



# UNDERSTANDING YOUR SURVIVOR BENEFITS



Survivor Benefits Guide



# Table of Contents

## General Information

■ Introduction . . . . .	iii
■ Resources . . . . .	iii
■ Office Information . . . . .	iii
■ Directions . . . . .	iv

## Eligibility for Survivor Benefits

■ Initial Eligibility . . . . .	2
■ Continuing Eligibility . . . . .	3
■ Obtaining Additional Service Credit . . . . .	3
■ Frequently Asked Questions about Eligibility . . . . .	7

## Survivor Benefits Application Process

■ Completing the Beneficiary Information for Survivor Benefits Form . . . . .	10
■ Completing the Application for Survivor Benefits . . . . .	11
Selecting a Payment Option . . . . .	11
Refund of a Member's Account . . . . .	11
Monthly Benefits . . . . .	12
Partial Lump Sum Option Payment Plan (PLOP) . . . . .	13
Direct Deposit . . . . .	13
Additional Benefits Available to Beneficiaries . . . . .	13
Death Benefit Payment . . . . .	13
Health Care Coverage . . . . .	14
Beneficiary Designation . . . . .	15

## Once You Begin Receiving a Monthly Payment

■ About Your Payment . . . . .	18
■ Cost-of-Living Increase . . . . .	18
■ Taxes . . . . .	19
■ Legal Representative . . . . .	19
■ Social Security . . . . .	19

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# General Information

## ■ Introduction

This guide is for the spouse, children, or parents of a School Employee Retirement System of Ohio (SERS) member who has died before receiving an age and service retirement benefit, or has died while receiving a disability benefit from SERS.

Please take time to read this guide to understand the decisions you, as a survivor of a deceased SERS member, will have to make. It is intended to help you learn about your benefits and apply for any payment for which you may qualify.

SERS offers counseling to survivors by telephone at 1-866-280-7377, or in-person counseling at the SERS office.

## ■ SERS Resources

SERS provides additional information through:

- A quarterly newsletter to benefit recipients, the *Focus*
- Its 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., and appointments scheduled by calling SERS toll-free at 866-280-7377

## ■ 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, Veterans Day, or Christmas Day occurs on a Saturday, then the office is closed on the previous Friday. If a 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
Parking garage entrance:	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)
Website:	<a href="http://www.ohsers.org">www.ohsers.org</a>

Free parking is available in SERS' parking garage.

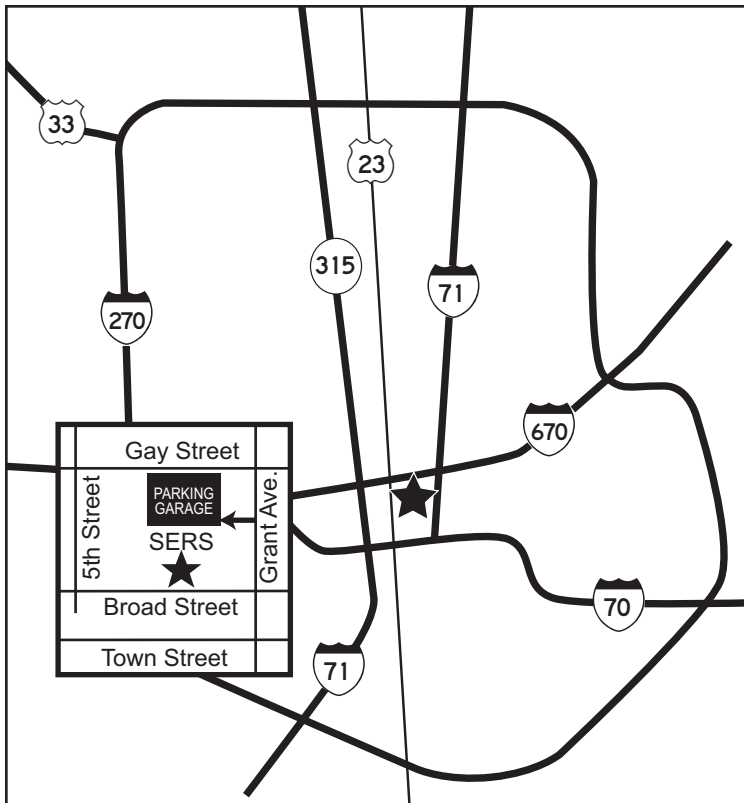
## ■ Directions to SERS

If traveling from the north, take I-71 South. Exit to the right on Broad Street. Turn right on Grant Avenue.

