

2018

# Service Retirement Guide



Serving the People Who Serve Our Schools®



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Revised March, 2018

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# Contact Information

## ■ Address, Telephone Numbers, and Website

SERS' office location: 300 E. Broad St.  
Columbus, Ohio

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

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

Office Hours: 8 a.m. to 4:30 p.m.

Telephone numbers: 1-800-878-5853 (toll-free)  
1-614-222-5853 (local)

Website: [www.ohsers.org](http://www.ohsers.org)

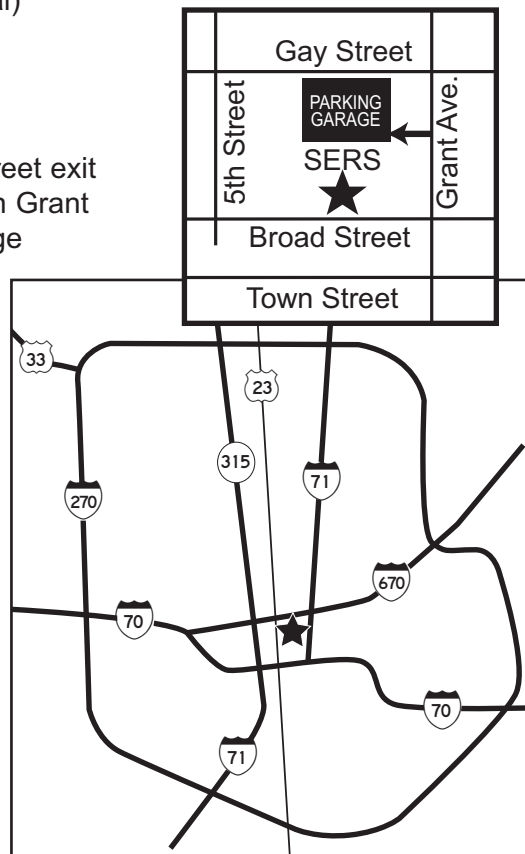
## ■ Directions to SERS

**From the north:** Take I-71 South to the Broad Street exit #108B and 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. Cross Broad Street. The SERS parking garage entrance is half a block up Grant Avenue on the left.

**From the west:** Take I-70 East to the Fourth Street /Livingston Avenue exit #100B. Turn left onto Fourth Street. Turn right on Town Street, then left on Grant Avenue. Cross Broad Street. The SERS parking garage entrance is half a block up Grant Avenue on the left.

**From the east:** Take I-70 West 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.



## ■ Holidays

The SERS office is closed to observe the following holidays: New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, 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.

# Introduction

Congratulations on your upcoming retirement! This guide is intended to help you learn about your SERS pension as well as help you apply for your retirement.

We encourage you to set up an online account using the Account Login feature. Account Login provides the ability to:

- review your account balance and service credit
- update your personal information, such as address and beneficiary
- create estimates
- apply for retirement or a refund

Just visit our website at [www.ohsers.org](http://www.ohsers.org) and click the “Account Login” button to get started. If you have not already registered, you will need to follow the simple instructions for getting started. It is easy to get registered.

We offer several educational opportunities for you to learn about your retirement. You may want to consider attending a SERS Retirement Conference or *Retiring with SERS* webinar. Both are geared toward members who are currently eligible or will be eligible for retirement within two years. There are also several videos on our website that you may find beneficial. These videos, as well as the conference and webinar dates and locations, are available on the SERS website at [www.ohsers.org](http://www.ohsers.org).

SERS offers personal retirement counseling at the Retirement System’s office Monday through Friday, 8:15 a.m. to 2:45 p.m. Appointments can be scheduled by calling SERS toll-free at 800-878-5853. Free parking is available at SERS. Directions to SERS are on page 1.

Applying for retirement can be done by mail or online, with most questions answered by letters or telephone calls. If you have a number of questions, or if your questions are more complex, it may be helpful to schedule an office appointment.

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

Member Amie Marburger



# Deciding When to Retire

- Eligibility for Retirement
- Service Credit
- Age + Service Credit + Salary = Pension
- Calculating Your Own Pension
- Choosing a Retirement Plan
- Plan Considerations

# Deciding When to Retire

## ■ Eligibility for Retirement

Retirement with SERS is a matter of eligibility. You must meet one of the age and service credit combinations to be eligible for a monthly, lifetime pension.

Eligibility for retirement through SERS is not the same as eligibility for Social Security. Call Social Security toll-free at 800-772-1213 for additional information.

SERS offers two types of service retirement: unreduced service retirement and early service retirement with reduced benefits. For unreduced service retirement, you will earn the maximum pension amount based on your service credit (how long you've worked in an Ohio public service job) and final average salary (the average of the three highest years of salary). Early service retirement benefits will be reduced to cover the cost of providing a pension over a longer period of time.

SERVICE RETIREMENT ELIGIBILITY TABLE		
	Applies to Members with 25 Years or More of Service on or Before Aug. 1, 2017 (Grandfathered)	Applies to Members with Less than 25 Years of Service as of Aug. 1, 2017
<b>Unreduced Service Retirement</b>	Age 65 with 5 years, or Any age with 30 years	Age 67 with 10 years, or Age 57 with 30 years
<b>Early Service Retirement with Reduced Benefits</b>	Age 60 with 5 years, or Age 55 with 25 years	Age 62 with 10 years, or Age 60 with 25 years

## Effective Date of Retirement

The earliest your effective date of retirement can be is the first day of the month following the later of:

- Your last day of paid school employment, or
- The date you reach an age and service credit combination.

## Retroactive Retirement

In some instances, your effective date of retirement can be before the date you submit your retirement application. For example, some members don't apply for retirement with SERS until they file for Social Security benefits, even though they could have retired from SERS a few years earlier when they ended their school employment and reached an age and service eligibility combination.

The first payment will include all payments due from the time you first became eligible to retire. However, health care coverage cannot be retroactive. Therefore, it may be best to apply for your retirement when you are first eligible. **When filing for a retroactive retirement, we suggest you contact Social Security to determine any possible adjustments.**



## ■ Service Credit

The amount of your pension and eligibility for retirement is largely determined by the length of your service with the schools. Your pension may increase with additional earned or purchased service credit. Service credit also affects health care eligibility.

