

Destination: Retirement

# TRAVELING YOUR PATH



Member Benefits Guide







School Employees Retirement System of Ohio  
300 E. Broad St., Suite 100 • Columbus, Ohio 43215-3746  
614-222-5853 • Toll-free 866-280-7377 • www.ohsers.org

## MEMBER BENEFITS GUIDE TABLE OF CONTENTS

<b>About SERS</b> .....	1
<b>Service Credit</b>	
Contributing Service Credit .....	3
Free Service Credit .....	4
Service Credit Purchase .....	4
Military Service .....	9
Other Ohio Retirement Systems .....	10
Early Retirement Incentive Program .....	11
<b>Service Retirement</b>	
Eligibility .....	12
Calculating a Retirement Allowance .....	13
Payment Plans .....	16
Spousal Consent .....	17
Changes .....	17
Cost-of-Living Adjustment .....	18
Partial Lump Sum Option Payment .....	18
Lump Sum Death Benefit .....	18
Guaranteed Return .....	19
Applying for Retirement .....	19
Reemployment .....	20
<b>Disability Benefit</b>	
Eligibility .....	23
Application Process .....	23
Benefit Payment .....	24
Cost-of-Living Adjustment .....	24
Termination of Benefits .....	25
<b>Survivor Benefits</b>	
Eligibility .....	26
Benefit Payments .....	27
Cost-of-Living Adjustment .....	28
<b>Divorce</b>	
Support Orders .....	29
Division of Property Orders .....	29
Continuing Benefit Orders .....	29
<b>Social Security</b>	
The Government Pension Offset (GPO) .....	30
The Windfall Elimination Provision (WEP) .....	31
<b>Taxation</b> .....	32
<b>Direct Deposit</b> .....	33
<b>Health Care Coverage</b>	
Eligibility .....	34
Dependent Coverage .....	34
Coverage Under More than One Ohio Retirement System .....	35

*Continued*

**Revised October 2016**

Enrollment ..... 35  
Waiver and Cancellation ..... 35  
Reemployment ..... 35  
Premiums ..... 36  
Premium Subsidy ..... 36  
Premium Discount Program ..... 37  
2017 Non-Medicare Plans..... 38  
Another Option for Those Under 65 ..... 38  
Medicare ..... 39  
2017 Medicare Plans ..... 40  
Dental and Vision Enrollment..... 41

This publication is for members of the School Employees Retirement System of Ohio (SERS). It provides general information and is not meant to be a substitute for, or conflict with, the law and rules governing SERS.

The Ohio legislature, which can change eligibility requirements and benefits at any time, passed a pension reform law with most provisions becoming effective Jan. 7, 2013. In addition, the SERS Retirement Board can change health care coverage at any time.

The information in this guide is current as of its publication date.

# About SERS

Established by state law in 1937, School Employees Retirement System of Ohio (SERS) is a statewide defined benefit plan that provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public schools; including vocational, technical, and community schools; community colleges; and the University of Akron.

## STAFF

The day-to-day operations are administered by a professional staff led by an Executive Director and Deputy Executive Director.

## SERS RESOURCES

SERS provides additional information through:

- A quarterly newsletter to members, the *News & Views*
- Our website – [www.ohsers.org](http://www.ohsers.org)
- Social Media – our Facebook page at [www.facebook.com/sersofohio](http://www.facebook.com/sersofohio) or on Twitter at [www.twitter.com/sersofohio](http://www.twitter.com/sersofohio)
- Individual counseling at the SERS office Monday through Friday between 8:15 a.m. and 2:45 p.m. Appointments may be scheduled by calling SERS toll-free at 866-280-7377
- Group conferences and seminars. Listings are available on the SERS website, in the *News & Views*, and through special notices for posting on school bulletin boards

## SERS OFFICE INFORMATION

**Office hours:** Monday through Friday, 8 a.m. to 4:30 p.m.

The SERS office is closed to observe the following holidays:

New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. If New Year's Day or Christmas Day occurs on a Saturday, then the office is closed on the previous Friday. If the holiday occurs on a Sunday, then the office is closed on the following Monday. Please visit the SERS website for the actual days the office is closed.

**Location:** 300 E. Broad St., Columbus, Ohio.

Free parking is available in SERS' parking garage. The parking garage is located on Grant Avenue, north of Broad Street.

**Mailing address:** 300 E. Broad St.  
Suite 100  
Columbus, Ohio 43215-3746

**Telephone numbers:** 866-280-7377 (toll-free)  
614-222-5853 (local)

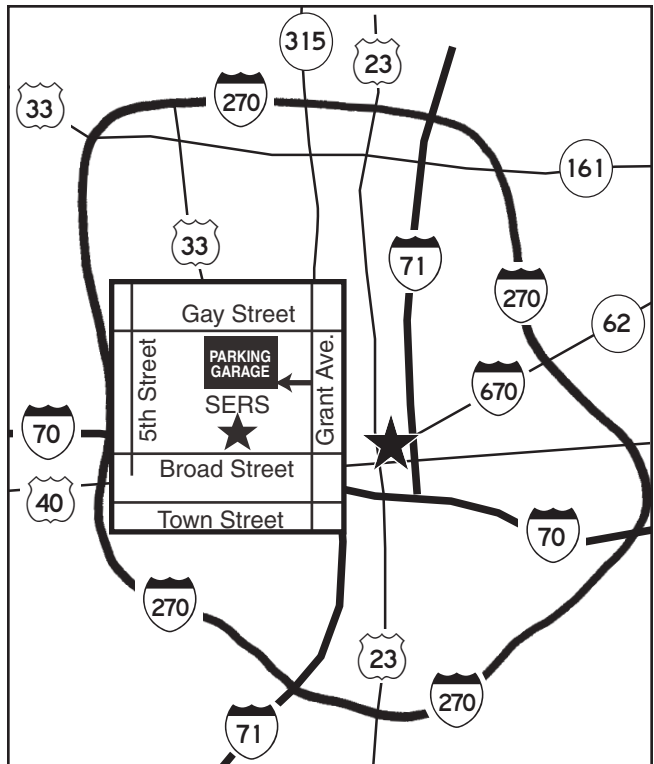
## DIRECTIONS TO SERS

**If traveling from the north:** Take I-71 to exit #108B, turn right on Broad Street. Turn right on Grant Avenue, and left at the 300 E. Broad parking garage entrance.

**From the south:** Take I-71 north to I-70 east to the Fourth Street /Livingston Avenue exit #100B onto Fourth Street. Turn right on Town Street, then left on Grant Avenue. The 300 E. Broad parking garage entrance is on the left.

**From the west:** Take I-70 to the Fourth Street /Livingston Avenue exit #100B onto Fourth Street. Turn right on Town Street, then left on Grant Avenue, then left into the 300 E. Broad parking garage.

**Coming from the east:** Take I-70 to I-71 North. Take the Broad Street exit #108B and turn left on Broad Street. Turn right on Grant Avenue, and then left into the 300 E. Broad parking garage.



# Service Credit

The amount of your service credit determines:

- Eligibility for retirement or disability benefits
- The amount of your benefit
- Eligibility for health care coverage and the amount of the premium

It also determines the eligibility of your dependents for survivor benefits, the amount of benefits, and availability of health care coverage. Service credit is accrued through contributions during school employment, for other periods at no cost, and for other service that may be purchased.

## CONTRIBUTING SERVICE CREDIT

You receive service credit for the time you work for a school, college, or university; this is called contributing service credit. One year of service credit is granted upon completion of 120 or more days of paid school employment within a fiscal year (July 1 through the following June 30). There is no distinction between a full-time, part-time, or substitute position in granting this service credit. Any portion of a day constitutes one full day. Paid days that are used, such as sick and vacation, count toward the 120 days.

If you work fewer than 120 days, you will receive a fractional amount of service credit prorated on the basis of a 180-day school year with the result shown in the following chart.