From the south, take I-70 to the Fourth Street/Livingston Avenue exit onto Fourth Street. Turn right on Town Street, then left on Grant Avenue.

From the west, take I-70 to the Fourth Street/Livingston Avenue exit onto Fourth Street. Turn right on Town Street, then left on Grant Avenue.

Coming from the east, take I-70 to I-71 North. Take the Broad Street exit and turn left on Broad Street. Turn right on Grant Avenue.



The information in the guide is current as of its publication date. Please be aware that eligibility requirements and benefits may change over time. In addition, the SERS Retirement Board can change health care coverage at any time.



# **Eligibility for Survivor Benefits**

Initial Eligibility  
Continuing Eligibility  
Obtaining Additional Service Credit  
Frequently Asked Questions about Eligibility

# Eligibility for Survivor Benefits

If a SERS member dies while working, before the member begins receiving a monthly service retirement benefit, or while receiving a disability benefit, the member's qualified survivors are entitled to certain benefits.

## ■ Initial Eligibility

A member's beneficiary is determined in the following order:

1. Person designated by the member and who survives the member
2. Surviving spouse
3. Surviving children
4. Dependent parent who is age 65 or older
5. Surviving parents
6. Member's estate

The first qualifying beneficiary is entitled to a one-time lump-sum payment of only the member's contributions to SERS, or monthly benefits if otherwise eligible as a qualified survivor. If the deceased member is survived by qualified children only a monthly benefit is available to those qualifying survivors. Beginning Feb. 1, 2013, qualified children are children under age 19, or children who are mentally or physically incompetent.

Monthly benefit payments are available if the member:

1. Had at least one and one-half (1½) years of contributing service credit with at least one-quarter (¼) year of Ohio service credit earned within two and one-half (2½) years prior to the member's death; and
2. Was not receiving a service retirement benefit
3. Met the age and service requirements for a service retiree and was not receiving a regular retirement benefit

Beneficiaries who meet the following qualified survivor requirements are eligible for monthly benefits:

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

Plan D is a joint life payment plan that provides the same gross monthly amount to the beneficiary that the retiree was drawing at the time of death. The plan may not be available to couples with significant age differences due to federal tax law.

## ■ Continuing Eligibility

A spouse of a member who had less than 10 years of service credit may have benefits suspended if the spouse is younger than age 62 and began receiving benefits because the spouse was caring for qualified children. This “blackout” period begins when the last child becomes ineligible for benefits and lasts until the spouse reaches age 62. Benefits will end when the spouse dies.

Benefits for a child will terminate when the child:

- No longer meets the above mentioned eligibility requirements for children
- Marries
- Enters the military
- Is adopted
- Dies

Benefits to a dependent parent end when the parent:

- Marries
- Dies

## ■ Obtaining Additional Service Credit

The amount of service credit not only determines whether you may be eligible for monthly survivor benefits but also determines the amount of the monthly benefit, and when the benefit starts. Survivors, except those of a deceased disability benefit recipient, may purchase any service credit that the member could have purchased prior to the member’s death. Any service credit must be purchased before a benefit may be paid.

The following describes available service credit:

### **Refunded**

If the member had previous SERS service credit and received a refund of his or her contributions for this previous service after leaving employment, this service credit may be restored. In order to purchase this credit, the member 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 18 months. The cost is the amount of the contributions for the contributing service, and interest from the month of the original refund to the date of payment.



## Leave of Absence

If the member was on an employer-authorized unpaid Leave of Absence (LOA) from the school employer and then returned to work with that same employer within one year of termination of leave, you may purchase the credit for this time by paying the employee and employer contributions that would have been paid during the period, plus interest.