### Granting Service Credit

One year of service credit is granted upon completion of 120 or more days of school employment within the fiscal year, July 1 through June 30. For service of less than 120 days, SERS will grant a fraction of a year's credit. This fraction is determined by dividing the number of days paid by 180. As little as one hour of paid employment in a day will entitle you to credit for one day of service.

A day of paid, used vacation, or used sick leave is also credited as a day of service.

Fractional Service Credit For Year When Working Less Than 120 Days											
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

### If You Have Multiple Jobs

If you have more than one job with a SERS employer, you may retire from the highest paying position and continue working in the lower-paying job(s). For example, if you are a custodian and a bus driver, and have two distinct salaries, those salaries will both be used in the calculation of your pension, and you can keep working in the lower-paying job after you retire. You must have distinct salaries or individual contracts, or work for more than one SERS employer to do this.

If you work under Ohio Public Employees Retirement System (OPERS) or State Teachers Retirement System (STRS) in addition to SERS, you might be able to retire from the highest paying position and continue in the lower-paying job.

If you continue in the lower-paying position after you retire, you will be a reemployed retiree. Your original pension will not be affected by continuing to work in this lower-paying position. See page 36 for more details.

## Workers' Compensation

You also can be granted free credit for time lost due to a school-related injury. There is a three-year limit to such credit. A copy of the award history must be submitted to determine if credit can be granted.

## Added Service Credit

You may be eligible to purchase additional service credit for past employment in Ohio's public schools or other public employment. **You must purchase any service credit prior to your effective date of retirement.** You may purchase this credit in a lump sum, in installments, or if the employer offers it, by tax-deferred payroll deduction. SERS also accepts rollovers and trustee-to-trustee transfers. Keep in mind that you cannot use a Partial Lump Sum Option Payment (PLOP) disbursement to purchase service credit. Please see page 17 for more information on the PLOP.

Our Member Services staff can show you the pension amount before and after purchase of service credit. In some cases, you can recover the cost of a purchase in two or three years by receiving a higher pension amount.

## Cancelled Service Credit

If you are eligible, you may restore either all or part of the service credit cancelled by a withdrawal of your contributions. To become eligible, you must return to work in Ohio public service and earn at least 1.500 years of service credit under SERS, STRS, OPERS, the Ohio Highway Patrol Retirement System, or Ohio Police & Fire Pension Fund. To restore cancelled service credit, you must pay the original refund amount plus the interest to date.

## Non-contributing Service

You can purchase service credit for past school service for which membership in SERS was not required. You must pay the member contributions, plus interest, and might be responsible for the employer's share as well.

## Exempted Service

If you filed an exemption form for school service after July 1991, or you had exempted service under OPERS or STRS, you may purchase the time. The cost is 20% of your current salary for each year of exempted service purchased.

## Compulsory Service

Although rare, contributions sometimes are not collected when required. When this occurs, for service prior to July 1991, the employee is responsible for employee contributions plus interest; for service after July 1991, the employer is responsible for both employee and employer contributions, plus interest.

## Leave of Absence

Up to two years of service credit, covering an employer-approved unpaid leave of absence (LOA), can be purchased. 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 can be purchased in one-month increments.

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 is two years per occurrence.

To purchase LOA service credit, the member must:

1. Provide certification from the employer that includes official approval of the leave, the beginning and ending dates of the leave, the number of days the member would have worked during the leave period, and the earnings the member would have received during the LOA.
2. Pay the School Employees Retirement System of Ohio (SERS) an amount equal to the employee and employer contributions at the rates in effect during the LOA period, and interest compounded annually from the first day of the year following the LOA period to the date of payment. Payments can be made by payroll deduction, or payment to the member's employer, who will transmit the payment to SERS.

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. This information is submitted on a Certification for Salary for Non-Contributing Service form.

## Pregnancy Leave

If you resigned because of pregnancy or adoption of a child, you may purchase service credit for this period of 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 may not purchase more than a total of two years of 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 employer contributions and interest.

## Other Ohio Retirement Systems

There are three Ohio public retirement systems that are connected for the purposes of combining service credit: School Employees Retirement System of Ohio (SERS); the State Teachers Retirement System of Ohio (STRS); and the Ohio Public Employees Retirement System (OPERS).

SERS provides pensions for all non-teaching, non-certificated public school employees; STRS provides pensions for public school teachers and certificated administrators; and OPERS provides pensions for all other employees of the state of Ohio, which includes city and county workers.

If you are a member of more than one system, at the time of retirement, you may have all deposits, salary, and service credit combined for a greater pension and earlier eligibility to retire. Total combined service credit cannot exceed one year for any 12-month period. The system in which you have the greatest service credit is the one that pays the pension benefit. You may also refund from one system without affecting your concurrent service credit. Your concurrent service does not get reduced.

It is possible, if you currently are working in a SERS job as well as an OPERS or STRS job, to retire from the highest paying position and keep working in the lower-paying position. For example, if you are a custodian and a township trustee, you can retire from the custodial position, assuming your salary is higher, and keep your trustee position. Both salaries will be used in the calculation of your pension. You must notify SERS if this is your intention, so we can properly inform the other system and gather the necessary information.

If you are a member of more than one of these retirement systems, and you have any additional questions, please contact SERS toll-free at 800-878-5853.

## ■ Military Service Credit

Credit for certain types of military service can be purchased. However, no purchase is allowed if the service can be used in any other pension program.

One year of service credit is granted for each 12 months of active military duty. SERS must be supplied with a copy of the discharge, or similar record, showing the dates of entry and separation from the military (Form DD214).

### Free Credit for Military Service

If you worked in a SERS-covered position for at least one year before your active military service, you can claim up to 10 years of free service credit for your time on active duty. To meet this requirement, you must show entry into active military service directly from SERS employment.

You must also return from active duty to some form of employment covered by SERS, STRS, or OPERS within two years of your discharge and establish one year of service.

## ■ Other Uniformed Service

You may purchase credit for service formerly held as a contributor to one of the pension funds for Ohio police, firefighters, or highway patrol. No purchase is allowed if the service can be used in any other pension program.

The cost of the service is based on the amount withdrawn and interest from the date of withdrawal from the original pension fund to the date of deposit with SERS. If the money is still on account, it may be transferred to SERS.