Days	Percent	Days	Percent	Days	Percent	Days	Percent	Days	Percent	Days	Percent
1	.006	21	.117	41	.228	61	.339	81	.450	101	.561
2	.011	22	.122	42	.233	62	.344	82	.456	102	.567
3	.017	23	.128	43	.239	63	.350	83	.461	103	.572
4	.022	24	.133	44	.244	64	.356	84	.467	104	.578
5	.028	25	.139	45	.250	65	.361	85	.472	105	.583
6	.033	26	.144	46	.256	66	.367	86	.478	106	.589
7	.039	27	.150	47	.261	67	.372	87	.483	107	.594
8	.044	28	.156	48	.267	68	.378	88	.489	108	.600
9	.050	29	.161	49	.272	69	.383	89	.494	109	.606
10	.056	30	.167	50	.278	70	.389	90	.500	110	.611
11	.061	31	.172	51	.283	71	.394	91	.506	111	.617
12	.067	32	.178	52	.289	72	.400	92	.511	112	.622
13	.072	33	.183	53	.294	73	.406	93	.517	113	.628
14	.078	34	.189	54	.300	74	.411	94	.522	114	.633
15	.083	35	.194	55	.306	75	.417	95	.528	115	.639
16	.089	36	.200	56	.311	76	.422	96	.533	116	.644
17	.094	37	.206	57	.317	77	.428	97	.539	117	.650
18	.100	38	.211	58	.322	78	.433	98	.544	118	.656
19	.106	39	.217	59	.328	79	.439	99	.550	119	.661
20	.111	40	.222	60	.333	80	.444	100	.556	120	1.000

Except for state employees, if you are on leave under a disability leave program with your employer and receive a percentage of your salary, your employer pays both your contribution and the employer's contribution, and you will earn contributing service credit. For state employees on leave under a disability leave program, the employee continues to pay the employee's contribution for the first three months of the leave; after the three months, the employer pays both the employee and employer contributions.

## **FREE SERVICE CREDIT**

You may receive additional service credit at no cost for periods you received **Workers' Compensation**. If you were off the payroll due to a school-connected injury and received Workers' Compensation, you may receive up to three years of service credit for this time with proof of such compensation.

You also may receive additional service credit at no cost for periods you received a disability benefit. To receive service credit for the period you received a disability benefit, you must earn two years of service credit after the SERS disability benefit has been terminated.

## **SERVICE CREDIT PURCHASE**

Additional service credit may be available to you for purchase.

If you qualify to purchase other types of service credit, SERS will send you a statement for the cost of the credit. You can purchase all or a part of the service credit by:

- making payments directly to SERS in one or more installments
- tax-deferred payroll deduction if your employer offers this type of payment plan

Under a payroll deduction plan, only one payment a month is deducted from your salary; and, due to federal tax law, once you select this method of payment you cannot change it until the purchase for all the credit is completed.

You also can purchase allowable service credit with funds rolled over from another qualified plan, such as another employer retirement program [Internal Revenue Code (IRC) 401(a)], an Individual Retirement Account (IRA), an IRC 403(a) annuity, an IRC 403(b) plan, or a governmental Deferred Compensation Program under IRC 457.

All service credit must be purchased before you retire.

## **Refunded**

If you had previous SERS service credit and received a refund of your contributions for this previous service after you left employment, you may restore this service credit. In order to purchase this credit, you must have returned to employment covered by SERS, State Teachers Retirement System of Ohio



(STRS), Ohio Public Employees Retirement System (OPERS), the Ohio Police & Fire Pension Fund (OP&F) or the Ohio Highway Patrol Retirement System (HPRS) for at least a year and a half (1½). The cost of the purchase is the amount of your contributions for the contributing service, and interest from the month of the original refund to the date of payment.

## Leave of Absence

If you were on an employer-approved unpaid Leave of Absence (LOA) from your school employer, you may purchase the LOA credit for this time by paying both the employee and employer contributions, plus interest. A LOA period begins on the first day of the approved leave for which contributions were not made, and ends when the approved leave ends or when the member returns to contributing service, whichever happens first.

Service credit may be purchased for multiple leaves of absence. The total years purchased cannot exceed five years, and the maximum amount of service that may be purchased for a period of leave is two years.

## Non-contributing Service with a SERS-covered Employer

- **Exempt**

For any service **on or after July 1, 1991**, you may purchase credit for service in a position for which SERS' membership was compulsory, but for which you were permitted to, and did, sign an exemption from membership form. The cost for each year of service credit is 20% of your current year's compensation.

Under certain circumstances, you may purchase STRS or OPERS exempt service credit with SERS. The cost for each year is 20% of your current year's SERS compensation.

You cannot purchase this credit if your compensation for such service was subject to taxes under the Federal Insurance Contributions Act (FICA).

- **Optional**

For any service **before July 1, 1991**, you may purchase credit for service in a position for which SERS' membership was optional, and you did not choose to become a member. Your cost for each year of service credit is an amount equal to your employee contributions in effect at the time plus interest and the employer contributions in effect at the time plus interest.

- **Compulsory**

If you were employed by a school for a period **before July 1, 1991**, and membership was required, but contributions were not paid, your employer for that service is required to pay the employer contributions in effect at the time plus interest, and you must pay the employee contributions in effect at the time plus interest.

If you were employed by a school for a period **on or after July 1, 1991**, and membership was required, but contributions were not paid, your em-

ployer for that service is responsible to pay both the employee and employer contributions in effect at the time plus interest.

## **Other Government or School Service**

You may purchase credit for service with:

- A public or private school, college, or university in another state, or operated by the federal government, which has been chartered or accredited by the proper government agency
- The federal government, or non-Ohio government employers, if the service in a comparable position in Ohio would have been covered by SERS, STRS, OPERS, OP&F, or HPRS
- An Ohio municipal retirement system except the Cincinnati Retirement System

The maximum amount of service credit that may be purchased is the lesser of five years, or the total years of your Ohio service credit. If you combine your SERS service credit with any STRS and/or OPERS service credit you have at retirement, the total amount of service credit is limited to five years among all the systems. The service credit is not available if it is or will be used in another retirement benefit except for Social Security. For each year of credit, you must pay contributions based on the first year of full-time SERS-covered employment following termination of the service to be purchased plus interest from the date of SERS' membership to the date of payment.

## **Resignation Due to Pregnancy or Adoption of a Child**

If you were required to resign because of pregnancy or adoption of a child, you may purchase service credit for this time. You must have returned to work by the beginning of the third school year after the resignation and earned a year of contributing service credit after the return to work. You cannot purchase more than a total of two years service credit. For each year of credit, you must pay contributions based on the first year of full-time SERS-covered employment after returning to work plus interest from the date of the return to work to the date of payment. Your employer at the time of the resignation also must pay the employer contributions and interest.



School Employees Retirement System of Ohio

## Service Credit Request

Please provide me with forms and details for establishing credit for the following service:

- Military duty** (*Attach copy of your official Report of Separation showing first and last dates of active military service.*)
  - First year of Ohio public service and employer \_\_\_\_\_
  - My present or most recent public employer \_\_\_\_\_
  - I plan to purchase my military service in (month) \_\_\_\_\_ (year) \_\_\_\_\_
- Other Government Service**     **OPERS**     **STRS**
- Other school employment outside the public school system in Ohio**
- Uniformed service—Ohio Police & Fire or State Highway Patrol**
- Former public school service in Ohio as indicated:**
  - Credit cancelled by refund     Leave of absence     Workers' Compensation     Exempted Service
  - Compulsory service (Should have been a SERS member based on job held with School District)

-		-		-		-		-		-	

Name: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

**Mail to:** School Employees Retirement System of Ohio, 300 E. Broad St., Suite 100, Columbus, Ohio 43215-3746



# MILITARY SERVICE

There are several ways to obtain military service credit depending on when you entered the service and returned to public employment. These include the following.

## Free

If you were a SERS member for at least one year, left school employment for active duty in the armed forces, and returned to public service covered by SERS, STRS, or OPERS within two years of an honorable discharge, you may obtain up to 10 years of free military service credit. You must submit a copy of your discharge or certificate of service notice. Duty in the armed forces includes active duty in: the Army, Navy, Air Force, Marine Corps, Coast Guard, auxiliary corps as established by Congress, Army and Navy nurse corps, Red Cross nurse serving with the Army, Navy, Air Force, or U.S. hospital service, full-time service with the American Red Cross in a combat zone; or military national guard and reserve units called to active duty. This service cannot be added if it is or will be used in any other retirement program except Social Security. There is no cost for this service.