Two years is the most leave of absence credit that can be purchased for any one period of leave up to a total of five years. Credit can be purchased for more than one leave of absence.

In order to purchase service credit for an unpaid board approved LOA, the following requirements must be met:

1. Provide certifications from the employer establishing the following:
  - a. That the employer officially approved the LOA and identified the beginning and ending dates of the leave
  - b. The number of days the member would have worked during the leave period and
  - c. The salary the member would have earned for the period of the approved leave
2. Pay to the retirement system an amount equal to the employee and employer contributions for such period, plus interest

The member's **employer** must certify the earnings the member would have received during the LOA so SERS can calculate the cost to the member.

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

- Exempt

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

You cannot purchase this credit if the member's compensation for such service was subject to taxes under the Federal Insurance Contributions Act.

- Optional

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

- Compulsory

If the member was employed by a school for a period before July 1, 1991, and membership was required but contributions were not paid, the 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 the member was employed by a school for a period on or after July 1, 1991, and membership was required but contributions were not paid, the employer 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 or college, a university in another state, or a university 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 the Ohio service credit. If you combine the member's SERS service credit with any STRS and/or OPERS service credit for a combined survivor benefit, 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 the member was required to resign because of pregnancy or adoption of a child, you may purchase service credit for this time. The member 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, contributions must be paid 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. The employer at the time of the resignation also must pay the employer contributions and interest.

### **Military Service**

There are several ways in which military service credit may be obtained depending on when the member entered the service and returned to public employment. These include the following:

- Interrupted-Free

If the member was 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 the member's 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-Purchased

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

1. Worked for a SERS-covered employer and was a SERS member
2. Entered the military while still employed
3. Returned to work with the same employer within three months of an honorable discharge or release from military service
4. Maintained SERS' membership

Your cost is only the employee contributions in effect at the time if the member 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. The employer would pay the employer contributions.

- Other military service

If the member had military service that was not interrupted military service credit as described above, you may still purchase the 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 the member's SERS service credit with any STRS and/or OPERS service credit for a combined survivor benefit, 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 the member's 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 re-employment to the date of payment.

You must send SERS a copy of the member's discharge or separation notice, Form DD214. 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 the member contributed to SERS during the same period of time.

### **School Board Member Service**

If the member was 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. 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, and a governing board member is a member of an educational service center governing board.

## Other Ohio Retirement Systems

- STRS and OPERS

If the member had been employed in a job covered by STRS or OPERS as well as in a job covered by SERS, you must combine the member's service credit and accounts in all the systems to receive a survivor benefit. The system with the greatest service credit will be the system that will calculate and pay your benefit. If the member had service credit in each system for the same year, no more than one year of service can be credited for each 12 months in a year.

- Cincinnati Retirement System

Credit may be purchased for former service covered by the Cincinnati Retirement System (CRS). If the member's contributions in CRS are still on deposit, the contributions can be transferred to SERS, including any amounts paid for the purchase of military service. If the member had withdrawn the contributions, you may purchase the CRS time if the member had contributed to SERS for 18 months. Your cost for each year is an amount equal to the amount refunded by the CRS for the contributing service and any purchased military service, plus the amount of interest, if any, the member received when the refund was paid. You cannot purchase this service credit if it is or will be used in the payment of a retirement benefit under any other retirement program.

- Ohio Police & Fire Pension Fund (OP&F) or Ohio Highway Patrol Retirement System (HPRS)

Credit may be purchased for former service as an Ohio firefighter, police officer, or highway patrol officer. If the 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 the member had withdrawn 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 the 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 of a retirement benefit under any other retirement program.

## ■ Frequently Asked Questions about Eligibility


1. Can the surviving spouse of a deceased member continue to receive monthly benefits and health care coverage if the spouse remarries?

