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

<table>
<thead>
<tr>
<th>Years of Service Credit</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>60</td>
</tr>
<tr>
<td>25</td>
<td>55</td>
</tr>
<tr>
<td>30</td>
<td>Any Age</td>
</tr>
</tbody>
</table>
# Eligibility Beginning Aug. 1, 2017

<table>
<thead>
<tr>
<th>Years of Service Credit</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>62</td>
</tr>
<tr>
<td>25</td>
<td>60</td>
</tr>
<tr>
<td>30</td>
<td>57</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Plan A – Joint Survivor Allowance</th>
<th>Member Amount</th>
<th>$446.84</th>
</tr>
</thead>
<tbody>
<tr>
<td>To you for life. After your death, one-half of this amount to your spouse for life</td>
<td>Beneficiary Amount</td>
<td>$223.42</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan B – Single Life Allowance</th>
<th>$488.31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum monthly allowance to you for your life only.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan C – Joint Survivor Allowance</th>
<th>Member Amount</th>
<th>$469.75</th>
</tr>
</thead>
<tbody>
<tr>
<td>To you for life. After your death, other proportionate amount to your beneficiary.</td>
<td>Beneficiary Amount</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan D – Joint Survivor Allowance</th>
<th>Member Amount</th>
<th>$411.87</th>
</tr>
</thead>
<tbody>
<tr>
<td>To you for life. After your death, the same amount to your beneficiary.</td>
<td>Beneficiary Amount</td>
<td>$411.87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan E – Guaranteed Allowance Certain and Continuous</th>
<th>$482.64</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Years Certain – To you for life. After your death, the same amount to your beneficiary(s) (Expires 6/30/2021)</td>
<td>$466.75</td>
</tr>
<tr>
<td>10 Years Certain – To you for life. After your death, the same amount to your beneficiary(s) (Expires 6/30/2026)</td>
<td>$443.85</td>
</tr>
<tr>
<td>15 Years Certain – To you for life. After your death, the same amount to your beneficiary(s) (Expires 6/30/2031)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan F – Joint Survivor Allowance, Multiple Beneficiaries</th>
<th>Contact SERS for estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>To you for life. After your death, other amount to your beneficiaries.</td>
<td></td>
</tr>
</tbody>
</table>
Life-Changing Events

- Death of Beneficiary
- Divorce
- Marriage or Re-marriage
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) - $400 (2/3 of $600 = $400) = $100

$600 (SERS) + $100 (Social Security) = $700 (Total Monthly)
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

10 Years of Qualified Service Credit
Premium Subsidies Start at 20 Years
## 2016 Premium Example

<table>
<thead>
<tr>
<th>SERS Coverage</th>
<th>No Premium Subsidy</th>
<th>Subsidized Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>20 Years Qualified Service</td>
</tr>
<tr>
<td>Non-Medicare Plan (under age 65)</td>
<td>$1,241</td>
<td>$638</td>
</tr>
<tr>
<td>Medicare Plan</td>
<td>$253</td>
<td>$144</td>
</tr>
</tbody>
</table>
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
Contact Information and Links

• Call SERS toll-free at 800-878-5853

• Visit our website: www.ohzers.org

• Connect with us:
  facebook.com/SERSofOhio
  @SERSofOhio

• Social Security Administration:
  http://www.ssa.gov/gpo-wep/
Questions?