

# Retirement Options



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Choosing a retirement program is an important choice. This brochure will provide you with critical information, including the websites of the various programs, to ensure you have all the information you need to make the best selection for your personal objectives.

Employees of Ohio public colleges and universities do contribute to Medicare, but do not participate in the federal Social Security system. Instead of Social Security, the State of Ohio and The University of Akron offer four retirement programs to choose from based on your employment category and when you were hired. Faculty may choose from the State Teachers Retirement System (STRS) or the Alternative Retirement Plan (ARP). Most staff and contract professionals elect from the School Employees Retirement System (SERS) if hired before September 28, 2016, the Ohio Public Employees Retirement System (OPERS) if hired September 28, 2016 or after, or the Alternative Retirement Plan (ARP); however, in some cases you may be eligible for STRS. University police officers are eligible for the Ohio Public Employees Retirement System-Law Enforcement.

You should carefully consider your own situation before making your program elections. In addition to monthly retirement income, you may want to consider the need for disability, survivor, and retiree health care benefits. You may want to seek advice from a retirement planning professional who is familiar with the program options.

**Initial Election** *Within 120 days of your hire date, you must elect your retirement system of STRS, OPERS, or ARP by completing a Retirement Election Form. If you do not make an election, you will default to the state system which corresponds with your employment status.*

*You cannot change your election while continuously employed at your current Ohio public college or university, except in the following situations: “Switch Option” available in your fifth year of STRS membership if you chose the Defined Contribution or Combined Plan. OR If you leave one employer for another employer, you may change your ARP election.*

**State Teachers Retirement System (STRS):** All new full-time college and university professors on Ohio’s public institutions of higher education have a one-time opportunity to choose a STRS Ohio retirement plan or an alternate retirement Plan (ARP) provided by completing the [Retirement Election Form](#).

You have a total of 180 days from your eligible appointment date to select among the available STRS plans. Eligible members will receive a STRS Retirement Plan Options packet directly from STRS Ohio that explains in detail the plans described here.

**STRS Ohio Defined Benefit Plan:** As its name implies, your retirement income is “defined” in advance so that you know what you will receive when you retire. Your income is determined by a calculation that uses your age, your years of service and your final average salary. You also have survivor and disability protection while you teach. Access to optional health care coverage\* is provided to retirees who meet the necessary qualifications — currently, 15 years of service.

**STRS Ohio Defined Contribution Plan:** In this plan, your retirement income is based on the performance of investment choices you select for the contributions made by you and your employer.

You may allocate your contributions among various investment options managed by STRS Ohio. Retirement, survivor and disability benefits are limited to the value of your account. Access to STRS Ohio optional health care coverage upon retirement is not provided.



**STRS Ohio Combined Plan:** This plan allows you to create a portion of your retirement income through the performance of investment choices you select for your contributions, while contributions from your employer pay for a combination of service retirement, disability and survivor benefits. Access to optional health coverage is provided to retirees who meet the necessary qualifications, currently, 15 years of service.

If you elect the STRS Ohio Defined Benefit Plan, the selection is irrevocable. If you initially elected the STRS Defined Contribution or Combined Plan, you may have the opportunity to change retirement plans in your fifth year of membership in STRS Ohio to the Defined Benefit Plan. This “switch” option may be particularly beneficial to you if you are unsure about the amount of time you will teach in Ohio.

**School Employees Retirement System (SERS):** Full time non-faculty employees hired prior to 9/28/16 had the opportunity to choose the SERS retirement plan or an alternative retirement plan (ARP) provider when hired. If non-faculty UA employees are hired back within 12 months of this change they will be enrolled in the plan that they had at termination. The election is irrevocable.

This program is a defined benefit plan. Your retirement benefit is determined by a formula that uses your age, years of service credit, and your final average salary. Your final average salary is figured on the average of your three highest years of earning on which contributions were made at the time of your retirement.

You are eligible to apply for SERS disability benefits with a minimum of five years of total service credit. These benefits are determined by your age, years of service and final average salary.