## ■ School Board Service

If you served as a school board member prior to July 1, 1991, you can purchase that credit. Credit is granted at .250 for each year of board service. The service cannot be purchased if it is concurrent with other service credit. School board time cannot be purchased more than 90 days prior to retirement.

## ■ Other School or Government Service

You can purchase credit for school service outside Ohio's public school system. Employment in properly accredited private or public schools, colleges, and universities anywhere in the country is included. You also can purchase credit for service with the federal government or another state retirement system. The position must be comparable to one normally covered in Ohio by one of the Ohio retirement systems.

You may purchase a maximum of five years of government or other school service credit. However, the service credit to be purchased cannot exceed the total service credit you have with the Ohio public retirement systems at the time of purchase.

After the out-of-state or other service, a member must work full time (earn one year of service credit in a school year) in order to be eligible to purchase the service credit.

If you have Federal Civil Service credit, please contact General Services Administration to obtain the transcript of your employment at the address below:

General Services Administration  
National Personnel Records Center  
(Civilian Personnel Records)  
1411 Boulder Blvd.  
Valmeyer, Illinois 62295

In your request for verification of employment, give your full name, when and where you performed the work, an approximate date of federal service, and your Social Security number.

If the General Services Administration cannot furnish information, then contact:

United States Civil Service Commission  
Bureau of Retirement Insurance and Occupational Health  
Washington, D.C. 20415  
[www.archives.gov](http://www.archives.gov)

If you have other school system credit, contact SERS for the necessary certification form to be sent.

## ■ Cincinnati Retirement System

If you refunded contributions from the Cincinnati Retirement System, you can purchase that time with SERS. If your contributions are still on deposit, they may be transferred to SERS.

## ■ Age + Service Credit + Salary = Pension

Your pension is based on age, service credit, and salary.

The age used in a pension calculation is your actual age at the time you retire. If you plan to retire July 1, but your birthday is July 15, it may be to your advantage to postpone your retirement date until August 1.

However, one month's delay will mean one pension check lost. It may not be worth it. Only a comparison of the "before" and "after" estimates will supply the answer.

All of your service credit is used in calculating your pension. All service credit must be purchased before your retirement date. Our Member Services staff can show you the pension amount before and after purchase of credit. In some cases, you can recover the cost of a purchase in two or three years by receiving a higher pension amount.

For more information on purchasing credit, please refer to the Service Credit section on page 5.

### Helpful Hints to Consider:

- If you are a 12-month employee that works 5 days per week and receives credit for 120 days, you could retire January 1.\*
- If you are a 9-month employee that works 5 days per week and receives credit for 120 days, you could retire March 1.\*
- If you are a 9-month employee and receive "stretch pay" throughout the summer, you could retire July 1, rather than September 1.
- If you are under age 67 and have less than 30 years of service, retiring after your next birthday may increase your pension.
- For most people, retirement starts on the first of the month following your last date of service.

\*Please be aware that if you work less than 5 days per week, it may take longer to earn the 120 days required to receive one year of service credit.

## ■ Calculating Your Own Pension

### Website

You can create an online account and generate estimates of your pension. Go to the SERS website at [www.ohsers.org](http://www.ohsers.org) and click on the "Account Login" button. After you create your account, select "Estimates" from the left hand menu.

## Using the Pension Tables

These tables give a percentage figure to apply to your final average salary to find the pension amount on an annual basis.

This table should be used by members that had 25 years or more of service credit on or before August 1, 2017.

For example, if you are 58 years old and have total service credit of 27 years, your annual gross pension would equal 50.4% of your final average salary. Divide that figure by 12 to get an estimated gross monthly pension amount based on the single life allowance (Plan B).

### Grandfathered with 25 years or more

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



This table should be used by members that did not have 25 years of service by August 1, 2017.

For example, if you are 62 years old and have total service credit of 23 years, your annual gross pension would equal 29.7% of your final average salary. Divide that figure by 12 to get an estimated gross monthly pension amount based on the single life allowance (Plan B).

### Retirement After August 2017

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

## ■ Choosing the Retirement Plan that is Best for You

### Payment Plans

When you apply for retirement with SERS, you will have to choose a payment plan. Depending on your circumstances, one payment plan may be a better choice than another. The decision must be based on personal factors such as health, finances, marital status, and other sources of income. The SERS staff will supply the necessary estimate(s) to help in your decision. We are available to discuss the advantages and disadvantages of each plan, but the final decision is up to you.

It is important that you understand each plan. The payment plan you choose is largely determined by whether or not you wish to provide for someone after your death. If so, your pension will be reduced. The amount of the reduction depends upon the payment plan you choose and the ages of those involved.

If you change your mind within 30 days of your first pension deposit, please contact SERS immediately. After 30 days, you can only change your payment plan under these limited circumstances:

- marriage
- remarriage
- divorce
- dissolution
- annulment
- death of your designated beneficiary

**No matter which plan you choose, your pension is for your lifetime.** You are always assured the return of your contributions, regardless of the plan you choose. Any employee contributions remaining in the account must be paid to your estate if both you and your beneficiary die before your total contributions have been collected in benefits.

### ■ Plan Considerations

There are positives and negatives to every plan selection. The highest pension possible, a Plan B “Single Life” plan, provides only for you, the retiree.

By choosing a “Joint Life” plan, you can make sure that a benefit will continue to your beneficiary after your death.

Please see the following chart for a complete description of each plan. If you have questions, please contact SERS toll-free at 800-878-5853.

## Payment Plans Available

- **Plan A – Joint Life – One-Half to Spouse**

Half of your gross monthly pension will be paid to your spouse upon your death. Once your spouse becomes the recipient, payment to your spouse is for his or her lifetime.

- **Plan B – Single Life Allowance – No Monthly Payment to Beneficiary**

This plan pays the highest amount to you, but ceases with your death. If all of your member contributions have not been recovered in the form of monthly benefits, the remainder is paid in a lump sum to your designated beneficiary. If you designate multiple beneficiaries, any amount will be distributed equally among them.

- **Plan C – Joint Life – Designated Amount to Beneficiary**

You can designate a set percentage or amount for your beneficiary for your beneficiary's life. This cannot exceed whatever you received; but, if an amount is designated, the minimum must be \$100 a month. Federal tax law may require a different minimum amount; in this case, the benefit estimate will show the correct minimum amount allowable.