*Yes. Remarriage does not terminate a benefit or affect eligibility for SERS' health care coverage. However, a surviving spouse cannot enroll a new spouse or any children of the new spouse in SERS' coverage.*

2. Can the surviving spouse or dependent children work and continue to receive monthly benefits?

*Yes, and there is no limit as to how much the spouse or child may earn. However, if the spouse or child is receiving monthly benefits because he or she is disabled, benefits will end unless the person is otherwise eligible for the benefits.*





# Survivor Benefit Application Process

Completing the Beneficiary Information for Survivor Benefits Form  
Completing the Application for Survivor Benefits  
Selecting a Payment Option  
Refund of a Member's Account  
Monthly Benefit  
Partial Lump Sum Option Payment Plan (PLOP)  
Direct Deposit  
Additional Benefits Available to Beneficiaries

# Survivor Benefits Application Process

In order for SERS to determine the survivor payments available and who may qualify for any payments, you may be required to complete a Beneficiary Information Form for Survivor Benefits. After SERS receives this form, payment information, as well as additional forms and instructions will be sent to the proper beneficiary or beneficiaries to complete. No payment can be made until SERS receives all necessary forms and any requested documents. SERS attempts to process payments as quickly as possible. The processing time varies depending on the type of payment available, the number of beneficiaries involved, and how soon SERS receives all necessary forms and documents. After SERS receives the Beneficiary Information for Survivor Benefits Form, the retirement system will determine the benefits which may be available to qualifying beneficiaries and send each beneficiary, or beneficiary guardian, a Survivor Benefit Application.

## ■ Completing the Beneficiary Information for Survivor Benefits Form

The Beneficiary Information for Survivor Benefits Form must be typed or completed in ink, and returned to SERS. It is important to provide all the information requested and to answer all the questions.

The following highlights aspects of completing the form:

### 1. Member Information

At the top of the form, provide the current date as well as the deceased member's name, Social Security number, and date of death.

### 2. Family Information

Complete all information requested for a spouse, any children, and/or dependent parents of the deceased member. Answer the questions on the member's membership in another Ohio state retirement system, military service, other employment, or Workers' Compensation. This information may affect the amount of service credit available and possibly monthly benefits if they are available to you.

## ■ Completing the Application for Survivor Benefits Form

The Application for Survivor Benefits must be typed or completed in ink, and returned to SERS. It is important to provide all the information requested and to answer all the questions.

### Selecting a Payment Option

There are three payment options for beneficiaries: a refund, a monthly benefit, and a partial lump sum option payment.

Generally, the beneficiary is entitled to a one-time lump-sum payment of the member's remaining contributions to SERS (refund), or monthly benefits if the beneficiary also meets the eligibility requirements to be a qualified survivor. However, if the deceased member is survived by children under age 19, or by children who are mentally or physically incompetent, only a monthly benefit is available to those qualifying survivors. Once a payment has been selected and the payment cashed, a beneficiary cannot change the selection.

### REFUND OF A MEMBER'S ACCOUNT

This is a refund amount equal to the deceased member's remaining contributions to the retirement system. No interest is paid on this amount, and no employer contributions are included as part of the refund. If a refund is selected, then no monthly benefits or health care coverage are available.

The payment is subject to mandatory federal income tax withholding unless the payment is rolled over to an Individual Retirement Account (IRA) or other qualified plan. If you select this option, more detailed tax information is provided to you.

To receive a one-time lump-sum refund of the member's accumulated employee contributions, you must complete a Survivor Application for a Refund of a Member's Account. This application provides information on the member, and the amount in the member's account, including any portion which is nontaxable. A Special Tax Notice sent with the application provides information on taxation of this payment.

You, as a qualifying beneficiary, must provide:

- Your Social Security number, address, and telephone number
- Directions for rolling over the payment if you wish to defer any taxes
- Copies (not originals) of any necessary documents listed
- Your signature

If there is more than one beneficiary, each person must complete an application and the refund amount will be divided among the beneficiaries.



## MONTHLY BENEFITS

The amount of the monthly benefit will be based on the number of qualified survivors under one of the following schedules, whichever pays the greater benefit.

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

\* \$106.00 to spouse if member had 10 or more years of service credit.

