



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

STRS Ohio Retirement Plan Comparison Chart For Full-Time Higher Education Faculty

*Detailing the STRS Ohio
Retirement Plan Options
and ARPs (Alternative Retirement Plans)*

Notice to New Full-Time Higher Education Faculty

New faculty members face an important decision regarding retirement plan options. Since 1997, Ohio law has provided newly hired full-time university and college faculty members with the option to elect participation in either the State Teachers Retirement System of Ohio (STRS Ohio) or an alternative retirement plan (ARP) provided through private vendors. This election is irrevocable and applies to all employment with the current employer.

In addition to a defined benefit plan, STRS Ohio offers defined contribution retirement plan options for eligible public educators in Ohio, including *eligible university and college faculty who elect participation in STRS Ohio*. These options are offered to all newly hired faculty members who had not previously established an STRS Ohio account.

The STRS Ohio options include:

1. **Defined Benefit Plan** — With this professionally managed plan, retirement benefits are based on a member's age, years of service credit and final average salary. The Defined Benefit Plan also features survivor and disability protection as well as access to optional health care coverage in retirement for those who meet eligibility requirements.
2. **Defined Contribution Plan** — This plan is similar to ARPs. Members who select this plan allocate their contributions among eight investment choices managed by STRS Ohio to build their portfolio. Administrative fees compare favorably with those charged by ARP providers.
3. **Combined Plan** — This plan features components of both the Defined Benefit and Defined Contribution Plans. Employer contributions fund a defined benefit account that offers retirement income as well as survivor and disability protection and access to optional health care coverage in retirement for those who meet eligibility requirements. Member contributions are deposited in a defined contribution account for the member to allocate among investment choices managed by STRS Ohio.

Note: New members who choose the STRS Ohio Defined Contribution Plan or the Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership.

This chart compares features of the STRS Ohio plans with an ARP. Eligible faculty also are sent information about their retirement plan options based on their STRS Ohio account status.

The deadline for full-time university and college faculty to elect participation in either STRS Ohio or an ARP is 120 days after their first day of paid service. To make this election, a *Retirement Plan Election Form* provided by the faculty member's employer must be completed and returned to the employer.

For faculty who elect to participate in STRS Ohio, the deadline to select from among the STRS Ohio plan options is 180 days from the first day of paid service.

STRS Ohio will provide a selection form to eligible members to indicate their plan choice.

If you need more information, STRS Ohio is ready to assist you. Please contact us.

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Feature	STRS Ohio Defined Benefit (DB) Plan	STRS Ohio Combined Plan	STRS Ohio Defined Contribution (DC) Plan	ARP
<p>Service Retirement</p> <p>For more information on STRS Ohio benefit payment options, call toll-free 1-888-227-7877 and request a <i>Service Retirement and Plans of Payment</i> brochure.</p>	<p>Eligible at any age with 30 years of service credit; age 55 with 25 years and age 60 with five years, reduced benefit if less than 30 years and younger than age 65.</p> <p>Member annually receives 2.2% of final average salary per year of service credit. For contributing service beyond 30 years, member receives 2.5% for 31st, 2.6% for 32nd and so on until 100% of final average salary.</p> <p>For members with 35 years of contributing service, the first 31 years are calculated at 2.5%. A 30-year benefit equals 66% of final average salary, while a 35-year benefit equals 88.5% of final average salary.</p> <p>Eligible for combined retirement with other Ohio public pension plans.</p> <p>Note: Final average salary is the average of a member's three highest salary years.</p>	<p>Eligible to take regular monthly payments (lifetime annuity) from the defined contribution account balance at age 50.</p> <p>Eligible for defined benefit payments at age 60 with five years of service. Income from the defined contribution portion is based on the value of the member's account at retirement.</p> <p>The annual defined benefit amount is 1% of final average salary per year of service credit.</p> <p>Contributions to the defined contribution account are currently 10% from the member.</p> <p>Not eligible for combined retirement with other Ohio public pension plans.</p> <p>Note: Final average salary is the average of a member's three highest salary years.</p>	<p>Eligible to take regular monthly payments (lifetime annuity) at age 50. Income is based on the value of the member's account at retirement.</p> <p>Contributions to the DC account are currently:</p> <ul style="list-style-type: none"> • 10% from the member • 10.5% from the employer <p>Not eligible for 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.</p> <p>Contributions to the ARP are currently:</p> <ul style="list-style-type: none"> • 10% from the participant • 10.5% from the employer
<p>Investment Allocation Decisions</p>	<p>Made by STRS Ohio financial and investment professionals.</p>	<p>Each member makes all investment allocation decisions for the defined contribution portion of the plan.</p>	<p>Each member makes all investment allocation decisions for the account.</p>	<p>Each participant makes all investment allocation decisions for the account.</p>
<p>Investment Risk and Reward</p>	<p>Member assumes no investment risk.</p>	<p>The member assumes investment risk for the defined contribution portion of the account, while no risk is assumed by the member for the defined benefit portion.</p>	<p>Investment risk is assumed entirely by the member. All gains or losses accrue to member's account.</p>	<p>Investment risk is assumed entirely by the participant. All gains or losses accrue to participant's account.</p>
<p>Vesting</p>	<p>Monthly retirement benefits are payable with five years of service credit at age 60, with 25 years of service credit at age 55 or at any age with 30 years of service credit.</p>	<p>Members are vested immediately for the contributions to the defined contribution account. Monthly retirement benefits are payable with five years of service at age 60 from the defined benefit account.</p>	<p>Members are vested immediately for their contributions and after one year for employer contributions.</p>	<p>Participants are vested immediately for their contributions. Vesting of employer contributions is determined by each employer.</p>
<p>Benefit Portability/ Account Withdrawal</p>	<p>If you leave public teaching in Ohio, you can roll over your account or receive the value of your account by:</p> <ul style="list-style-type: none"> • Continuing your contributions while employed at another public institution in Ohio; • Withdrawing your contributions with interest on your faculty contributions. STRS Ohio pays: <ul style="list-style-type: none"> - Up to 6% interest* compounded annually plus 50% matching funds on faculty contributions with at least five years of qualifying service credit; - Up to 6% interest* compounded annually with at least three years but less than five years of qualifying service credit; - Up to 4% interest* compounded annually on faculty contributions with less than three years of qualifying service credit. <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 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. 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>Defined contribution withdrawal amount: Members are eligible for their contributions and the gains or losses on those contributions. Members currently contribute 10% to their DC account.</p> <p>Defined benefit withdrawal amount: Members are eligible for 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. The DB portion of the account has no value if the member terminates before five years of service credit.</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>After one year of membership in STRS Ohio, all members receive both their contributions and all employer contributions, plus all gains or losses on those contributions.</p> <p>Member contributions are currently 10%; employer contributions are 10.5%.</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>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 — plus all gains or losses on those contributions.</p> <p>Participant contributions are currently 10%; employer contributions are 10.5%.</p>
<p>* For current interest rates, contact STRS Ohio toll-free at 1-888-227-7877 or visit our Web site at www.strsoh.org.</p>				
<p>Inflation Protection/ COLA</p>	<p>Annual 3% cost-of-living adjustments after retirement.</p>	<p>Automatic cost-of-living adjustments are not provided.</p>	<p>Automatic cost-of-living adjustments are not provided.</p>	<p>Automatic cost-of-living adjustments are not provided.</p>