- **Plan D – Joint Life – Same Amount to Beneficiary**

Plan D provides the same gross monthly amount to your beneficiary that you were drawing at the time of death. 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.

- **Plan E – Guaranteed Allowance**

You may guarantee beneficiary protection for a limited period of time under Plan E. Several options are available: 5 years, 10 years, 15 years, and other periods are available upon request. The gross monthly amount to your beneficiary is the same amount you were receiving at the time of death. Beneficiary protection is guaranteed for the period of time chosen, and begins with your effective date of retirement. If you designate multiple beneficiaries, the amount payable is the remaining annuity discounted to its present value and will be paid in a one-time lump sum equally among them. If you select this plan you will be sent a separate form for designation of beneficiaries. This form must be received by SERS before benefits are paid. This plan cannot be changed under any circumstances.

- **Plan F – Joint Life – Multiple Beneficiaries**

You may name up to four people to receive monthly benefits upon your death. Each additional beneficiary named will reduce your own pension. You must designate a percentage of your monthly pension OR a flat dollar amount for each beneficiary. The amount designated cannot be less than 10% unless required by a court order, and the amount for all beneficiaries cannot exceed 100%. If you are required by a court order to provide a benefit for an ex-spouse, include a copy of the court order. If you select this plan, you will be sent a separate form for designation of beneficiaries. This form must be received by SERS before benefits are paid.

## Guaranteed Allowance – Plan E

If you are considering Plan E, please remember these important facts:

- The pension will be paid to you for life.
- The guaranteed period (5, 10, or 15 years, or other years as requested) begins with the effective retirement date, not your death. Beneficiary payments will stop at the end of the guaranteed period.
- A separate form is required for a selection of Plan E and the designation of all beneficiaries for this plan. Failure to complete this form properly will delay or even possibly void the selection of this plan. If you choose Plan E on your Retirement Application, this form will be sent to you automatically. Your retirement cannot be processed until SERS receives your beneficiary form.
- You can name more than one beneficiary on Plan E. If there are still years remaining on the guaranteed period at the time of your death, the lump sum present value will be split among your beneficiaries. No monthly benefit is available to multiple beneficiaries.

### Plan E Example, With a Guaranteed Period of 5 Years

July 1, 2018 Effective Retirement Date	June 30, 2023 End of 5-Year Guaranteed Period
Beneficiary coverage timeframe begins	Beneficiary coverage ends

## Health Care Coverage

Aside from providing income for a beneficiary, another advantage of choosing a Joint Life Plan is the current ability to continue a beneficiary's health care coverage. To provide health care coverage for your beneficiaries after your death, you must select Joint Life Plan A, C, D, or F.

Your spouse and your children are the only beneficiaries who can be eligible for SERS' health care coverage. Any other named beneficiary will receive pension payments, but not health care coverage.

Health care premiums are deducted from your monthly pension payment. Upon your death, your beneficiaries receive monthly pension payments. Their health care coverage premiums would be deducted from their pension payments.

Eligible beneficiaries can continue to receive SERS' health care coverage as long as they pay the premiums.

**SERS reserves the right to change or discontinue any health plan or program.** For more information, please see the Dependent Coverage section in the *Member Health Care Guide*. You also can call SERS at 800-878-5853 or email [healthcare@ohsers.org](mailto:healthcare@ohsers.org) for more information.

## Partial Lump Sum Option Payment (PLOP)

In addition to selecting a payment plan, you may take part of your pension in a one-time Partial Lump Sum Option Payment (PLOP) which will permanently reduce your lifetime monthly pension.

The PLOP amount:

- May be from 6 to 36 months of your unreduced pension, but it cannot reduce your original pension more than 50%.
- Must be taken at retirement.

**A PLOP may be 6 to 36 months of your pension and reduces your monthly pension amount.**

SERS can provide you with estimates of your pension with and without a PLOP amount. You should consider this option carefully to decide whether a partial lump sum amount is worth a permanent reduction in the regular monthly pension.

If you select a PLOP, it will not be paid until SERS receives all required information from your employer. Please be patient, as there may be a delay of 60 to 90 days after your effective date of retirement.

The PLOP is subject to 20% federal income taxes which are withheld automatically. Taxes may be avoided if the PLOP is rolled over to a qualified plan. If you select a PLOP, you will receive detailed information about federal taxes and the rollover option. If you wish to have Ohio state taxes withheld, please contact SERS for the necessary form.

Retirees under the age of 59½ also may be subject to an additional 10% federal tax penalty unless the PLOP is rolled over.

If you are subject to the Social Security Government Pension Offset or Windfall Elimination Provision, the Social Security Administration will calculate your reduction based on the unreduced pension amount, which is the amount of your SERS pension if you did not choose a PLOP option. For more information, please see the Social Security section on page 20.

## Spousal Consent

If you are married and choose a plan of payment other than Plan A, or select a PLOP, written consent from your spouse is required. This must be done on the Service Retirement Application and must be signed in the presence of a notary public or a SERS employee.

If your spouse will not consent to the plan choice, SERS will pay you according to the Plan A monthly amount. You must advise us in writing if your spouse will not sign the consent.

The spousal consent requirement may be waived if your spouse's whereabouts are unknown, if he or she is medically unable to give consent, or if a guardianship has been established for your spouse. Please contact SERS for documentation requirements.

Your retirement cannot be processed until SERS receives the signed spousal consent, you have notified us that your spouse will not give consent, or until the appropriate document in support of waiver has been filed.



Retiree Betty Sloat



# Social Security

Social Security and SERS  
The Government Pension Offset (GPO)  
The Windfall Elimination Provision (WEP)

# Social Security

## ■ Social Security and SERS

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

These laws do not affect your SERS pension benefit; they affect only your Social Security benefit. Your SERS pension is **not reduced** because of these federal 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 your Social Security Administration (SSA) local office, visit the SSA website at [www.ssa.gov](http://www.ssa.gov), or call SSA at 1-800-772-1213.