## Interrupted

If you are not eligible to receive free credit for military service that interrupted your school employment described above, you may purchase up to five years of military service credit, but only if you:

- Worked for a SERS-covered employer and had been a SERS member
- Entered the military while still employed
- Returned to work with the same employer within three months of your honorable discharge or release from military service
- Maintained SERS' membership

Your cost is only the employee contributions in effect at the time if you had remained on the school's payroll. Interest is added to the amount of employee contributions if you do not pay the contributions due within a certain time period. Your employer would pay the employer contributions.

## Other Military Service

If you are not eligible to receive free or interrupted military service credit as described above, you may still purchase your military service.

You may purchase up to five years of active duty in the armed forces, and up to an additional five years for time spent as a prisoner of war. If you combine your SERS service credit with any STRS and/or OPERS service credit you have at retirement, the total amount of service credit is limited to five years among all the systems. The cost to you for each year of service credit is an

amount equal to the employee contributions in effect at the time the military service began applied to your compensation for the first year of full-time employment covered by SERS, STRS, or OPERS following the end of the military service, plus interest from the date of reemployment to the date of payment.

You must send SERS a copy of your discharge (DD Form 214), or separation notice. This service cannot be purchased if it has been or will be used in any other retirement program except Social Security or retired pay for non-regular service under 10 U.S.C. 12731-12739, or if you contributed to SERS during the same period of time.

### **School Board Member Service**

If you were a school board member or governing board member before July 1, 1991, you may be eligible to purchase .250 of a year for each year of board service. You must pay the actual liability for this service credit. It can be purchased no sooner than 90 days before retirement. If this service was at the same time of other SERS service credit it cannot be purchased. A school board member is a member of a city, local, exempted village, or joint vocational school district board of education. A governing board member is a member of an educational service center governing board.

## **OTHER OHIO RETIREMENT SYSTEMS**

### **STRS and OPERS**

If you have been employed in a job covered by STRS or OPERS as well as in a job covered by SERS, at retirement you may retire independently from each of the systems if you are eligible, or you may combine your service credit and accounts in all the systems to receive one benefit. The system with the greatest service credit will be the system that will calculate and pay your benefit. While your salaries in one year will be added together, if you have service credit in each system for the same year, you cannot be credited with more than one year of service credit for each 12 months in a year. You also may combine service credit and accounts for a disability benefit.

### **Cincinnati Retirement System**

Credit may be purchased for former service covered by the Cincinnati Retirement System (CRS). If your contributions in CRS are still on deposit, they can be transferred to SERS, including any amounts paid for the purchase of military service. If you withdrew the contributions, you may purchase the CRS time after contributing to SERS for 18 months. Your cost for each year is an amount equal to the amount refunded by the CRS for your contributing service and any purchased military service, plus the amount of interest, if any, you received when the refund was paid. You cannot purchase this serv-

ice credit if it is or will be used in the payment under any other retirement program.

## **Ohio Police & Fire Pension Fund or Ohio Highway Patrol Retirement System**

Credit may be purchased for former service as an Ohio firefighter, police officer, or highway patrol officer. If your contributions in the other system are still on deposit, they may be transferred to SERS, including any amounts paid for the purchase of military service. If you withdrew the contributions, you may purchase the OP&F or HPRS time. Your cost for each year is an amount equal to the amount refunded by the other system for your contributing service and any purchased military service, plus interest from the date of the refund to the date of payment. You cannot purchase this service credit if it is or will be used in the payment under any other retirement program.

## **EARLY RETIREMENT INCENTIVE PROGRAM**

Your employer may establish an Early Retirement Incentive program (ERI), which would allow eligible employees to retire early or increase their service credit for retirement. Eligible employees are those 57 years or older. Under an ERI, an employer may purchase up to five years of service credit for eligible employees. If an employer has an ERI, the employer notifies all eligible employees of the plan and its requirements.

# Service Retirement

## ELIGIBILITY

You can retire at the earliest age you are eligible, or at a later age of your choosing. However, you must apply for retirement and begin receiving your benefit no later than April 1 of the calendar year following the year in which you are 70½ years old, unless you are working in a job covered by SERS, STRS, or OPERS.

If you do not have 25 years of service credit as of Aug. 1, 2017, and retire after Aug. 1, 2017, you are subject to the pension reform law that went into effect Jan. 7, 2013. This means:

- In order to retire with full pension benefits, a member must be age 67 with 10 years of service, or age 57 with 30 years of service
- To retire with reduced benefits, a member must be age 62 with 10 years of service; or age 60 with 25 years of service

Pension reform includes a phase-in period for long-time members. The phase-in period grandfathers those members with 25 years or more of service on Aug. 1, 2017, to retire under current age and service retirement requirements.

Your effective retirement date is the first of the month following the later of:

- Your last day of employment
- Meeting the minimum service credit and age requirements
- The date you choose

If you retire earlier than age 67, your pension amount will be reduced. Although, if you have at least 30 years of service credit and are younger than 67, the pension amount will not be reduced. In other words, if you retire with at least 30 years of service credit, or at age 67, your pension payment will not be reduced.

If you do stop working and apply for retirement at an age after your first eligible age, you may choose to have your pension started on the first of the month after you apply or on the first of the month after you were first eligible for a benefit. The advantage to selecting the first of the month after you were first eligible is that you will have a retroactive retirement resulting in a retroactive payment for all the months due from the earlier date. Health care coverage cannot be retroactive. The advantage to selecting the first of the month after you actually apply for retirement is that you will receive a larger monthly pension benefit because you delayed until a later age.



## Buy-Up Option

Members who will have fewer than 25 years of service credit as of Aug. 1, 2017, can buy up into the current eligibility requirements if they pay the actuarial difference between the benefit they would have received under the new requirements, and the benefit they may receive under the current requirements.

Members who want to buy up must complete their one-time payment on or before Aug. 1, 2017.

## CALCULATING A RETIREMENT ALLOWANCE

The calculation of your benefit is determined using your salary, service credit, and age.

The **salary** used is your Final Average Salary (FAS), which is the average of your three highest years of salary. If you have more than one covered job, the salaries will be combined.

The **service credit** used is the total service credit you have at the time you retire including any additional service credit that you may obtain either without cost or by purchase. Any such service credit must be added or purchased before you retire.

The **age** used to calculate a retirement allowance is your actual age at the time you retire.

The formula used in calculating a retirement allowance is as follows:

1. The value of a year of service credit is determined by multiplying your FAS by 2.2%, and by 2.5% for each year above 30 years of service credit. If the result is less than \$86.00, then \$86.00 is the value of each year.
2. The number of years of service credit is then multiplied by this value of each year. The result is the annual retirement allowance for a member with 30 years of credit or who is age 67 at the time of retirement. Divide this amount by 12 to determine your gross monthly payment amount.
3. If the member is under 67 at the time of retirement, and retirees with less than 30 years of service credit, the annual retirement allowance is reduced.

You can determine an estimate of your benefit amount by:

- Requesting an estimate from SERS
- Using the Online Account Benefit Calculator. This will provide an estimate using your SERS account information maintained by the retirement system. Once you are at the website, click on the Member Account Login. After you create your account, follow the Benefit Calculator instructions.
- Using the Table on page 14. How to use the table: If the average of your three highest years of salary is greater than \$3,909, you can find the percentage number located at the intersection of your years of service credit and your age. You then can multiply your FAS by the percentage number to estimate your annual retirement allowance amount.