**Ohio Public Employees Retirement System (OPERS):** Full-time non faculty employees hired after 9/28/16 have the opportunity to choose a OPERS Retirement plan or an alternate retirement Plan (ARP) provided by completing the [Retirement Election Form](#).

You have a total of 120 days from your eligible appointment date to select among the available OPERS plans. Eligible members will receive a OPERS Retirement Plan Options packet directly from OPERS that explains in detail the plans described here.

**OPERS Traditional Plan:** This program is a defined benefit plan. Your retirement benefit is determined by a formula that uses your age, years of service credit, and your salary history. Your salary is figured on the average of your five highest years of earning in which contributions were made.

You are eligible to apply for OPERS disability benefits with a minimum of five years of total service credit. Access to optional health care coverage is currently provided to retirees who meet the necessary qualifications — age 60 with 20 years of service or any age with 30 years of service.

**OPERS Combined Plan:** Your retirement benefit is determined by a formula that includes your years of service credit, salary history (average of your five highest years of earnings on which contributions were made) plus your vested account balance and age at

retirement.

You are eligible to apply for OPERS disability benefits with a minimum of five years of total service credit. Access to optional health care coverage is currently provided to retirees who meet the necessary qualifications — age 60 with 20 years of service or any age with 30 years of service.

**OPERS Member-Directed Plan:** Your retirement benefit is determined by a formula that includes your vested account and age at retirement. Member –Directed Plan does not offer disability or health care coverage. However, a portion of the employer contributions are credited to a Retiree Medical Account (RMA).

**Ohio Public Employees Retirement System for Law Enforcement:** At The University of Akron, police officers are eligible for Ohio Public Employees Retirement System – LE benefits. These members must contribute and elect the Traditional Pension Plan with **OPERS-LE** or the Alternative Retirement Plan. With this plan, OPERS-LE manages the investment of both member and employer contributions to ensure that funds are available for your retirement payments.

**Alternate Retirement Plan (ARP):** if you elect to participate in the Alternative Retirement Plan (ARP), you must complete and submit the Retirement Plan Election Form to the Office of Benefits Administration within your 120 day election period. You must also select an ARP vendor to manage your retirement account. While the selection of the ARP option cannot be changed, you may change your ARP vendor on a monthly basis. The change form can be found at [Forms](#). This program is a defined contribution plan. Your benefits are determined by your account balance and the payment options you choose when you apply to receive benefits. Your account



benefits. Your account balance consists of contributions made by you and your employer and your investment gains or losses. Your contributions to the ARP are immediately vested, while employer contributions are vested at less than two years at 0%, 2-5 years at 50%, and over 5 years at 100%.

### ***Optional Investment Opportunities And Deferred Compensation Programs***

***Why should I invest?*** The University of Akron offers excellent retirement plans with STRS, SERS, OPERS, and ARP; however it does not replace your full salary. Investing now will help you supplement the difference throughout your retirement years.

***What is a Tax Sheltered Annuity?*** TSAs, such as the 403(b) and 457(b), are supplemental retirement plans available to employees of educational institutions and certain non-profit organizations. Contributions to these plans are made on a pre-tax basis which can greatly reduce your taxable income. In addition, all dividends, interest and capital gains accumulate on a tax-deferred basis.

***What is a Roth 403(b)?*** With the Roth 403b account, you contribute money on an after-tax basis. This means that you pay the taxes on your income and then pay into the account with your take-home pay. The returns that you make are not taxed. Once you hit retirement, you can take money out and avoid paying any taxes on it.

***Are there annual deferral limits?*** Contribution limits for these plans are established by the IRS on an annual basis.

For participants who are age 50 and over at the end of the calendar year can also make additional “catch-up” contributions. More information can be found at [IRS Guidelines](#).

***Plan Administration Services*** Administrative services for the 403(b) plan are provided by TSA Consulting Group, Inc. They can be reached by phone at (888) 796-3786 x2 or by email at [recordkeeping@tsacg.com](mailto:recordkeeping@tsacg.com) or by mail at Participants Transaction Department, 28 Ferry Rd SE, Fort Walton Beach, FL 32548.