## ■ The Government Pension Offset

**If you are receiving a spousal benefit from Social Security, you must report any change in your gross SERS pension to Social Security.**

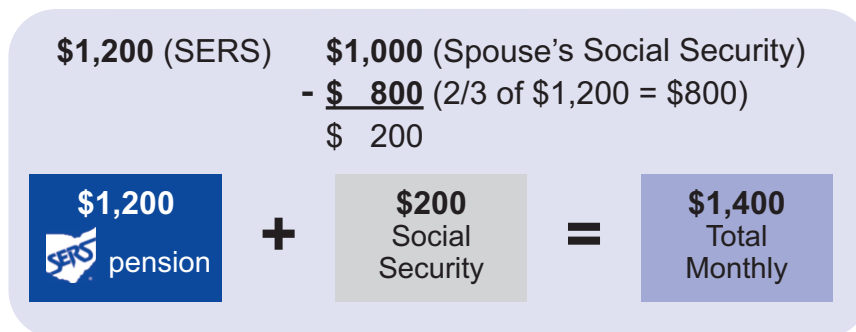
The Government Pension Offset (GPO) affects SERS retirees who are, or will be, receiving a Social Security benefit based on their spouse's Social Security account. This includes qualifying on an ex-spouse's account. The GPO does not apply to the spouse's own Social Security benefit. It does not affect 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 spousal 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:

Mary's SERS monthly pension is \$1,200, and she is entitled to a \$1,000 Social Security spousal benefit.





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

Please notify the SSA when your SERS pension benefit begins. Failure to do so could result in costly back payments due to Social Security.

**If you receive cost-of-living adjustments or other increases in your SERS pension 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. Failing to do so could result in back payments due to Social Security. Please contact SERS for verification of your pension amount.**

## ■ The Windfall Elimination Provision

The Windfall Elimination Provision (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 contributed to Social Security for that job, the WEP will affect the Social Security benefit you would receive based on the private sector job.

If you have 30 or more qualified years 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.

### How the WEP Works

The WEP modifies the formula that the SSA uses to calculate a Social Security benefit depending on the number of qualified years of earnings a person has under Social Security.

To find out how the WEP might affect you, go to the SSA website at [www.ssa.gov](http://www.ssa.gov) or call 1-800-772-1213.

### Calculating the WEP

The charts on pages 22 and 23 can assist you in estimating how your Social Security benefit may be affected by the WEP:

- Review Chart A to determine what earnings make up a qualified year.
- Review Chart B for the maximum amount your Social Security benefit may be reduced.

**Your SERS pension will not affect the benefit your spouse receives from Social Security. The WEP only applies to the benefit you receive from Social Security.**

The following charts show what earnings make a qualified year.

**Chart A - Qualified Year Earnings**

Year	Substantial earnings	Year	Substantial earnings	Year	Substantial earnings
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	2017	\$23,625

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

**Chart B - Maximum Amount Specified by the SSA**

Maximum Monthly Amount Your Social Security Benefit May Be Reduced Because Of The Windfall Elimination Provision (WEP)											
Eligibility Year*	YEARS OF SUBSTANTIAL EARNINGS										
	20 or less	21	22	23	24	25	26	27	28	29	30
1990	\$178.0	\$160.2	\$142.4	\$124.6	\$106.8	\$89.0	\$71.2	\$53.4	\$35.6	\$17.8	\$0.0
1991	185.0	166.5	148.0	129.5	111.0	92.5	74.0	55.5	37.0	18.5	0.0
1992	193.5	174.2	154.8	135.5	116.1	96.8	77.4	58.1	38.7	19.4	0.0
1993	200.5	180.5	160.4	140.4	120.3	100.3	80.2	60.2	40.1	20.1	0.0
1994	211.0	189.9	168.8	147.7	126.6	105.5	84.4	63.3	42.2	21.1	0.0
1995	213.0	191.7	170.4	149.1	127.8	106.5	85.2	63.9	42.6	21.3	0.0
1996	218.5	196.7	174.8	153.0	131.1	109.3	87.4	65.6	43.7	21.9	0.0
1997	227.5	204.8	182.0	159.3	136.5	113.8	91.0	68.3	45.5	22.8	0.0
1998	238.5	214.7	190.8	167.0	143.1	119.3	95.4	71.6	47.7	23.9	0.0
1999	252.5	227.3	202.0	176.8	151.5	126.3	101.0	75.8	50.5	25.3	0.0
2000	265.5	239.0	212.4	185.9	159.3	132.8	106.2	79.7	53.1	26.6	0.0
2001	280.5	252.5	224.4	196.4	168.3	140.3	112.2	84.2	56.1	28.1	0.0
2002	296.0	266.4	236.8	207.2	177.6	148.0	118.4	88.8	59.2	29.6	0.0
2003	303.0	272.7	242.4	212.1	181.8	151.5	121.2	90.9	60.6	30.3	0.0
2004	306.0	275.4	244.8	214.2	183.6	153.0	122.4	91.8	61.2	30.6	0.0
2005	313.5	282.2	250.8	219.5	188.1	156.8	125.4	94.1	62.7	31.4	0.0
2006	328.0	295.2	262.4	229.6	196.8	164.0	131.2	98.4	65.6	32.8	0.0
2007	340.0	306.0	272.0	238.0	204.0	170.0	136.0	102.0	68.0	34.0	0.0
2008	355.5	320.0	284.4	248.9	213.3	177.8	142.2	106.7	71.1	35.6	0.0
2009	372.0	334.8	297.6	260.4	223.2	186.0	148.8	111.6	74.4	37.2	0.0
2010	380.5	342.5	304.4	266.4	228.3	190.3	152.2	114.2	76.1	38.1	0.0
2011	374.5	337.1	299.6	262.2	224.7	187.3	149.8	112.4	74.9	37.5	0.0
2012	383.5	345.2	306.8	268.5	230.1	191.8	153.4	115.1	76.7	38.4	0.0
2013	395.5	356.0	316.4	276.9	237.3	197.8	158.2	118.7	79.1	39.6	0.0
2014	408.0	367.2	326.4	285.6	244.8	204.0	163.2	122.4	81.6	40.8	0.0
2015	413.0	371.7	330.4	289.1	247.8	206.5	165.2	123.9	82.6	41.3	0.0
2016	428.0	385.2	342.4	299.6	256.8	214.0	171.2	128.4	85.6	42.8	0.0
2017	442.5	398.3	354.0	309.8	265.5	221.3	177.0	132.8	88.5	44.3	0.0

\* Eligibility Year is the year you reach age 62 or became totally disabled (if earlier). If your birthday is on January 1st, use the year before you reach age 62.