## Retirement Prior to August 2017

Unreduced benefit - Any age and 30 years or Age 65 and 5 years

Reduced benefit - Age 55 and 25 years or Age 60 and 5 years

Years of Service Credit	Attained Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65
5						9.3%	9.6%	10.0%	10.3%	10.6%	11.0%
6						11.2	11.6	12.0	12.4	12.8	13.2
7						13.0	13.5	14.0	14.4	14.9	15.4
8						14.9	15.4	16.0	16.5	17.0	17.6
9						16.6	17.4	18.0	18.6	19.2	19.8
10						18.7	19.3	20.0	20.6	21.3	22.0
11						20.5	21.2	22.0	22.7	23.4	24.2
12						22.4	23.2	24.0	24.8	25.6	26.4
13						24.3	25.1	26.0	26.8	27.7	28.6
14						26.1	27.1	28.0	28.9	29.8	30.6
15						28.0	29.0	30.0	31.0	32.0	33.0
16						29.9	30.9	32.0	33.0	34.1	35.2
17						31.7	32.9	34.0	35.1	36.2	37.4
18						33.6	34.8	36.0	37.2	38.4	39.6
19						35.5	36.7	38.0	39.2	40.5	41.8
20						37.4	38.7	40.0	41.3	42.6	44.0
21						39.2	40.6	42.0	43.4	44.8	46.2
22						41.1	42.5	44.0	45.4	46.9	48.4
23						43.0	44.5	46.0	47.5	49.0	50.6
24						44.8	46.4	48.0	49.6	51.2	52.8
25	41.2%	41.2%	41.2%	41.2%	44.0%	46.7	48.4	50.0	51.7	53.3	55.0
26	45.7	45.7	45.7	45.7	45.7	48.6	50.3	52.0	53.7	55.4	57.2
27	50.4	50.4	50.4	50.4	50.4	50.4	52.2	54.0	55.8	57.6	59.4
28	55.4	55.4	55.4	55.4	55.4	55.4	55.4	56.0	57.9	59.7	61.6
29	60.6	60.6	60.6	60.6	60.6	60.6	60.6	60.6	60.6	61.8	63.8
30	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0
31	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5
32	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0
33	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5
34	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0
35	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5
36	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0
37	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5
38	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
39	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5
40	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0
41	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5
42	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0
43	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5
44	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

## Retirement After August 2017

Unreduced benefit - Age 57 and 30 years or Age 67 with 10 years

Reduced benefit - Age 60 and 25 years or Age 62 and 10 years

Years of Service Credit	Attained Age at Retirement										
	57	58	59	60	61	62	63	64	65	66	67
10						12.9%	14.3%	15.9%	17.7%	19.7%	22.0%
11						14.2	15.7	17.4	19.4	21.7	24.2
12						15.5	17.1	19.0	21.2	23.6	26.4
13						16.8	18.6	20.6	23.0	25.6	28.6
14						18.0	20.0	22.2	24.7	27.6	30.6
15						19.3	21.4	23.8	26.5	29.5	33.0
16						20.6	22.8	25.4	28.3	31.5	35.2
17						21.9	24.3	27.0	30.0	33.5	37.4
18						23.2	25.7	28.6	31.8	35.4	39.6
19						24.5	27.1	30.1	33.6	37.4	41.8
20						25.8	28.6	31.7	35.3	39.4	44.0
21						27.1	30.0	33.3	37.1	41.3	46.2
22						28.4	31.4	34.9	38.9	43.3	48.4
23						29.7	32.8	36.5	40.6	45.3	50.6
24						30.9	34.3	38.1	42.4	47.3	52.8
25				41.3%	41.3%	41.3	41.3	41.3	44.2	49.2	55.0
26				45.8	45.8	45.8	45.8	45.8	45.9	51.2	57.2
27				50.5	50.5	50.5	50.5	50.5	50.5	53.2	59.4
28				55.4	55.4	55.4	55.4	55.4	55.4	55.4	61.6
29				60.6	60.6	60.6	60.6	60.6	60.6	60.6	63.8
30	66.0%	66.0%	66.0%	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0
31	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5
32	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0
33	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5
34	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0
35	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5
36	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0
37	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5
38	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
39	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5
40	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0
41	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5
42	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0
43	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5
44	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

# PAYMENT PLANS

When you apply for retirement, you must choose a payment plan. There are two categories of plans. One category pays a monthly benefit to you for your life with no further payments after your death; this is Plan B, a single life allowance. This plan pays the highest monthly allowance to you. The other category, Joint Survivor plans, pays a monthly allowance to you for your life and after your death provides a continuing benefit to your designated beneficiary. The plans in this category are: Plan A, C, D (Joint Life plans), E (Limited Life plan), and F (Multiple Beneficiaries plan). Choosing one of these plans will result in a reduced monthly allowance to you depending on your age and your beneficiary's age and the plan chosen.

The information below describes the payment plans. No matter which plan you choose, you will receive an allowance for your life.

- **PLAN A (Joint Life Spouse)**

Your spouse will receive one-half of your monthly allowance amount for the spouse's life beginning after your death.

- **PLAN B (Single Life Allowance)**

You receive the highest amount for your life but after your death there is no continuing benefit to your beneficiary. If the amount paid to you during your life does not equal the amount of your employee contributions, then the difference between the amount of contributions and the benefit payments will be paid to your beneficiary in a lump sum. If you designate multiple beneficiaries, any amount due the beneficiaries will be distributed equally among them.

- **PLAN C (Joint Life Designated Amount)**

You can designate a set percentage or dollar amount for your beneficiary for the beneficiary's life. This cannot exceed whatever you received; but, if you designate a dollar amount, the minimum must be \$100 a month. In limited circumstances federal tax law may require a different minimum amount.

- **PLAN D (Joint Life Same Amount)**

Your beneficiary will receive the same amount you are receiving at your death for the beneficiary's life. Due to federal tax law, if there is too great a difference in the ages between you and your beneficiary other than your spouse, this plan may not be available to you.

- **PLAN E (Limited Life)**

You select a certain time period such as 5 years, 10 years, 15 years or some other period that begins on your effective retirement date. You will receive the amount calculated under this plan for your life. However, if you die before the time period you selected ends, then your beneficiary will receive the same amount you were receiving but only during the remainder of the period you selected. If you die after the time period you selected, your beneficiary will not receive continuing benefits.

- **PLAN F (Joint Life Multiple Beneficiaries)**

This plan allows you to name up to four beneficiaries who will receive monthly benefits after you die. You designate a percentage of your amount, or a flat dollar amount, for each beneficiary. Examples of those you can name include your spouse, adult children, or a former spouse.

## **SPOUSAL CONSENT**

If you are married at the time of retirement, you must select Plan A and designate your spouse as your beneficiary unless your spouse consents to a different plan and/or a different beneficiary. This is done on the retirement application. If your spouse refuses to consent, SERS is required to pay you according to Plan A with your spouse as your beneficiary. Spousal consent is not required if you are under a court order requiring you to select a payment plan naming your former spouse as a beneficiary, and you choose Plan F designating only your former spouse and your current spouse as beneficiaries.

## **CHANGES**

You cannot make changes to Plan E after you have started to receive your retirement allowance.

Under certain circumstances, which may occur after you start to receive your retirement allowance, you may change a plan or beneficiaries for the other plans as detailed below.

- **Death of a beneficiary**

If you choose Plan A, C, or D and your beneficiary dies before you do, your benefit will be changed to a Plan B (Single Life Allowance) with an adjustment in your benefit.

If you choose Plan F and a beneficiary dies before you do, your benefit will be adjusted on the basis of the remaining beneficiary or beneficiaries.

- **Divorce, annulment, or marriage dissolution after retirement**

If you are married at retirement, select a joint life plan with your spouse as a beneficiary, and then the marriage is terminated after retirement, your plan may be adjusted only if your ex-spouse gives written consent or by order of the court.

If you choose plans A, C, or D, your plan may be adjusted to Plan B. If you choose Plan F and your marriage is terminated after retirement, your benefit will be adjusted on the basis of the remaining beneficiary or beneficiaries.

- **Marriage after retirement**

If you are single at retirement, select Plan B and then marry after retirement, you can select a new plan providing for your new spouse. Or, if you

were married at retirement, but you were divorced and able to select Plan B, and then remarried, you can select a new plan providing for your new spouse.

The plan can be Plan A, C, or D. You must make this change within one year of the marriage.

## **COST-OF-LIVING ADJUSTMENT**

Under current law, one year after your effective retirement date, you will receive a three percent (3%) cost-of-living adjustment (COLA). This same COLA is added each year to your base allowance amount on the anniversary of your effective retirement date.

## **PARTIAL LUMP SUM OPTION PAYMENT**

In addition to selecting a payment plan, you may take part of your retirement allowance in a one-time partial lump sum option payment (PLOP). This permanently reduces your lifetime monthly allowance.

The PLOP amount:

- May be from 6 to 36 months of your unreduced retirement allowance, but it cannot reduce your original allowance more than 50%
- Must be taken at retirement and is irrevocable
- Is available only to a member retiring on service retirement
- Is available to a member who is married only if the member's spouse consents to the PLOP

The amount of the reduction in your lifetime monthly allowance is based on your age at retirement.