<p>Administrative Costs or Fees</p>	<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 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>
<p>Traditional Method of Payment Upon Retirement</p>	<p>A lifetime annuity. Several different payment plans to protect survivors are available. A lump-sum withdrawal is also an option.</p>	<p>Same as the STRS Ohio Defined Benefit Plan for the DB account. For the defined contribution account, members can take payment through a rollover, a lump-sum withdrawal or a variety of lifetime annuities.</p>	<p>Usually a lump-sum payment of account balance; may purchase annuity.</p>
<p>Disability Benefits</p>	<p>After five years of service, members are eligible to apply for disability benefits under the disability allowance program if disabled while employed or within two years following last date of STRS (Ohio-covered service).</p> <p>Members receive:</p> <ul style="list-style-type: none"> • 2.0% of final average salary per year of service. • 45% min. and 60% max. of final average salary. • At age 65 the member converts to service retirement and receives credit for the period on disability. 	<p>Eligible with five years of service credit. Members have the option of receiving disability benefits ranging from 45% to 60% of final average salary. Both employer contributions and the member's contributions and any investment gains in the defined contribution account are used to fund the benefit. At age 65, the disability benefit converts to a service retirement benefit with a 2.2% formula. Account balance is also available.</p>	<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>Survivor Benefits</p>	<p>Members are eligible with 1.5 years of service credit. Qualified survivors receive the highest benefit from among the following for which they are eligible.</p> <p>Dependent-based — from 25% to 60% of final average salary based on the number of eligible survivors.</p> <p>Service-based — 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>Retirement-based — 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>Eligible with 1.5 years of service credit. Qualified survivors have the option of receiving dependent-, service- or retirement-based survivor benefits. All contributions and gains in the defined contribution account are used to fund the benefits.</p> <p>Dependent-based — same as Defined Benefit Plan. Service-based — same as Defined Benefit Plan. Retirement-based — same as Defined Benefit Plan.</p> <p>Survivors also have the option to withdraw the DC and DB portions of the account.</p>	<p>Account balance available to beneficiaries. A spouse may continue to manage the member's account or withdraw the account. If there are multiple survivors, the survivors must withdraw the account.</p>
<p>Retirement Income</p>	<p>Lifetime retirement income to you. Joint and Survivor optional plans of payment allow lifetime payments to beneficiary.</p>	<p>Lifetime retirement income provided by the defined benefit portion at age 60 with five years of service. Income from the defined contribution portion is based on the value of the member's account at retirement. Member is eligible to take regular monthly payments at age 50.</p> <p>Joint and Survivor optional plans of payment allow lifetime payments to beneficiary.</p>	<p>Income is based on the value of the participant's account at retirement. Income is the value of the participant's account at retirement.</p>
<p>Optional Health Care Coverage</p> <p>Benefits under the STRS Ohio Health Care Program are not guaranteed. STRS Ohio hopes to continue the program indefinitely, but reserves the right to change or discontinue all or part of the program for all or a class of eligible employees.</p>	<p>Benefit recipients (including disability benefit recipients and survivor benefit recipients) and their dependents are eligible for access to optional health care coverage if they meet health care eligibility conditions. Coverage includes hospitalization, physician fees and prescriptions. Optional dental and vision coverage is available. Members also have access to long-term care insurance.</p>	<p>Disability benefit recipients and survivor benefit recipients have access to the same health care coverage provided under the DB plan if they meet health care eligibility conditions. Members who elect monthly retirement benefits from the Combined Plan at age 60 have access to the same health care coverage provided under the DB plan if they meet health care eligibility conditions. Members also have access to long-term care insurance and dental and vision coverage.</p>	<p>Not included. STRS Ohio health care coverage is not available. Members do have access to long-term care insurance.</p>

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



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