**Important:** The maximum amount may be overstated. The WEP reduction is limited to one-half of your pension from non-covered employment.  
 If your retirement benefits start after full retirement age or your non-covered pension starts later than your eligibility year, the WEP reduction may be greater than the maximum shown in the chart.

Source: <http://www.ssa.gov/planners/retire/wep-chart.htm>



*Member Daia Drafton*



# Filing Your Application

The Application Process  
Completing Your Retirement Application  
Retirement Application Checklist  
After You Mail Your Retirement Application to SERS

# Filing Your Application

## ■ The Application Process

In order to retire and begin receiving a monthly pension, you must complete and return a Service Retirement Application. It must be completely filled out and signed by you, and if necessary, by your spouse. The application must be returned with all the necessary documents.

You also have the option of completing the Service Retirement Application online using the Account Login feature available from our website. Create your online account by visiting [www.ohsers.org](http://www.ohsers.org) and clicking “Account Login.” Once you create your online account, the application wizard walks you through each step of the application and provides a Retirement Checklist that allows you to upload all of the required documents.

Once SERS receives your application, you will be sent a handout explaining the retirement process. SERS also will notify your employer that you have applied for retirement and the expected date of retirement. You must notify your employer in writing of your retirement date.

If you indicated on the application that you wish to obtain additional service credit for which you may be eligible, SERS will notify you by mail of your cost to purchase any service credit. **You must purchase all service credit prior to your effective retirement date.**

**No retirement is official until all forms have been completed, returned, and approved by SERS.**

You should return your completed retirement application to SERS at least 90 days before your intended date of retirement.

### **Notify your employer**

Don't forget to notify your employer that you are planning to retire. Each school district has a separate policy regarding severance packages for retiring employees.

Your employer must certify your final contributions and last date of service.

## ■ Completing Your Retirement Application

**This application must be typed or completed in INK**, signed, and returned to SERS. No retirement will be approved until all forms are completed and returned to SERS along with any necessary documents.

The following information will help guide you through each section of the application.

### **1. Personal Information**

Complete all the personal information requested. We need your telephone number and email address so that we can contact you if necessary.

### **2. Retirement Information**

The date of your “last service” is the last date you were paid, whether for regular or substitute service, including used vacation or used sick leave.

The date you provide for the “service retirement effective” date must be the first of a month. If you have a question regarding your service retirement effective date, please call SERS.

### 3. Payment Plan Choice

Check only one payment plan.

Please list a beneficiary unless you are selecting Plan E or Plan F, or multiple beneficiaries. If you select Plan E or Plan F, or wish to designate more than one beneficiary under Plan B, SERS will send you a beneficiary form to complete.

### 4. Health Care Application / Waiver

You must have at least 10 years of qualifying service credit to be eligible for SERS’ health care coverage, and you must complete this form. For more information, see the *Member Health Care Guide*.

- **To waive coverage, complete Section A.** If you do not want to enroll, the waiver section must be completed. Otherwise, you will automatically be enrolled in a health care plan.
- To enroll in coverage, complete Section B. SERS will deduct the premiums from your monthly benefit payment.

### 5. Direct Deposit Form

When you apply for retirement, you will be required to complete a Direct Deposit Form. Retirement benefits are only paid by electronic transfer to savings or checking accounts.

Attach a voided check if the direct deposit will be to a checking account; do not attach a deposit slip. If the direct deposit is going to a savings account, provide only the account information.

### 6. Spousal Consent

If you are married, and you do not select Plan A with your spouse as the beneficiary, and/or you select a PLOP, then your spouse must sign the consent section in the presence of a notary public or SERS employee. Your current spouse does not have to sign if you are under a court order to select a payment plan naming your ex-spouse as a beneficiary and choose Plan F designating only your ex-spouse and current spouse as beneficiaries.

### 7. Your Signature

**Please remember to sign the application in ink.**

If any information on the application changes after you apply, notify SERS immediately. You may withdraw your application at any time before you receive your first pension payment by notifying SERS in writing.

## ■ Retirement Application Checklist

Before you mail your retirement application to SERS, check to see if you have:

- Provided your phone number and email address
- Provided your retirement date
- Selected a beneficiary and a plan of payment
- Completed the Health Care Application / Waiver
  - If you are not taking health care coverage, have you signed the waiver?
  - If you are taking health care coverage, have you selected a health care plan?
- Completed the Direct Deposit Form and signed on the bottom
- Completed the PLOP selection
- Made sure your spouse has completed the spousal consent (if applicable)
  - If you select a PLOP, the spousal consent must be signed.
  - Spousal consent must be signed in the presence of a notary public or SERS employee.
- Signed the Service Retirement Application

## ■ Retirement Document Checklist

**Please ensure that the following information is enclosed with your application and that your current name is written on the document copies:**

- Birth certificates (copies only)
  - Yourself
  - Spouse for Joint Survivor plans A, C, D, or F and/or health care coverage
  - Non-Spouse beneficiary for Joint Survivor plans C, D, or F
  - Spouse and dependents you want to enroll in SERS' health care at retirement
- Proof of your marriage to your current spouse by a copy of your marriage certificate
- Mandatory Direct Deposit Form
- Copy of voided check for direct deposit to your checking account
- Copy of Medicare card(s)
  - Self
  - Spouse



## ■ After SERS Receives Your Retirement Application

### Pension verification

Once your monthly pension has been processed, you will receive:

- A verification letter that includes information which can be used for income verification, Social Security verification, if applicable, and income tax information to use in determining your tax withholding amounts
- General income tax information

### Changing your Plan of Payment

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

If you choose to change your plan of payment, PLOP selection, or retirement date after receiving your first payment, **you must return the payment and submit a signed notice in writing that you want to cancel your initial application within 30 days of the initial payment date**. You also must submit a revised Service Retirement Application with your new selections.

### Death

If you die before the effective date of your retirement, your retirement will not take effect and your account will be processed as if you died while still working. This would be considered a survivor benefit.



Members Barbara Jordan, Shane Brown



# Once You've Retired

About Your Retirement Payment  
Power of Attorney and Guardianship  
Taxes  
Changing Your Beneficiary or Plan of Payment After Retirement  
Reemployment  
Divorce or Support Orders  
Death Benefit

# Once You've Retired

## ■ About Your Retirement Allowance Payment

### Direct Deposit

Direct deposit is required for all SERS retirees. Direct deposit of your funds is the only way to assure that your payment will be available on the first of every month.