SCHEDULE III	
If the member had 20 or more years of service credit, the monthly benefit will be calculated as follows:	
Years of Service	As a Percent of Member's Final Average Salary
20	29%
21	33
22	37
23	41
24	45
25	48
26	51
27	54
28	57
29 or more	60

If the deceased member was eligible for service retirement at the time of death and is survived only by a surviving spouse or other sole dependent beneficiary, the beneficiary may choose to receive a benefit amount calculated as if the member had retired and selected a Plan D payment plan (see page 2).

If the deceased member also had membership in STRS and/or OPERS, you must combine the service credit and accounts in all the systems to receive one benefit. The system with the greatest service credit will be the system that calculates and pays the benefit. While salaries in one year will be added together, if the member had service credit in each system for the same year, the service credit cannot be more than one year of service credit for each 12 months in a year.

Monthly benefits are effective the first of the month following the member's death. The first payment will include any retroactive benefits.

To choose payment of monthly benefits, you must complete a Survivor Application for Monthly Benefits.

This application will have the member's name and information; the beneficiary's name and relationship to the member; and the amount of the monthly payment. You must provide:

- Your address and telephone number
- Copies of any necessary documents listed on the form
- Your signature

### ***Partial Lump Sum Option Payment Plan (PLOP)***

If you qualify for a monthly benefit as a participant in Plan D (see page 2), you also qualify for a Partial Lump Sum Option Payment (PLOP). In addition to your monthly benefit, you may take part of your benefit in a one-time PLOP, which will permanently reduce your lifetime monthly benefit. The PLOP amount may be from 6 to 36 months of your unreduced benefit, but cannot reduce your original benefit more than 50%.

If the total amount of the PLOP includes a taxable portion, SERS is required to withhold 20% of the taxable amount as federal income tax withholding. You may be able to continue to defer federal taxation by making an eligible rollover. Before making a decision on how you want to direct your PLOP, you may want to consider the tax issues.

If you wish to select this payment option, you will need to complete the Partial Lump Sum Option Payment section on the Survivor Application. More information about the PLOP can be found on the application.

### ***Direct Deposit***

If you will receive a monthly payment, SERS requires you to receive your payment by direct deposit. Direct deposit ensures that your payment is automatically deposited in your bank or other financial institution account.

To sign up for direct deposit, you must complete a Direct Deposit Form.

If the account is a checking account, you will need to provide the name of the institution, account information, and a voided check.

The name of the benefit recipient must be pre-printed on the check, unless the benefit recipient is a minor.

## **Additional Benefits Available to Beneficiaries**

As a beneficiary, you may be entitled to benefits beyond the refund of the member's account. These additional benefits, available to qualified beneficiaries, include a death benefit, access to health care coverage, and the ability to name additional beneficiaries.

### **DEATH BENEFIT**

A one-time, \$1,000 lump-sum death benefit will be paid to any designated beneficiary of a service retiree or disability benefit recipient who dies. If there are multiple beneficiaries, this will be distributed equally among them. If there is no beneficiary, SERS may pay the person responsible for the burial expenses or the estate of the deceased recipient. Payment will be made only upon receipt of a death certificate and evidence of qualification.

If you are entitled to this benefit, you will be required to complete an Application for a Death Benefit, which states the amount payable.

You may need to submit additional documents with this application. Those documents will be listed on the application.

## HEALTH CARE COVERAGE

Health care coverage is available to the surviving spouse or dependent children of the deceased member or disability recipient.

Premiums are deducted from your monthly benefit payment.

For more information on plans, premiums, and coverage, see the Member Health Care Guide or visit SERS' website at [www.ohsers.org](http://www.ohsers.org) and click on "Retirees," then "Health Care."

Eligibility for health care has the following limitations:

1. If a surviving spouse remarries, he or she cannot cover the new spouse or any children of the new spouse
2. If a surviving spouse takes a new job on or after Jan. 1, 2016, he or she temporarily may lose eligibility for SERS' health care coverage while employed. Once this employment ends, 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

Eligibility for SERS' health care coverage will be restored after a surviving spouse stops working. Because losing employer coverage is considered an involuntary termination of coverage, eligibility for SERS' coverage will be restored. A surviving spouse will have 31 days from the time employer coverage ends to reenroll in SERS' coverage.

