



# Retiring with SERS



## Membership in SERS



SERS is a **defined benefit (DB) plan**:

- A **DB plan** guarantees you a lifetime pension in a specified amount based upon your: age, final average salary, and years of service
- It is different from a defined contribution plan, such as a 401(k)



## Earning Service Credit



- Fiscal year: July 1 – June 30
- 120 days in a fiscal year = 1 year of service credit
- One day includes **paid**:
  - Work day
  - Holiday
  - Personal day
  - Sick day
  - Vacation day



## Purchasable Service



- Refunded
- Military
- Other Ohio retirement system credit
- Federal, other school employment, other public employment
- Non-Contributing
- Early Retirement Incentive (ERI)
- Leave of Absence



## SERS, OPERS, and STRS



- Your accounts may be combined
- Only one year of service credit can be earned in any 12-month period
- Service credit combined at retirement
- System with the greatest service credit = paying system



## Pension Reform



- Members with 25+ years of service on Aug. 1, 2017 can retire under current age and service eligibility requirements
- Changes to eligibility for those retiring after **Aug. 1, 2017**



# Current Retirement Eligibility

Years of Service Credit	Age
5	60
25	55
30	Any Age



## Eligibility Beginning Aug. 1, 2017

Years of Service Credit	Age
10	62
25	60
30	57

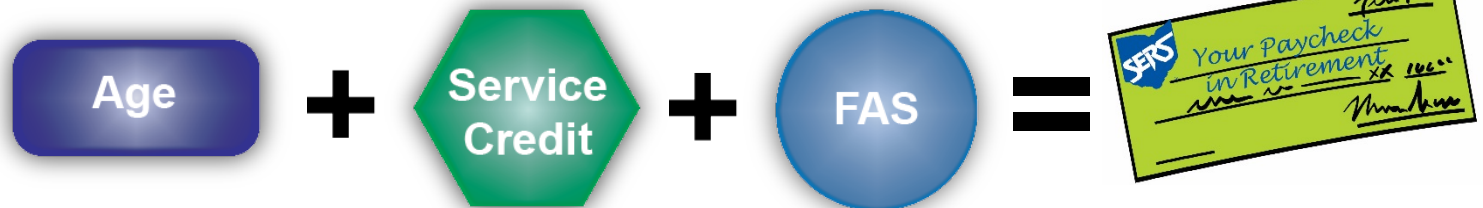




## Pension Based On:



- Age
- Service Credit
- Final Average Salary (FAS)



## Things to Consider



- Marital Status
- Health
- Finances
- Beneficiary Needs for Health Care



## Plans of Payment

<p><b>Plan A – Joint Survivor Allowance</b> To you for life. After your death, one-half of this amount to your spouse for life</p>	<p><b>Member Amount</b>      \$446.84 <b>Beneficiary Amount</b>      \$223.42</p>
<p><b>Plan B – Single Life Allowance</b> Maximum monthly allowance to you for your life only.</p>	<p>\$488.31</p>
<p><b>Plan C – Joint Survivor Allowance</b> To you for life. After your death, other proportionate amount to your beneficiary.</p>	<p><b>Member Amount</b>      \$469.75 <b>Beneficiary Amount</b>      \$100.00</p>
<p><b>Plan D – Joint Survivor Allowance</b> To you for life. After your death, the same amount to your beneficiary.</p>	<p><b>Member Amount</b>      \$411.87 <b>Beneficiary Amount</b>      \$411.87</p>
<p><b>Plan E – Guaranteed Allowance Certain and Continuous</b> 5 Years Certain – To you for life. After your death, the same amount to your beneficiary(s) (Expires 6/30/2021)  10 Years Certain – To you for life. After your death, the same amount to your beneficiary(s) (Expires 6/30/2026)  15 Years Certain – To you for life. After your death, the same amount to your beneficiary(s) (Expires 6/30/2031)</p>	<p>\$482.64  \$466.75  \$443.85</p>
<p><b>Plan F – Joint Survivor Allowance, Multiple Beneficiaries</b> To you for life. After your death, other amount to your beneficiaries.</p>	<p>Contact SERS for estimate</p>

## Life-Changing Events



- Death of Beneficiary
- Divorce
- Marriage or Re-marriage

Pop Up



Pop Down





## Partial Lump Sum Option Payment (PLOP)

- Available only at time of retirement
- 6 to 36 months of unreduced pension
- Cannot reduce pension more than 50%
- Subject to taxes, Social Security Offset and Windfall
- Rollover available



## Disability Benefits



### Qualifications:

- Minimum five years service credit
- Permanently disabled from your SERS-covered position
- Apply within two years from the date your contributing service stopped



## Death Benefit



- Upon death of service retiree or disability recipient
- One-time, non-taxable \$1,000 payment to your designated beneficiary



## Survivor Benefits



If you die before you begin receiving a monthly service retirement or while you are receiving a disability benefit, your qualifying survivors are entitled to certain benefits.