### 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 through your last completed fiscal year (July 1 - June 30). 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.

**If you select a PLOP, it will not be paid until SERS receives all required information from your employer. Please be patient, as there may be a delay of 60 to 90 days after your effective date of retirement.**

### Monthly Payments

After your initial payment, your payments will be available on the first of every month. The January payment will be in your account on the first business day following January 1. 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.

You also can view your monthly payment information using Account Login. Create your online account by visiting [www.ohsers.org](http://www.ohsers.org) and clicking "Account Login." The Payments section of the secure site provides a breakdown of your payments and payment details for your next monthly payment. The Payments section also allows you change your tax withholding and direct deposit information.

### 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 can easily update your address using the My Profile section of Account Login.

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.

## ■ Cost-of-Living Adjustment

A three-year cost-of-living adjustment (COLA) suspension is in effect for all retirees for the years 2018, 2019, and 2020.

Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W (the measure of inflation used by Social Security), not greater than 2.5%, with a floor of 0%.

In addition, effective April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility.

Multiple benefits originating from the same member account will not have more than a four-year waiting period in total.

All SERS pension increases should be reported to Social Security if you are receiving Social Security benefits based on your spouse's Social Security earnings.

## ■ Power of Attorney and Guardianship

### Power of Attorney

In some instances, such as a hospital or nursing home stay, a retiree may not be able to handle their own financial matters. At times like these, many people find it helpful to have a trusted friend or relative act on their behalf and handle necessary financial matters. If you, as a retiree, want someone other than yourself to handle your SERS retirement, you must provide SERS with either a General or a Limited Power of Attorney form.

This is necessary because, in addition to the retiree, SERS' pension payments may only be cashed by authorized individuals. In order for another person to have authority to take care of business related to a SERS pension, the retiree must grant Power of Attorney to someone, or a probate court must appoint a guardian for the retiree.

A Limited Power of Attorney form is available upon request from SERS. The filing of a Limited Power of Attorney form also will allow the designated person to change the address of the location where the payment is being sent.

### Guardianship

A guardian might need to be appointed by a probate court when a retiree becomes unable to handle financial matters.

A copy of the appointment of the guardian must be filed with SERS. This information is necessary so we know how to prepare future payments and where to send them.

## ■ Taxes

A portion of your pension is subject to federal and state income taxes. When your pension is calculated, SERS determines the amount that is taxable and the amount that is non-taxable. SERS sends you this information when your first pension payment is processed.

### **Federal Income Tax**

SERS is required to withhold federal income tax from your monthly pension amount unless you elect in writing not to have any withholding.

You need to file an Internal Revenue Service (IRS) Form W-4P with SERS to instruct us on whether we should withhold income taxes. If you do not file this form, SERS withholds as if you had filed married with three exemptions. You can change your withholding amounts at any time by requesting a new form from SERS or downloading it from the SERS website.

### **State Income Tax**

Your SERS pension amount may be subject to state and/or local taxes. You should consult the appropriate tax department in the area in which you live to determine your obligations.

For Ohio residents, your SERS pension amount is subject to Ohio state income taxes. However, SERS is not required to withhold amounts for state tax unless you return a 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 or downloading it from the SERS website.

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

Both your state and federal tax withholding can be updated anytime using Account Login.

### **1099-R Tax Form**

By January 31 of each year, SERS will send you the IRS 1099-R Tax Form for the previous calendar year. This provides the pension amounts you received for the year, the amount of taxes withheld, and other tax information. You also will receive a SERS Income Tax Information handout that explains the form, and provides other detailed federal and state tax information.

Your 1099-R information will be available in your secure online account on our website the first week in January.

## ■ Changing Your Beneficiary or Plan of Payment After Retirement

### “Pop-Up / Pop-Down” Features

If you choose Plan A, C, or D for a beneficiary, and your beneficiary dies before you do, your pension will be adjusted to the Single Life amount. This is called a “Pop-Up.” If you choose Plan F for multiple beneficiaries, your pension will be adjusted if one or more of the beneficiaries dies before you do.

This can be done only under a Plan A, C, D, or F option. There is no Pop-Up application to a Plan E payment, where time limits apply on benefits.

If you selected Plan A, C, D, or F for your spouse, and you later divorce, your marriage is annulled, or your marriage is dissolved, your plan may be adjusted only with the consent of your ex-spouse or by an order of the court.

If you selected Plan A, C, D, or F for a non-spouse beneficiary, your plan cannot be adjusted unless the designated beneficiary dies before you do.

If you marry or re-marry after retirement, you can reselect a joint survivor plan for your new spouse. This is called a “Pop-Down.” You have only one year from the date of your marriage to Pop-Down.

If you are married, you should discuss your payment plan choice with your spouse. Upon your death, benefits stop unless you selected a Joint Survivor Allowance—Plans A, C, D, or F. Plan E benefits continue only for the duration of the guaranteed period.

## ■ Reemployment

### How Reemployment Affects Pension Payments

If you return to work in a position covered by SERS, OPERS, STRS, Ohio Police & Fire Pension Fund, or Ohio Highway Patrol Retirement System, 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 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.

If 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; however, monthly payments are only an option if the amount is at least \$25 per month.

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 20 and 21 for information regarding Social Security provisions. If you still have questions about reemployment, please contact SERS.



## How Reemployment Affects Health Care Coverage

If you retire and then take a new job or go back to work for a public or private employer, you may temporarily 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 if it costs employees in comparable positions more than most 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 re-enroll 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 remain available to age 26, regardless of the child's employment or eligibility for employer coverage.

Please notify SERS if you or your spouse become reemployed.

## ■ Divorce or Support Orders

### **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 money from your pension benefit payments.

### **Division of Property Orders (DOPO)**

Your pension payments, including any PLOP amount, can be subject to an Ohio Division of Property Order (DOPO) that requires you to pay a portion of your pension to a former spouse for purposes of dividing your marital property. Your ex-spouse cannot receive payment until your payment begins, and payment must be in the same manner you receive (lump sum or monthly). Payment to your ex-spouse will cease when you stop receiving a payment. Regardless of the number of DOPOs SERS receives, the total amount deducted from your pension cannot exceed 50% of your original payment amount.