The PLOP amount may be subject to federal and state income tax for the year received depending on how the allowance was paid. SERS sends an IRS Form 1099-R and Recipient Income Tax Information for the PLOP by January 31 of the year after receipt of the PLOP, to assist the retiree in reporting the amount.

For personalized examples, you can request an estimate which includes a PLOP. Call SERS toll-free at 866-280-7377.

## **LUMP SUM DEATH BENEFIT**

At your death after retirement, your beneficiary is entitled to a one-time lump sum payment of \$1,000 no matter which payment plan you selected. If you have designated multiple beneficiaries, the death benefit is divided equally among them.

## **GUARANTEED RETURN**

You are guaranteed that you and/or a beneficiary will receive the amount you contributed to SERS, including any payments made to purchase additional service credit. This guaranteed amount is returned in the form of monthly benefits or as a lump-sum payment to a beneficiary if there are no further monthly benefits due.

## **APPLYING FOR RETIREMENT**

### **Your First Retirement Payment**

You may be eligible to receive an estimated payment if SERS receives the following at least 30 days before your retirement effective date:

- your fully completed retirement application, and
- necessary birth certificates, marriage certificates, a completed Direct Deposit Form, and any other required documentation

Your estimated retirement allowance payment will be based on payroll and service credit information posted to your account at the time you applied for retirement. Once your employer reports all final pay figures, SERS will finalize your monthly retirement allowance and notify you of the final amount. If the final calculation of your retirement allowance is greater than the estimated amount, we will send you another payment that covers the difference.

### **Monthly Payments**

After your initial payment, all payments will be directly deposited and available on the first of every month. SERS sends a quarterly *Focus* publication, which will include a quarterly statement detailing your current gross monthly allowance and deductions, and these amounts for the year-to-date. You also will receive a statement if there are any changes to your monthly payment amount, such as when you receive a cost-of-living increase.

### **Changing your Plan of Payment**

If you choose to change your plan of payment, PLOP selection, or retirement date, you must return your payment, submit a notice in writing that you want to cancel your initial application, and submit a revised Service Retirement Application within 30 days of the initial payment date.

### **Keeping Your Information Current**

When you write to SERS, please make sure to give your full name and the last four digits of your Social Security number. Also, make sure you advise SERS of any change in address. Even if SERS deposits your check directly into your bank account, we still need your current home address. You also must notify us when circumstances change, such as the death of a spouse if the spouse was covered by our health plan, or if you chose a Joint Life plan of payment.

# REEMPLOYMENT

Once you retire, your SERS pension payment is only affected when you become reemployed in an Ohio public position. However, your eligibility for SERS' health care coverage may be affected when you take a job in either the private or public sector.

## How Reemployment Affects Pension Payments

The pension payment limitation applies only to reemployment in an Ohio public job. If you return to work in a position covered by SERS, OPERS, STRS, Ohio Police & Fire Pension Fund, or State Highway Patrol, you must wait two months from your effective date of retirement before being reemployed. There is no limitation on the number of days you can work or the amount you can earn. The only restriction is when you can return to work.

If you return to work in an Ohio public job within two months of your retirement date, you will forfeit your pension for that period of time. The only exception is if you hold multiple positions prior to retirement. You may then continue working in the lesser-paying position(s) without forfeiting your two-months of pension payments.

If a school hires you to the same position you had before retiring, and that position is filled by a vote of the members of a board or commission, public notice of the potential reemployment must be given at least 60 days prior to the start of your reemployment. A public hearing also must be conducted between 15 and 30 days prior to your first day of work. Information on the hearing must be included in the public notice.

Once you begin reemployment in a position covered by one of the Ohio retirement systems, contributions will be withheld and sent to the appropriate retirement system. No additional service credit will be granted for reemployment. You will earn an annuity from the reemployment which will consist of your contributions, part of the employer contributions, plus interest. The annuity will be paid by the retirement system that covers your reemployment.

If you are no longer reemployed and wish to refund your contributions before age 65, you will receive only your own contributions in a lump sum payment. The full annuity is available to you at age 65. Retirees age 65 and older may earn separate annuities for successive periods of reemployment, but must wait 12 months after the effective date of one annuity before receiving another.

Your original pension is not affected during your reemployment. The annuity will be paid separately from the original pension. It will be paid in a lump sum or monthly payments if at least \$25 or more are possible.

If you die before collecting the annuity, your beneficiary will be entitled to a lump sum payment, including the employer's share and interest. There is no



provision for monthly annuity payments to a survivor. As a reemployed retiree, you must make a separate designation for the beneficiaries of your annuity. If you do not file a beneficiary form, the payment will be made in the following order:

1. spouse
2. if no spouse, children share and share alike
3. if none of the above, parents share and share alike
4. if none of the above, your estate

Please be aware that an annuity will be subject to the Government Pension Offset and Windfall Elimination Provision under Social Security law. See pages 30-31 for information regarding Social Security provisions. If you still have questions about reemployment, please contact SERS.

### **How Reemployment Affects Health Care Coverage**

Beginning January 1, 2016, if you retire and then take a new job or go back to work for a public or private employer, you temporarily may lose eligibility for SERS' health care coverage while you are reemployed. Once reemployment ends, your eligibility will be restored.

Individuals affected are those:

- under age 65 not yet eligible for Medicare
- eligible for Medicare but not enrolled in Part B

Individuals not affected are those:

- enrolled in Medicare Part A and B
- enrolled in Part B only

SERS' health care eligibility is lost when:

- You are eligible for medical and prescription coverage through your new employer
- You are not eligible for medical and prescription coverage through your new employer but other employees in comparable positions are eligible for coverage. The coverage available to employees in comparable positions must be at the same cost as full-time employees.

You will not lose your eligibility for SERS' coverage if you do not have access to the employer coverage or it costs employees in comparable positions more than full-time employees pay.

**Regaining Eligibility:** Your SERS eligibility will be restored after you stop working. Because losing employer coverage is considered an involuntary termination of coverage, you will regain eligibility for SERS' coverage. You have 31 days from the time your employer coverage ends to reenroll in SERS' coverage.

**Dependent Coverage:** This rule also applies to your spouse. If your spouse has SERS' health care coverage and takes a new job that offers access to health care coverage, your spouse will lose eligibility for SERS' coverage. Your eligibility or coverage will not be affected.

If your child has SERS' coverage and takes a job, your child will not lose SERS' coverage. Federal law requires child coverage continue to age 26, regardless of the child's employment or eligibility for employer coverage.

Please notify SERS if you or your spouse become reemployed.

# Disability Benefit

If you become disabled while employed, you may be eligible for benefits under one of two disability plans.

If you became a SERS member *after* July 29, 1992, you are covered under the **new disability plan**. If you were a member *on or before* July 29, 1992, you are covered by the **old disability plan** unless you exercised a one-time election to switch to the new plan. The following describes the common and different features of both plans.

## ELIGIBILITY

Under both plans, you are eligible for a disability benefit if you:

- Have at least five years of total service credit
- File an application no later than two years from the date that your contributing service stopped
- Are permanently disabled, either physically or mentally, for work in your SERS-covered position as determined by a physician appointed by SERS
- Became disabled after becoming a SERS member
- Did not receive a refund of your contributions
- Do not receive a service retirement benefit

Under the **old disability plan**, you also must apply before you are 60 years old. Under the **new disability plan**, a member may apply at any age.

A benefit is effective the first of the month following the later of:

- The last day for which employment compensation was paid, or
- Receipt of your most recent application

You are not eligible to apply for a SERS disability benefit if you are receiving a disability benefit from another Ohio retirement system.

- You cannot apply for a SERS disability benefit if a condition resulted from the commission of a felony or occurred after SERS-covered employment ended

## APPLICATION PROCESS

You, your employer, or someone acting on your behalf may file an application provided by SERS for a disability benefit. Your personal physician also must provide a report stating the basis of your disability. You will be examined by a SERS-appointed physician. The SERS Retirement Board reviews all medical recommendations for approval or denial of disability benefits, and makes the final determination.

A member who is granted a disability benefit may be required to seek, or continue, medical treatment and/or vocational rehabilitation for the disabling condition as a prerequisite for receiving benefits.

Disability recipients must apply for Social Security disability if they are eligible to apply.