## Who is Your Beneficiary?



- Specific Designation
- Automatic Succession
  - Spouse
  - Children
  - Parents
  - If none of the above, estate



## Social Security Penalties



- Government Pension Offset (GPO)
- Windfall Elimination Provision (WEP)



# Government Pension Offset

- Applies when receiving Social Security spousal benefit
- Social Security is reduced by two-thirds of the amount of SERS pension
- SERS pension is **NOT** affected

## Offset Example



\$600 (SERS)

\$500 (Social Security)  
- \$400 (2/3 of \$600 = \$400)  
\$100



# Windfall Elimination Provision

- Applies when receiving own Social Security benefit
- Exemption for those with 30 yrs. of substantial earnings under Social Security
- Maximum reduction is 50% of SERS pension amount
- SERS pension is **NOT** affected



## HEALTH CARE COVERAGE



## Moving From Employer Plans



Your coverage will change:

- Employers generally cover more health care costs as part of your compensation package.
- Employer plans are often less expensive due to younger plan participants.



## When Can I Enroll?

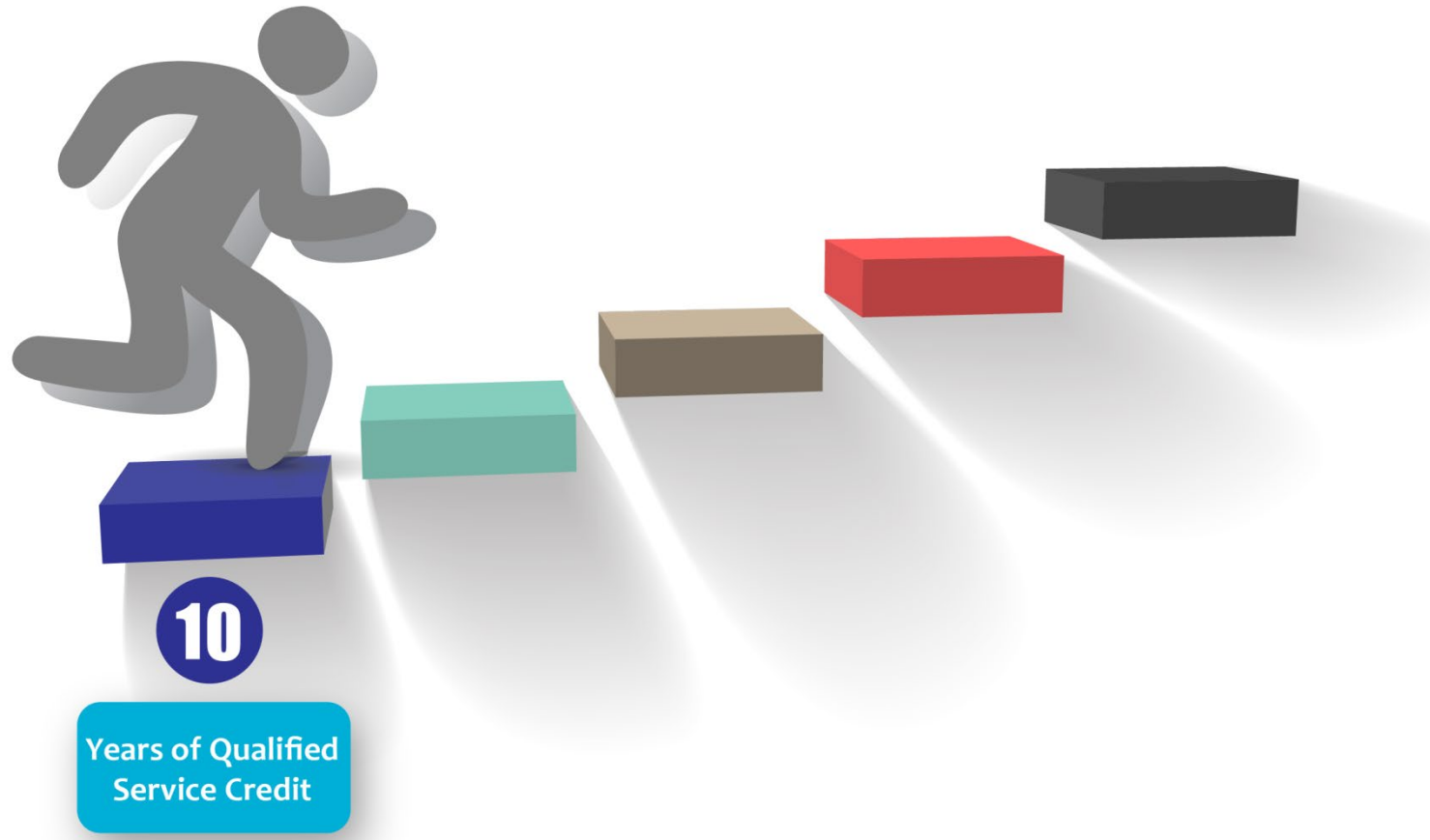


- At retirement
- Age 65
- Involuntary loss of coverage