Please notify SERS if you become reemployed.

3. If a dependent child who has SERS' coverage takes a job, the 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 note that you must complete the Survivor Health Care Application/Waiver Form even if you do not want SERS' coverage.

## **BENEFICIARY DESIGNATION**

The Designation of Beneficiary Form for Survivor Benefit Recipient will be sent if only one survivor is eligible to receive monthly benefits and there are remaining contributions in the deceased member's SERS account. If you die before SERS has paid an amount in monthly benefits equal to the deceased member's contributions and there are no other monthly benefit recipients, the difference between what was paid in survivor benefits and the member's contributions will be paid to a designated beneficiary or beneficiaries named on the form. If no one is designated or the beneficiary has predeceased you, according to Ohio law, the remaining amount will be paid to a beneficiary who first qualifies in the following order:

- Your surviving spouse
- All surviving children sharing equally
- A dependent parent age 65 or older  
Parents sharing equally
- Your estate

Complete a Designation of Beneficiary Form if you wish to provide for a specific beneficiary or beneficiaries. This applies only to the remaining contributions in a deceased member's account. Any monthly benefit received but not cashed would be paid to your estate.





# Once You Begin Receiving a Monthly Payment

About Your Payment  
Cost-of-Living Increase  
Taxes  
Legal Representative  
Social Security

# Once You Begin Receiving a Monthly Payment

## ■ About Your Payment

A monthly benefit payment is paid in advance on the first of the month. The safest and most efficient way to receive your payment is by having it directly deposited in a bank account.

Benefit amounts deposited to a bank or financial institution will be in the account on the first of the month unless the first is a holiday; the benefit will then be deposited by the preceding business day, except for January 1, when the benefit will be available the next business day.

SERS sends a quarterly statement to you detailing the current gross monthly, and year-to-date, benefit payments and deductions.

## ■ Updating Information

When corresponding with SERS, be sure and provide your full name and the last four digits of your Social Security number. It is important to keep SERS informed of changes to your address. SERS sends newsletters, other mailings, and benefit payment stubs to your home.

## ■ Cost-of-Living Increase

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

## ■ Taxes

A portion of a monthly 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 will send you this information.

By Jan. 31 of each year, SERS sends you an Internal Revenue Service (IRS) tax form (Form 1099-R) for the previous calendar year which provides information on the benefit amounts paid for the year, the amount of taxes withheld, and other tax information. With the Form 1099-R, SERS sends an Income Tax Information pamphlet explaining the form and providing other detailed federal and state tax information.

### **Federal Income Tax**

SERS is required to withhold federal income tax from a monthly benefit amount unless you elect in writing not to have any withholding. You need to complete and file an IRS Form W-4P with SERS to instruct the retirement system on whether income tax should be withheld. If you do not file this form, SERS withholds as if you had filed married with three withholding allowances. You can change your withholding at any time by filing a new Form W-4P.

### **State Income Tax**

Your SERS benefit amount may be subject to state and/or local taxes. You should consult the appropriate tax department in the area you live to determine your obligations. For residents of Ohio, the SERS benefit amount is subject to state income taxes.

SERS is not required to withhold amounts for state or local taxes. For Ohio residents only SERS will withhold an amount for Ohio state income taxes if you complete and return an Ohio State Withholding form indicating the specific amount you wish to have withheld. This amount can be changed at any time by requesting a new form from SERS.

You should consult a tax advisor, the IRS, or state or local tax departments for advice on any specific tax questions. SERS cannot provide individual tax advice.

## ■ Legal Representative

There are times when you may not be able to handle your own financial affairs either temporarily or permanently. At these times, you may need someone to act as your power of attorney or legal guardian. In the event this happens, you or the person acting for you should contact SERS for more information on handling these situations.

## ■ Social Security

The federal Social Security Government Pension Offset and Windfall Elimination Provision do not apply when a surviving spouse or dependent children are receiving a SERS survivor benefit and also receiving Social Security benefits. These federal provisions only apply to reduce a Social Security benefit when a SERS member is receiving benefits.



***SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO***

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