## **BENEFIT PAYMENT**

### **Old Disability Plan**

Under the old disability plan, your annual benefit is calculated using the following formula:

1. The value of a year of service credit is determined by multiplying your Final Average Salary (FAS) by 2.2%. If the result is less than \$86.00, then \$86.00 is the value of each year.
2. The number of years of service credit is then multiplied by this value.

Your service credit includes all service credit you have at the time of your application plus the number of years between your current age and age 60. The benefit cannot be less than 30% of your FAS or more than 75%.

### **New Disability Plan**

Under the new disability plan, the amount of your annual benefit is the greater of: 45% of your FAS, or your total service credit at the time of your application multiplied by 2.2% of your FAS, not exceeding 60% of the FAS. The following chart shows the applicable percentage amounts under this plan.

<b>Total Service Credit</b>	<b>Percentage of the Member's FAS</b>
5-21 years	45.0%
22	48.4
23	50.6
24	52.8
25	55.0
26	57.2
27	59.4
28 or more years	60.0

## **COST-OF-LIVING ADJUSTMENT**

One year after your effective benefit date, you will receive a three percent (3%) Cost-of-Living Adjustment (COLA). This same COLA is added each year to your base payment allowance amount on the anniversary of your retirement.

# TERMINATION OF BENEFITS

A disability benefit under either plan stops if any one of the following events occurs:

- **You return to a SERS-covered job**  
You must file annual earnings reports and employment information with SERS. If you return to a non-SERS covered position, you may be required to be re-examined by a SERS-appointed physician.
- **A subsequent SERS medical re-examination finds that you are no longer disabled**  
You may be required to have an annual re-examination. If the Retirement Board concurs in the recommendation to terminate the benefit, your benefit ends within three months of the Board's determination. If you received disability benefits for less than three years, unless in treatment or vocational rehabilitation, SERS notifies your last employer before you became disabled, and the employer should restore you to your previous position and salary or a similar position and salary, unless you were dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony. If you return to employment covered by SERS, STRS, or OPERS, and contribute for two years, you may receive up to two years of disability credit for the time you received disability benefits. You may purchase any time over two years.
- **Your death**  
If you die while receiving a disability benefit, your qualified beneficiaries are entitled to survivor benefits as described on page 26. In addition, the beneficiary will receive a \$1,000 lump sum death benefit. If you have designated multiple beneficiaries, the death benefit is divided equally among them.
- **You request that benefits end**

Under the **new disability plan**, benefits also will end after a specified number of months as shown in the following table:

<b>Age at Effective Date</b>	<b>Period Benefits Payable</b>
Younger than 60	Until age 65
60 or 61	60 months
62 or 63	48 months
64 or 65	36 months
66, 67 or 68	24 months
69 or older	12 months

At the end of the period, you can apply for service retirement as described on page 12. Your service credit will include the years you received disability benefits. You will be eligible for health care coverage under this service retirement if your total qualifying service credit equals 10 or more years.

# Survivor Benefits

## ELIGIBILITY

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.

Your beneficiary(ies) are determined in the following order:

1. Surviving spouse
2. Your surviving children
3. Your dependent parent(s) age 65 or older
4. Your surviving parent(s)
5. Your estate

You may designate a beneficiary or beneficiaries by requesting a form from SERS, completing it, and returning it to the retirement system.

Your beneficiary is entitled to a one-time, lump-sum payment of only your employee contributions to SERS, or monthly benefits if a qualified survivor. If you are survived by children under age 19, or by children who are mentally or physically incompetent, only a monthly benefit is available to the qualifying survivors.

Monthly benefit payments are available to qualified survivors if you:

1. Had at least one and one-half ( $1\frac{1}{2}$ ) years of contributing service credit
2. Had at least one-quarter ( $\frac{1}{4}$ ) year of Ohio service credit earned within two and one-half ( $2\frac{1}{2}$ ) years prior to your death, and
3. Were not receiving a service retirement benefit

The following survivors are eligible for monthly benefits:

1. Surviving spouse at age 62 if you had less than 10 years of service credit
2. Surviving spouse at any age if you had 10 or more years of service credit; if there are qualified children; or if declared mentally or physically incompetent by a court
3. Children who have never married and are under age 19, or who are mentally or physically incompetent
4. Dependent parent age 65 or older
5. Surviving spouse or sole dependent beneficiary qualified for the Plan D equivalent if you were eligible to retire

Benefits begin the first of the month after the survivor qualifies. Monthly benefits end if the beneficiary dies or no longer meets any of the above conditions.

## BENEFIT PAYMENTS

The amount of the monthly benefit is determined under one of the following schedules, and the schedule that pays the greater benefit is used.

<b>Number of Qualified Beneficiaries</b>	<b>SCHEDULE I Monthly Benefit Shall Not be Less than</b>	<b>SCHEDULE II As a Percent of the Member's Final Average Salary</b>
1	\$ 96.00*	25%
2	186.00	40
3	236.00	50
4	236.00	55
5 or more	236.00	60

\*Not less than \$106 to spouse if you had 10 or more years of service credit.

### SCHEDULE III

If you had 20 or more years of service credit, the benefit will be calculated as follows:

<b>Years of Service</b>	<b>As a Percent of the Member's Final Average Salary</b>
20	29%
21	33
22	37
23	41
24	45
25	48
26	51
27	54
28	57
29 or more	60

If you are eligible for a service retirement at the time of death, your surviving spouse or other sole surviving dependent beneficiary could receive a benefit amount calculated as if you had retired and selected a Plan D payment plan.

A survivor can purchase any service credit the member was eligible to purchase. Any purchase must be made before a monthly benefit is paid.

If you also have membership in STRS and/or OPERS, and your survivor(s) qualify and/or select a monthly benefit, the accounts will be combined and the retirement system with the greatest service credit will be the system that calculates and pays the benefit. While your salaries in one year will be added together, if you had service credit in each system for the same year, your service credit cannot be more than one year of service credit for each 12 months in a year. If, however, your survivor(s) elect to receive or only qualify for a refund of your account balance, the retirement system with the greatest service will calculate the benefit, but each system will issue the payments independently.

## **COST-OF-LIVING ADJUSTMENT**

Under current law, beginning on the first anniversary of the survivor's effective benefit date, the survivor will receive a Cost-of-Living Adjustment (COLA) increase of three percent (3%). The COLA is on the base amount only and is added to the monthly benefit each year on the anniversary of the effective benefit date.



# **Divorce**

## **SUPPORT ORDERS**

If you are subject to a court order to provide support for your spouse, former spouse, or children, the court can order SERS to withhold, from any SERS payment to you, the specific amount due, and send it to the Office of Child Support. Regardless of the number of support orders SERS receives or the total amount of support ordered to be paid, the total amount of support that can be deducted from your payment cannot exceed 50 percent of your payment after taxes if you are supporting another spouse or child; or, 60 percent after taxes if you are not supporting another spouse or child.

## **DIVISION OF PROPERTY ORDERS**

Your payment can be subject to a Division of Property Order (DOPO), which is an order issued by an Ohio court that requires you to pay a portion of your payment to a former spouse for purposes of dividing your marital property.

Your ex-spouse receives payment in the same manner as you do (lump sum or monthly) and cannot receive payment until you receive your payment. Payment to your spouse will stop when you stop receiving a payment. Regardless of the number of DOPOs that SERS receives, the total amount deducted from your benefit cannot exceed 50 percent of your benefit amount.

## **CONTINUING BENEFIT ORDERS**

Ohio law allows a court to order you to elect a retirement plan providing for payment of a survivor benefit to a former spouse after your death. The order must be issued as part of your divorce proceedings, specify the amount of the survivor benefit, and be issued prior to the effective date of your retirement. If SERS has received a copy of the order when you apply for retirement, SERS shall only accept your application if it complies with the court order.

You should discuss these matters with your attorney if you are going through a divorce.

# Social Security

If you are a SERS retiree who also is eligible for a Social Security benefit, your Social Security benefit may be affected by federal law regulating Social Security benefits. Your Social Security benefit may be reduced by either the Government Pension Offset (GPO) or the Windfall Elimination Provision (WEP).

**The federal law does not affect your SERS pension benefit; it affects only your Social Security benefit. Your SERS pension is not reduced because of these Social Security laws.**

The following is provided as general information. For more detailed information on the GPO and WEP and how they may affect your specific Social Security benefit, you should contact the Social Security Administration (SSA) by contacting your local office, visiting the SSA website at [www.ssa.gov](http://www.ssa.gov), or by telephone at 1-800-772-1213.