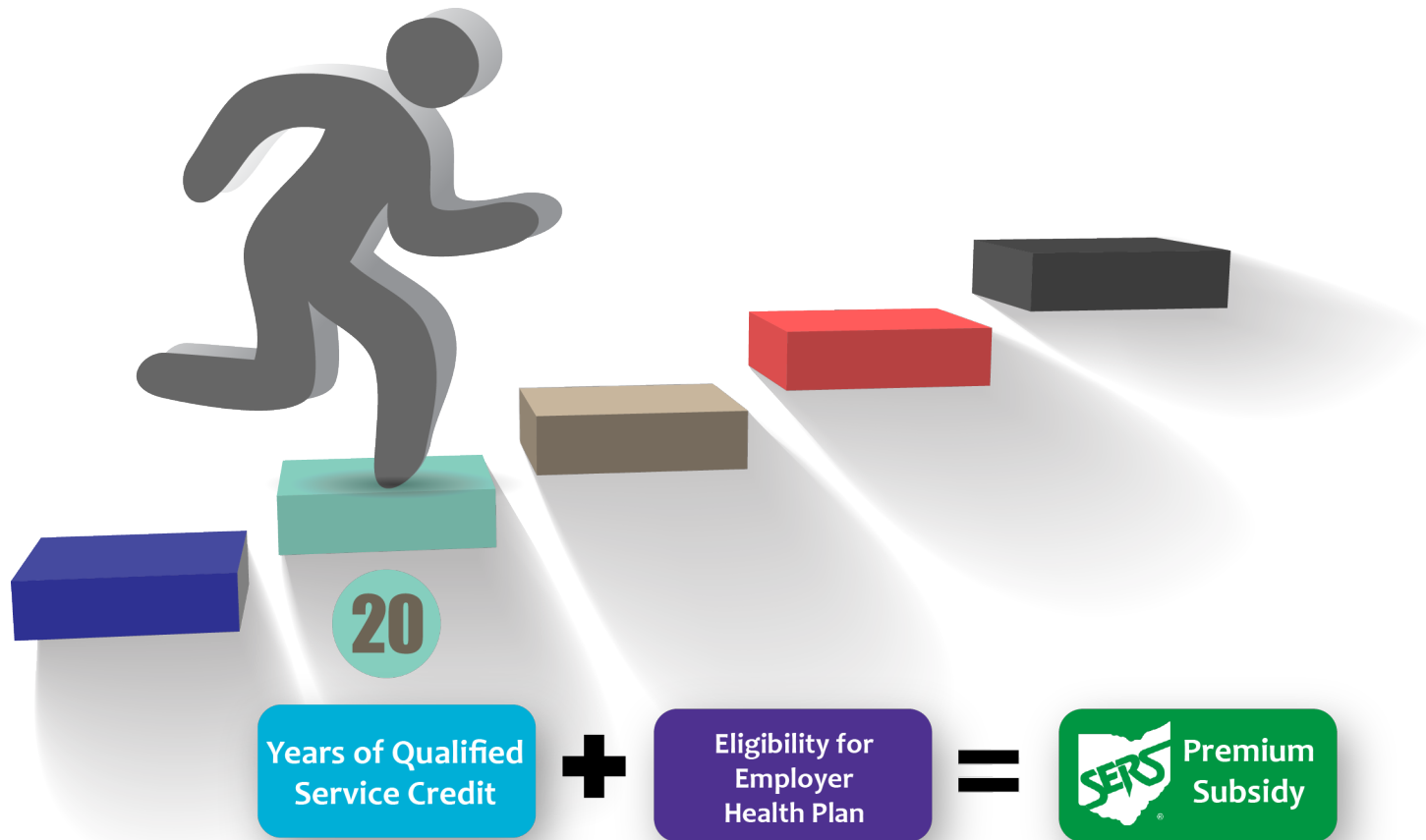




# Eligibility for Health Care



# Premium Subsidies Start at 20 Years



# 2016 Premium Example

SERS Coverage	No Premium Subsidy	Subsidized Premiums		
		20 Years Qualified Service	25 Years Qualified Service	30 Years Qualified Service
Non-Medicare Plan (under age 65)	\$1,241	\$638	\$397	\$276
Medicare Plan	\$253	\$144	\$100	\$79

## New SERS Retiree

- Age 63
- Years of Service: 22
- Final Average Salary: \$32,263
- Monthly Pension: \$1,254



# Supplement Your Retirement

## Ohio Deferred Compensation:

- 457(b) plan
- Pre-tax contributions
- Licensed, trained professionals available to help with enrollment, investor education, and advise your investment decisions

Call 877-644-6457 or  
Visit **Ohio457.org**



OHIO DEFERRED  
COMPENSATION

## Contact Information and Links

- Call SERS toll-free at **800-878-5853**
- Visit our website: **[www.ohsers.org](http://www.ohsers.org)**

- Connect with us:



[facebook.com/SERSofOhio](https://facebook.com/SERSofOhio)



[@SERSofOhio](https://twitter.com/SERSofOhio)

- Social Security Administration:  
**<http://www.ssa.gov/gpo-wep/>**



## Questions?

