fully vested and receive both their contributions and the employer contributions deposited to the account, and any gains or losses on those contributions.</p> <p>Account withdrawals are paid as a lump-sum distribution, part of which may be taxable at time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.</p>	<p>Before age 50, a withdrawal must include both the DB and DC portions of the account. At age 50 or after, members may withdraw the DC portion upon termination of employment and leave the DB portion on account for a benefit at age 60. They may withdraw the DB portion only if they are also withdrawing the DC portion.</p> <p>Account withdrawals are paid as a lump-sum distribution, part of which may be taxable at time of withdrawal, or may be rolled over to an IRA, an eligible employer plan or another qualified plan.</p> <p><b>Defined contribution withdrawal amount:</b> Members are eligible for contributions in the account and the gains or losses on those contributions.</p> <p><b>Defined benefit withdrawal amount:</b> Members are eligible for the greater of member contributions in the defined benefit account or the present value of future benefits with five years of service credit. For example, a member with 10 years of service is eligible for 10% of final average salary at age 60. The withdrawal amount is equal to the present value of that benefit.</p>	<p>Participants may withdraw the value of their account if no longer employed.</p> <p>Before meeting employer vesting requirements, participants receive their contributions and the gains or losses on those contributions.</p> <p>After meeting employer vesting requirements, participants receive their contributions and all employer contributions — and all gains or losses on those contributions.</p>
<b>Inflation Protection/COLA</b>	<p>New STRS Ohio benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. The State Teachers Retirement Board will periodically evaluate whether a cost-of-living increase is payable in accordance with the law in effect at that time (Section 3307.67, Revised Code). If a COLA is granted, it is received on the anniversary of the member's retirement date.</p>	<p>Cost-of-living adjustments are not provided.</p>	<p>Cost-of-living adjustments are not provided.</p>	<p>Automatic cost-of-living adjustments are not provided.</p>
<b>Administrative Costs or Fees</b>	<p>Administrative costs are paid from total fund investment earnings.</p>	<p>Asset management fees and a \$10 quarterly account fee reduce the investment return. Inactive members with an account balance of less than \$5,000 are also subject to a \$10 per month fee. ("Inactive" is defined as not having any member or employer contributions applied to an account for more than 120 days.) A member is not charged the quarterly account fee if a low balance fee is charged during the quarter.</p>	<p>Asset management fees and a \$10 quarterly account fee reduce the investment return of the DC portion of the account. Inactive members with a DC account balance of less than \$5,000 are also subject to a \$10 per month fee. ("Inactive" is defined as not having any member or employer contributions applied to an account for more than 120 days.) A member is not charged the quarterly account fee if a low balance fee is charged during the quarter.</p>	<p>May be required to pay annual contract fees, sales loads, commissions, redemption or exchange fees, management fees or other costs.</p>

A portion of contributions in all four plans is set aside to pay for the existing unfunded liability of the retirement system.

Note: The information provided on this chart and on all materials in this selection packet are based on current rates, factors and laws — all of which are subject to change.

# IMPORTANT POINTS TO REMEMBER

**Choosing a retirement plan is an important decision. These reminders and resources will help you make a decision that's right for you.**

- No two individuals are alike. As you review each plan's features, consider what is most important to you — now and in retirement.
- You have 120 days from your first day of paid service to complete and return your *Retirement Plan Selection Form* to your employer. If you do not respond by then, you will participate in STRS Ohio.
- If you choose STRS Ohio's Defined Contribution Plan or Combined Plan now, you will have another opportunity to evaluate your decision and choose another STRS Ohio plan before completing your fifth year of membership in STRS Ohio.
- If you choose STRS Ohio's Defined Benefit Plan now, your decision is permanent.
- The deadline to choose your STRS Ohio retirement plan is 180 days from your first day of paid service. If STRS Ohio does not receive your selection by this deadline, you will be placed in STRS Ohio's Defined Benefit Plan.
- Notify STRS Ohio of your retirement plan selection online ([www.strsoh.org](http://www.strsoh.org)) via your Online Personal Account. After you set up your account and log in, click on "Member Information" in the top menu and then click on "Retirement Plan Selection" under Useful Links.

## YOUR STRS OHIO PLAN OPTIONS AT A GLANCE

	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.

## RESOURCES

There are a number of tools you can use to help you make a decision:

- The Retirement Plan Comparison Chart on Pages 11–12 provides an excellent overview of each plan.
- STRS Ohio member service representatives can also help answer your questions. Just call us toll-free at 888-227-7877 or email us by going to [www.strsoh.org](http://www.strsoh.org) and selecting "CONTACT" at the top of the page.
- For assistance with investment questions, call Nationwide Retirement Solutions retirement specialists toll-free at 866-332-3342. STRS Ohio does not provide individual investment advice. We have contracted with Nationwide Retirement Solutions in administering the defined contribution aspects of the STRS Ohio retirement plan options.
- The STRS Ohio website ([www.strsoh.org](http://www.strsoh.org)) includes a new member section featuring:
  - Video presentations that outline your retirement plan options
  - Plan descriptions
  - Answers to frequently asked questions



# RETIREMENT PLAN OPTIONS

## THIS PACKET **SHOULD INCLUDE:**

- Cover letter
- Investment Options Guide*
- Retirement Plan Options Brochure* (this brochure)
- Investment Performance Report*

If you do not have all of these materials, you can call STRS Ohio toll-free at 888-227-7877 to request a replacement packet.



[www.strsoh.org](http://www.strsoh.org)



888-227-7877



## RESOURCES

### VISIT

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

### ONLINE

[www.strsoh.org](http://www.strsoh.org)  
24 hours a day  
Select "Contact" from  
the top menu to email

### BY PHONE

Member Services Center  
888-227-7877 (toll-free)  
614-233-8713 (fax)  
Monday through Friday  
8 a.m. to 5 p.m.



STRS Ohio is one of the largest pension funds in the United States,  
paying more than \$7.3 billion annually in benefits.

The mission of STRS Ohio is to provide  
Ohio's public educators a foundation for their financial security.

*Smart choices for your secure future.*