***Provider List*** Following is a list of providers available to you. The University of Akron cannot endorse a particular provider. They are listed in alphabetical order with no emphasis on merit. Options available for each vendor are marked accordingly. [Click here for the Salary Reduction Agreement](#).



# State Teachers Retirement System (STRS) Options

275 East Broad St.

Columbus, OH 43215-3771

(888) 227-7877 [www.strsoh.org](http://www.strsoh.org)

Feature	Defined Benefit Plan	Defined Contribution Plan	Combined Plan	Alternative Retirement Plan
<b>Eligibility</b>	You are eligible for a benefit at age 65 with five years of service or any age with 31 years of service. Service requirements will change again in 2017 so please check the website for updates.	Upon retirement members can take a lifetime annuity at age 50.	You are eligible for monthly payments from the <b>defined contribution</b> portion of the account at age 50. You are eligible for <b>defined benefit</b> payments at age 60 with five years of service.	Participants may withdraw the value of their account upon ending employment with the University.
<b>Benefit</b>	<p>Retirement income is based on a calculation that uses the member's age, years of service and final average salary. Members receive 2.2% of their five year final average salary for each year of service credit.</p> <p>Members can retire early with a reduced benefits at age 60 with 5 years or age 55 with 26 years of service.</p>	<p>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. 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>Retirement income is based on separate retirement benefits that are paid from the defined benefit and defined contribution portions of the member's account.</p> <p>The defined benefit portion is determined by a formula which uses your age, years of service credit, and your final average salary (five highest years). The defined contribution benefit is determined by your contributions and any investment gains or losses.</p>	<p>Your benefit is determined by your account balance and the payment options you choose when you apply to receive benefits.</p> <p>The account balance is made up of contributions made by you and the University and the gains or losses of this investment account.</p> <p>Withdrawals before age 59 1/2 may be subject to a federal excise tax.</p>
<b>Contributions</b>	<p><b>Employee:</b> You contribute 14% of your salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your gross pay.</p> <p>Vesting requirements vary by years of service so please check the STRS website for updated information.</p>	<p><b>Employee:</b> You contribute 14% of your salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your gross pay to your Defined Contribution Plan with 4.5% of the this portion sent to STRS for unfunded liability.</p> <p>Vesting requirements vary by years of service so please check the STRS website for updated information.</p>	<p><b>Employee:</b> You contribute 14% of your salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your gross pay to your Combined Plan. Currently, the entire employer contribution is made to STRS to fund STRS Ohio benefits.</p> <p>Vesting requirements vary by years of service so please check the STRS website for updated information.</p>	<p><b>Employee:</b> You contribute 14% of your salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your gross pay to your ARP with 4.5% of this portion sent to STRS per ORC.</p> <p>Employee contributions are immediately vested. Employer contributions are vested as follows:  <i>less than 2 years: 0%</i>  <i>2-5 years: 50%</i>  <i>5+ years: 100%</i></p>

\* Contributing service credit includes contributing service (for which contributions were made to STRS Ohio, OPERS, or SERS at the time of employment) and withdrawn service that has been restored in one of those systems. Also included is credit purchased for public teaching in Ohio after July 1978; military service; police, fire or highway patrol service; leaves of absence pursuant to Section 3307.77, R.C.; Cincinnati Retirement System service acquired under 3307.763, R.C.; and service purchased as a result of resignation due to pregnancy.