## THE GOVERNMENT PENSION OFFSET (GPO)

The GPO affects any SERS retirees who are, or will be, receiving a Social Security benefit based on their spouse's Social Security account. This includes surviving spouses qualifying on an ex-spouse's account. The GPO does not apply to the spouse's own Social Security benefit. It does not affect Medicare coverage.

The GPO applies to a SERS retiree who was first eligible to retire from SERS after July 1, 1983, and who receives Social Security benefits.

### How the GPO Works

The amount of your Social Security spousal benefit is reduced by two-thirds of the amount of your SERS benefit. The following is an example:

Your SERS monthly benefit is \$600, and you also are entitled to a \$500 Social Security spousal benefit. Two-thirds of your SERS benefit is \$400 which, when deducted from your Social Security benefit, leaves you with \$100 in a Social Security benefit and your \$600 SERS benefit.

Depending on your gross SERS pension amount, the GPO could eliminate your Social Security spousal benefit entirely.

When you receive cost-of-living adjustments or other increases in your SERS benefit, you must report these to the SSA. These increases will result in a new GPO calculation and further reduction in your Social Security benefit.

# THE WINDFALL ELIMINATION PROVISION (WEP)

The WEP affects SERS' retirees who are, or will be, receiving a Social Security benefit based on their own Social Security employment record. If you had a private sector job and were contributing to Social Security for that job, the WEP will affect the Social Security benefit you would receive based on the private sector job. There is a maximum monthly amount your benefit may be reduced.

If you have 30 qualified years or more of earnings under Social Security, or you were eligible for either your Social Security or SERS benefit before 1986, the WEP will not affect your Social Security benefit.

The following chart shows what earnings make a qualified year.

<b>HOW TO FIGURE YOUR YEARS OF COVERAGE</b>					
You are credited with a year of coverage if your earnings equal or exceed the figures shown for each year in the following chart.					
<b>Year</b>	<b>Substantial earnings</b>	<b>Year</b>	<b>Substantial earnings</b>	<b>Year</b>	<b>Substantial earnings</b>
1937–1954	\$ 900	1983	\$ 6,675	1999	\$13,425
1955–1958	\$1,050	1984	\$ 7,050	2000	\$14,175
1959–1965	\$1,200	1985	\$ 7,425	2001	\$14,925
1966–1967	\$1,650	1986	\$ 7,875	2002	\$15,750
1968–1971	\$1,950	1987	\$ 8,175	2003	\$16,125
1972	\$2,250	1988	\$ 8,400	2004	\$16,275
1973	\$2,700	1989	\$ 8,925	2005	\$16,725
1974	\$3,300	1990	\$ 9,525	2006	\$17,475
1975	\$3,525	1991	\$ 9,900	2007	\$18,150
1976	\$3,825	1992	\$10,350	2008	\$18,975
1977	\$4,125	1993	\$10,725	2009–2011	\$19,800
1978	\$4,425	1994	\$11,250	2012	\$20,475
1979	\$4,725	1995	\$11,325	2013	\$21,075
1980	\$5,100	1996	\$11,625	2014	\$21,750
1981	\$5,550	1997	\$12,150	2015-2016	\$22,050
1982	\$6,075	1998	\$12,675		

Source: <http://www.socialsecurity.gov/pubs/EN-05-10045.pdf>

## How the WEP Works

The WEP modifies the formula that SSA uses in calculating your Social Security benefit depending on the number of years you have under Social Security. You should contact SSA to determine the effect of WEP on your Social Security benefit.

# Taxation

A portion of a benefit is subject to federal and state income tax. When the benefit is calculated, SERS determines the amount that is taxable and the amount that is non-taxable. SERS sends this information to the benefit recipient.

By January 31 of each year, SERS sends each retiree, disability benefit recipient, and survivor benefit recipient a tax form (IRS Form 1099-R) for the previous calendar year. This form provides information on the benefit amounts received for the year, the amount of taxes withheld, and other tax information. Along with IRS Form 1099-R, SERS sends the Recipient Income Tax Information pamphlet, which explains the form and provides other detailed federal and state tax information.

SERS is required to withhold **federal** income tax from a monthly benefit amount unless a retiree or recipient elects in writing not to have any withholding. A retiree or recipient must complete and file an Internal Revenue Service (IRS) Form W-4P with SERS. This form instructs SERS on whether or not income tax should be withheld. If this form is not filed, SERS withholds as if the retiree or recipient had filed married with three withholding allowances. The withholding can be changed at any time by filing a new Form W-4P, which can be obtained from SERS.

The SERS benefit amount may be subject to **state and/or local taxes**. For Ohio residents, the SERS benefit amount is subject to state income taxes. Any other appropriate taxing authority should be contacted for information on the taxability of the benefit.

# Direct Deposit

You must complete a Direct Deposit Form. Payments are only paid by electronic transfer to savings or checking accounts. Direct deposit is safe, easy to set up, and convenient.

Benefits of using direct deposit include:

- **Dependability** – your money will be in your account on the first business day of the month
- **Peace of mind** – your money will be safely and securely deposited into a bank account on days when you are out of town or unable to get to the bank
- **Value** – it is a free service that saves you time and money, and saves SERS money on printing and mailing costs

# Health Care Coverage

Currently, SERS offers medical, prescription drug, dental, and vision coverage to qualifying benefit recipients. To the extent resources permit, SERS intends to continue offering access to health care coverage. However, SERS reserves the right to change or discontinue any plan or program at any time.

## ELIGIBILITY

### Service Retiree

You are eligible for coverage if you have at least 10 years of qualified service credit when you retire.

Qualified service credit includes:

- Earned or restored service credit
- Other systems' non-concurrent service (see page 10)
- Workers' Compensation credit

Qualified service credit does not include:

- Military (other than free or interrupted military service credit)
- Federal government, private school, or out-of-state service credit
- Exempted service credit
- Service credit purchased by a school employer under an Early Retirement Incentive (ERI) plan

### Disability Benefit Recipient

If you receive a disability benefit, you are eligible for health care coverage.

If you receive benefits under the new disability plan and convert to a service retirement at the end of the disability benefits, you must have 10 years of qualified service credit to remain eligible for health care coverage. The years you receive disability benefits are included as qualifying service credit.

## DEPENDENT COVERAGE

When you enroll in our coverage, you may cover your spouse, and children up to age 26, as dependents.

Service retirees must select a Joint Survivor Payment Plan A, C, D, or F to provide access to coverage for qualified dependents in the event of the retiree's death.

# **COVERAGE UNDER MORE THAN ONE OHIO RETIREMENT SYSTEM**

When you retire from SERS, you cannot waive SERS' health care coverage in order to enroll in coverage through another Ohio public retirement system. Your primary coverage must be through the retirement system from which you retire.

## **ENROLLMENT**

There are three times when you can enroll in SERS' coverage:

- When you retire or begin receiving a disability benefit
- Within 90 days of becoming eligible for Medicare
- Within 31 days of involuntary termination of other health care coverage or termination of Medicaid

If you do not enroll your spouse or children during the initial enrollment period, you can enroll them:

- Within 31 days of marriage
- Within 31 days of the birth or adoption of a child
- Within 90 days of your spouse becoming eligible for Medicare
- Within 31 days of involuntary termination of your spouse's or child's health care coverage or termination of Medicaid

## **WAIVER AND CANCELLATION**

You can waive coverage at any time. If you choose to waive coverage, dependent coverage for your spouse and children will automatically end.

If you waive coverage, you can re-enroll under the following qualifying events:

- Within 90 days of becoming eligible for Medicare
- Within 31 days of involuntary termination of other health care coverage or termination of Medicaid

## **REEMPLOYMENT**

Your eligibility for SERS' health care coverage may be affected if you take a job after you retire. See page 20.

## **PREMIUMS**

The premium you pay for SERS' health care coverage includes medical and prescription drug coverage.

Premiums are based on:

- Years of qualified service credit
- Eligibility for a premium subsidy
- Health care plan selected
- Type of retirement: service or disability

If you enroll in dental and/or vision coverage, you will be charged additional premiums.

## **PREMIUM SUBSIDY**

SERS helps reduce health care premiums by providing a subsidy to those who qualify. If you do not meet the eligibility requirements to receive a subsidy, you pay 100% of the premium.