## School Employees Retirement System (SERS)

300 E. Broad St., Suite 100  
Columbus, OH 43215-3746  
(866) 280-7377 [www.ohsers.org](http://www.ohsers.org)

## Ohio Public Employees Retirement System (OPERS)

277 East Town St.  
Columbus, OH 43215-4642  
(800) 222-7377 [www.opers.org](http://www.opers.org)

Feature	SERS	Alternative Retirement Plan	OPERS—Law Enforcement
<b>Eligibility</b>	A member must be age 67 with 10 years of service credit, or age 57 with 30 years of service credit, to retire with full benefits. A member must be age 62 with 10 years of service credit, or age 60 with 25 years of service credit, to retire early with actuarially-reduced benefits. These changes will not affect members who have 25 years of service credit before 8-1-2017.	Participants may withdraw the value of their account upon ending employment with the University.	<p><b>Group A:</b> (eligible to retire on or before 1/7/18): Age 48 with 25 years or age 62 with 15 years of service for unreduced benefit.</p> <p><b>Group B:</b> (eligible to retire between 1/7/18 and 1/7/23): Age 50 with 25 years or age 63 with 15 years of service for unreduced benefit.</p> <p><b>Group C:</b> (eligible to retire under current eligibility after 1/7/23 or became a member after 1/7/13): Age 52 with 25 years or age 64 with 15 years of service for unreduced benefit.</p>
<b>Benefit</b>	<p>Benefit is determined by a formula using your age, years of service credit, and your final average salary (three highest years contributing to SERS).</p> <p>Benefit is calculated by multiplying the number of years of service (up to 30) by 2.2% of the FAS and by 2.5% for each year above 30 years of service credit.</p> <p>Reduced benefits are available based on age and years of service. Please check the website for details.</p>	<p>Your benefit is determined by your account balance and the payment option you choose when you apply to receive benefits.</p> <p>The account balance is made up of contributions made by you and the University and the gains or losses of this investment account.</p> <p>Withdrawals before age 59 1/2 may be subject to a federal excise tax.</p>	<p>Members who work in law enforcement must participate in the Traditional Pension Plan. This plan provides lifetime payments based on a formula that includes your length of career and salary history. Final average salary is based on the average of your three highest years for Groups A &amp; B or the five highest years of salary for Group C. Survivor benefits eligible at 18 months and disability benefits at five years.</p> <p>Reduced benefits are available based on age and years of service. Please check the website for details.</p>
<b>Contributions and Vesting</b>	<p><b>Employee:</b> You contribute 10% of your gross pay.</p> <p><b>Employer (UA):</b> Contributes 14% of your gross pay to SERS.</p> <p>The entire employer contribution is made to SERS to fund the benefits. Your contributions are immediately vested.</p>	<p><b>Employee:</b> You contribute 10% of your gross pay, subject to federal limits, on a pre-tax basis.</p> <p><b>Employer (UA):</b> Contributes 14% of your gross pay to your Defined Contribution Plan with 3.48% of the this portion sent to SERS for unfunded liability.</p> <p>Your contributions are immediately vested. Employer contributions are vested as follows:  <i>less than 2 years: 0%</i>  <i>2-5 years: 50%</i>  <i>5+ years: 100%</i></p>	<p><b>Employee:</b> You contribute 13% of your salary.</p> <p><b>Employer (UA):</b> Contributes 18.1% of your gross pay.</p>