To receive a premium subsidy, you must have at least 20 years of qualified service credit, or be receiving a disability benefit. In addition, at the time of retirement, disability, or separation from service, you must:

- Be eligible to participate in the health care plan of your last school employer, or
- Have been eligible to participate in the health care plan of your school employer at least three of the last five years of service

If you are eligible for your employer's health care coverage but are a few years short of 20 years, it may be beneficial to work until you have 20 years of qualified service.

Even with the subsidy provided by SERS, retiree health care can be significantly more expensive than employer coverage.



The table below shows the 2017 monthly premiums with no subsidy, and at 20-year and 30-year qualified service credit levels.

<b>Non-Medicare Plans</b>	<b>No Premium Subsidy</b>	<b>Subsidized Premiums</b>	
		20 Years Qualified Service Credit	30 Years Qualified Service Credit
Aetna Choice POS II	\$1,304	\$670	\$289
AultCare PPO	\$965	\$500	\$221

<b>Medicare Plans (with Medicare Parts A &amp; B)</b>	<b>No Premium Subsidy</b>	<b>Subsidized Premiums</b>	
		20 Years Qualified Service Credit	30 Years Qualified Service Credit
Aetna Medicare Plan (PPO)	\$253	\$144	\$79
Paramount Elite Medicare Advantage	\$292	\$163	\$86
PrimeTime Health Plan	\$275	\$155	\$83

## **PREMIUM DISCOUNT PROGRAM**

**To qualify for the Premium Discount Program, at least one family member enrolled in SERS' health care coverage must be eligible for Medicare.**

A 25% reduction in your monthly SERS health care premium for medical and prescription drugs is available if your total household income falls at or below qualifying income levels. The discount does not apply to dental and vision premiums.

## **2017 NON-MEDICARE PLANS**

SERS' non-Medicare plans are available to benefit recipients and dependents who are under age 65 and not eligible for Medicare.

### **Traditional Plan Offerings**

Aetna Choice POS II is available throughout the United States. Enrollment in other plans is limited based on where you live.

AultCare PPO is offered in the Akron/Canton area.

### **Prescription Coverage**

Prescription drug coverage is included with all health care plans, and does not have a separate premium.

### **Plan Coverage**

Current plan coverage and premiums are available at [www.ohsers.org/sers-non-medicare-plans](http://www.ohsers.org/sers-non-medicare-plans) or by calling Health Care Services toll-free at 800-878-5853.

**SERS Marketplace Wraparound Coverage** is a new coverage option for 2017. It works differently than traditional SERS health care coverage. For more information, visit [www.ohsers.org/marketplace-wraparound](http://www.ohsers.org/marketplace-wraparound) or call Health Care Services toll-free at 800-878-5853.

## **ANOTHER OPTION FOR THOSE UNDER 65**

### **Spouse's Employer Plan**

You may be covered through your spouse's employer plan. Once employment or coverage ends, both you and your spouse can enroll in SERS' coverage. When you become eligible for Medicare, you also have an opportunity to enroll in a SERS Medicare plan.

# MEDICARE

When you become eligible for Medicare, typically at age 65, you choose how you want to receive your coverage.

**Choose either Original Medicare or a Medicare Advantage Plan**

## Original Medicare

### Step 1:

#### Sign up for Original Medicare.

- Medicare Part A (hospital)
- Medicare Part B (medical) - requires a monthly premium

Medicare pays your providers directly for your services. Original Medicare only covers approximately 80% of costs.

Do you need supplemental coverage to pay for costs Original Medicare does not cover?

### Step 2:

#### Select a Medicare Supplement Insurance policy.

Also known as Medigap, and offered by private companies to cover gaps in Medicare coverage. You will pay a separate monthly premium.

Do you need prescription drug coverage?

### Step 3:

#### Select a Medicare Prescription Drug Plan (Part D).

Original Medicare does not include prescription drug coverage. Part D plans are offered by private companies approved by Medicare. You will pay a separate monthly premium.

## Medicare Advantage Plan

### Step 1:

#### Sign up for

- Medicare Part A (hospital)
- Medicare Part B (medical) - requires a monthly premium

### Step 2:

#### Select a Medicare Advantage Plan, also known as Part C.

Private companies provide both Part A and Part B coverage. Many plans cover prescription drugs (Part D) as well. The private companies pay your providers directly for your services.

#### SERS offers Medicare Advantage plans with prescription drug coverage



#### SERS coverage includes:

- Part A, Part B, and Part D
- \$0 deductible
- SilverSneakers for Aetna and Paramount plans
- Better prescription drug coverage through the donut hole
- Lower out-of-pocket costs than Original Medicare

Each month, you pay your Part B premium to Medicare and a premium to SERS for your Medicare Advantage plan. SERS adds \$45.50 to your monthly pension when you take SERS' coverage to help you pay your Part B premium.

# 2017 MEDICARE PLANS

SERS offers Medicare Advantage plans.

## Plan Offerings

Aetna Medicare Plan (PPO) is available throughout the United States. Enrollment in other plans is limited based on where you live:

- PrimeTime Health Plan is offered in the Akron/Canton area
- Paramount Elite Medicare Advantage is offered in the Toledo area

## Plan Prescription Coverage

Prescription drug coverage is included with all health care plans, and does not have a separate premium.

## Plan Coverage

There is no deductible with SERS' Medicare plans.

Current plan coverage and premiums are available at [www.ohsers.org/medicare-plans](http://www.ohsers.org/medicare-plans) or by calling Health Care Services toll-free at 800-878-5853.

For more information about Medicare, watch the Medicare Basics video series at [www.ohers.org/medicare-basics-1](http://www.ohers.org/medicare-basics-1).

# DENTAL AND VISION ENROLLMENT

SERS offers dental coverage through Delta Dental of Ohio, and vision coverage through VSP Vision Care. You have to be eligible for, but you do not have to be enrolled in, SERS' health care coverage to sign up for dental and vision coverage. You must be enrolled in dental and/or vision coverage in order to enroll your dependents. You can enroll:

- At retirement or when you begin receiving a disability benefit
- During the annual open enrollment period

Coverage details are available at [www.ohsers.org/dental-plan](http://www.ohsers.org/dental-plan) and [www.ohsers.org/vision-plan](http://www.ohsers.org/vision-plan) or by calling Health Care Services toll-free at 800-878-5853.

<b>2017 Monthly Dental Premiums:</b>	
Benefit recipient	\$27.81
Benefit recipient and one dependent*	\$55.62
Benefit recipient, and two or more dependents*	\$83.70
* A dependent can be a spouse or a child	

<b>2017 Monthly Vision Premiums:</b>	
Benefit recipient	\$ 7.11
Benefit recipient and one dependent*	\$14.22
Benefit recipient, and two or more dependents*	\$16.70
* A dependent can be a spouse or a child	





# Request for Information

MEMBER'S NAME \_\_\_\_\_

X	X	X	X	X				
---	---	---	---	---	--	--	--	--

DATE OF BIRTH \_\_\_\_\_

SOCIAL SECURITY NUMBER \_\_\_\_\_

STREET \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

ZIP \_\_\_\_\_

BENEFICIARY'S NAME \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

- My Beneficiary is my spouse
- I am **also** a member of State Teachers Retirement System (STRS)
- I am **also** a member of the Ohio Public Employees Retirement System (OPERS)

## Applications

Please send me an application for:

- Retirement Pension based on service
- Pension based on disability

## Pension Estimate

- I would like an estimate of my pension:

Possible retirement date \_\_\_\_\_

Possible last date of service \_\_\_\_\_

- I am interested in a Partial Lump Sum Payment (PLOP) at the time of retirement of \$ \_\_\_\_\_ and wish to see a pension estimate including this payment.

## Restore Refund

- I might repay a past refund. Please send me the cost.

COMMENTS: \_\_\_\_\_

RETURN THIS FORM IN AN ENVELOPE TO:

**School Employees Retirement System of Ohio**  
**300 E. Broad St., Suite 100**  
**Columbus, Ohio 43215-3746**

School Employees Retirement System of Ohio  
300 E. Broad St., Suite 100, Columbus, Ohio 43215-3746  
614-222-5853 • Toll-free 866-280-7377 • [www.ohsers.org](http://www.ohsers.org)