# Ohio Public Employees Retirement System (OPERS) Options

277 East Town St.  
Columbus, OH 43215-4642  
(800) 222-7377 [www.opers.org](http://www.opers.org)

Feature	Traditional Plan	Member –Directed Plan	Combined Plan	Alternative Retirement Plan
<b>Eligibility</b>	<p>You are eligible for a benefit at age 67 with five years of service or age 55 with 32 years of service.</p> <p>Reduced benefits are available based on age and years of service. Please check the website for details.</p>	<p>Upon retirement members can take a lifetime annuity at age 55.</p>	<p>You are eligible for a benefit at age 67 with five years of service or age 55 with 32 years of service.</p> <p>Reduced benefits are available based on age and years of service. Please check the website for details.</p>	<p>Participants may withdraw the value of their account upon ending employment with the University.</p>
<b>Benefit</b>	<p>Benefit is determined using your years of service and salary history (average of your five highest years of salary).</p>	<p>Benefit is determined by vested account balance at age of retirement.</p>	<p>Benefit is determined using your years of service, salary history (average of your five highest years of salary), and your vested account balance at age of retirement.</p>	<p>Your benefit is determined by your account balance and the payment options you choose when you apply to receive benefits.</p> <p>The account balance is made up of contributions made by you and the University and the gains or losses of this investment account.</p> <p>Withdrawals before age 59 1/2 may be subject to a federal excise tax.</p>
<b>Contributions</b>	<p><b>Employee:</b> You contribute 10% of your earnable salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your earnable salary.</p> <p>The entire employer contribution is made to OPERS to fund the benefits. OPERS manages investments. Your contributions are immediately vested.</p>	<p><b>Employee:</b> You contribute 10% of your earnable salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your earnable salary with 7.5 going to your investment account Plan, 4% to your Retiree Medical Account, and 2% to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law, and .5% administrative fee.</p> <p>Member manages investments. Your contributions are immediately vested. Employer vesting requirements vary by years of service so please check the OPERS website for updated information.</p>	<p><b>Employee:</b> You contribute 10% of your earnable salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your earnable salary 12% going to your investment account and 2% to the OPERS Traditional Pension Plan to help fund past service liabilities.</p> <p>Member and OPERS manage investments. Your contributions are immediately vested. Employer vesting requirements vary by years of service so please check the OPERS website for updated information.</p>	<p><b>Employee:</b> You contribute 10% of your salary.</p> <p><b>Employer (UA):</b> UA contributes 14% of your earnable salary to your ARP with 2.44% goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law. This is also referred to as the mitigating rate.</p> <p>Employee contributions are immediately vested. Employer contributions are vested as follows:  <i>less than 2 years: 0%</i>  <i>2-5 years: 50%</i>  <i>5+ years: 100%</i></p>

\* Contributing service credit includes contributing service (for which contributions were made to STRS Ohio, OPERS, or SERS at the time of employment) and withdrawn service that has been restored in one of those systems. Also included is credit purchased for public teaching in Ohio after July 1978; military service; police, fire or highway patrol service; leaves of absence pursuant to Section 3307.77, R.C.; Cincinnati Retirement System service acquired under 3307.763, R.C.; and service purchased as a result of resignation due to pregnancy.

## OPTIONAL INVESTMENT OPPORTUNITIES: 403 (b) and 457 (b) Plans

Contacts and Options	403(b)	403(b) Roth	457	ARP
<b>AIG (formally VALIC)</b> Anthony Bucceri ▪ (216) 314-3672 ▪ anthony.bucceri@aig.com James Musengo ▪ (216) 470-0667 ▪ james.musengo@aig.com		X	X	X
<b>Ameriprise Financial Inc.</b> Marie Chiarucci ▪ (330) 650-2550 ▪ marie.k.chiarucci@ampf.com	X			
<b>AXA Equitable Advisors</b> David Peterson ▪ (330) 664-1802 ▪ David.Peterson@axa-advisors.com Michael Peterson ▪ (330) 664-1829 ▪ Michael.Peterson@axa-advisors.com	X	X		X
<b>D &amp; E Financial Services (Nationwide) (330) 434-0344</b> Bruce.Koellner@definancial.net / Bryan.Hummel@definancial.net / Qetler.Jensrud@definancial.net	X	X	X	X
<b>Lincoln National Life</b> Ryan Wade ▪ Ryan.Wade@lfg.com	X	X		X
<b>Massachusetts Mutual</b> Mary Jo Gilligan ▪ (440) 746-8711 ▪ mgilligan@financialguide.com	X			
<b>Milestone Center</b> Dee Siegfert ▪ (330) 644-0284 ▪ dee@themilestonecenter.com	X			
<b>Ohio Deferred Compensation</b> Myra Bulls (330) 285-5222 BullsJ@nationwide.com Main Phone (877) 644-6457 ▪ Fax (614) 222-9457 ▪ www.Ohio457.org			X	
<b>PFS Investments</b> Ketan Parekh ▪ (330) 836-6555 ▪ kparekh@primerica.com Carl Ulich (330) 346-0351 Cathy McReynolds (330) 573-8082	X	X		
<b>TIAA-CREF</b> Donald P. Denault ▪ (877) 842-2334 x266020 ▪ ddenault@tiaa.org	X	X	X	X
<b>VOYA Financial Advisors</b> David Cushing ▪ (330) 471-8897 ▪ David.Cushing@voyafa.com	X	X	X	X
<b>Women's Life</b> (800) 521-9292 ▪ website@womanslife.org	X			