### **Plan of Payment Required**

You may be required by a court order to select a retirement plan that provides a continuing benefit to your ex-spouse in the event of your death. This order must be issued as part of your divorce proceedings, provide for payment of a specified amount to your spouse, and be received by SERS prior to the effective date of your retirement. If this type of order is issued, you must select a payment plan that complies with the court order. You should discuss these matters with your attorney if you are in the process of filing for a divorce.

### **Divorce**

If you selected Plan A, C, D, or F for your spouse, and you later divorce, your marriage is annulled, or your marriage is dissolved, your plan may be adjusted only with the consent of your ex-spouse or by an order of the court.

## ■ Death Benefit

A \$1,000 lump-sum death benefit will be paid to your designated beneficiary upon your death. If you have multiple beneficiaries, this will be distributed equally among them. By law, if you do not designate a beneficiary, statutory succession will apply. Payment will be made only upon receipt of a death certificate and evidence of qualification, as required by SERS.

If the beneficiary designated by you at retirement dies first, you should select a new beneficiary. You must designate a new beneficiary in writing on the form provided by SERS. Contact our office for this form or go to Account Login.

### **Refund of Deceased Member's Contributions**

If you die early in retirement before recovering the employee contributions you made to SERS while you were working, a refund will be due. This will be the case if you have selected Plan B, the Single Life allowance. In this case, whatever remained of the employee contributions would be paid to your designated beneficiary or estate.

*Retiree David Hamilton*



# Questions and Answers

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## ■ Questions and Answers

- 1. Q: How many days must I work to earn a full year of service credit?**

**A:** You need to be paid for at least 120 days. Please remember SERS is on the fiscal year, July through June.
- 2. Q: I am a member of OPERS and SERS. Which system will pay my joint retirement benefits?**

**A:** The system in which you have accumulated the greatest years of service will be the paying system.
- 3. Q: Several years ago, I refunded three years of service credit from SERS. Can I restore this credit?**

**A:** Yes, as long as you returned to work in an Ohio public service position and earned at least 1.500 years of service credit. Remember you must repay the original refund amount plus the interest to date.
- 4. Q: What does SERS use to calculate my pension?**

**A:** The pension is based on three things: your age, years of service credit, and your final average salary.
- 5. Q: Will my pension ever end?**

**A:** No, your pension is for your lifetime.
- 6. Q: When is the Partial Lump Sum Option Payment (PLOP) available to me?**

**A:** The PLOP can only be elected when you apply for retirement. Please see page 17 of this guide.
- 7. Q: When will I receive the PLOP payment?**

**A:** At the same time you receive your first finalized pension payment. It will not be paid until SERS receives all required information from your employer, and all contributions have been received. Please be patient, as there may be a delay of **60 to 90** days after your effective date of retirement.
- 8. Q: Do I have to choose my spouse as my beneficiary?**

**A:** If you are married, you must choose a Plan A and name your spouse unless your spouse consents to your election of a different plan and/or different beneficiary. This is required in order to complete your service retirement application.
- 9. Q: I have worked in both the public and private sector. Can I receive a pension from SERS and Social Security?**

**A:** Yes. Please remember that Social Security may reduce your pension based on the Windfall Elimination Provision (WEP).

**10. Q: Can I receive part of my spouses Social Security spousal benefit if I am receiving a benefit from SERS?**

**A:** The amount of your Social Security benefit is reduced by two-thirds of the amount of your SERS benefit. Please check with Social Security.

**11. Q: If I have 30 qualified years of service under Social Security, will my Social Security benefit be reduced when I start to receive my SERS benefit?**

**A:** No. The WEP will not affect your Social Security benefit. However, if you have less than 30 years in Social Security, please contact Social Security.

**12. Q: Can I refund my contributions and still receive 100% of my Social Security benefit?**

**A:** Only if you are not eligible to retire and receive a monthly benefit from SERS at the time of the refund.

**13. Q: How will the PLOP affect my Social Security benefits?**

**A:** Social Security will look at the unreduced SERS pension amount to make any adjustments to your Social Security benefits.

**14. Q: When is the best time to complete the SERS retirement application?**

**A:** We recommend sending your completed service retirement application to SERS at least 90 days prior to your intended retirement date.

**15. Q: How will I know if SERS receives my retirement application?**

**A:** When SERS receives your application, we will send you information explaining what to expect in the retirement process.

**16. Q: When will I receive my first retirement payment?**

**A:** You may be eligible to receive an Estimated Monthly Payment that will be deposited into your bank account on your effective retirement date. If you are not eligible for an Estimated Monthly Payment, your first payment can take 45 to 60 days after your effective retirement date. This payment will include all months back to your effective retirement date. Keep in mind that if you choose to receive a PLOP, it will not be paid until SERS receives all required information from your employer, and all contributions have been received. This could mean a delay of 60 to 90 days after your effective date of retirement.

**17. Q: After the first payment, will I always receive my payment on the first of the month?**

**A:** With direct deposit, you will always receive your monthly payment by the first of the month, with the exception of the January payment. The January payment will be in your account on the first business day following January 1.



Member Debra Andrews



# Glossary of Terms

Terms

# Glossary of Terms

## ■ Terms

### **Early Retirement Incentive (ERI):**

Used as an incentive to retire, an ERI is additional service credit purchased by the employer, which cannot exceed 20% of the credit already held by the employee, and must be used for immediate retirement. An ERI must be offered to a minimum of 5% of the employees in the district. Only people age 57 or older can participate in an ERI.

### **Estimated Monthly Payment:**

An Estimated Monthly Payment is a calculation of your retirement allowance based upon your service credit and earnings through the previous school year. It ensures that your first payment will be deposited into your bank account on your effective retirement date, without delay. Once your employer reports all final pay figures, SERS will finalize your monthly retirement allowance and notify you of the final amount.

### **Government Pension Offset (GPO):**

The GPO is a reduction of your Social Security benefit, based on your spouse's (or ex-spouse's) Social Security account. GPO reduces the Social Security spousal benefit by two-thirds of your SERS benefit amount, and may even eliminate your Social Security spousal benefit. Your SERS pension is not reduced.

### **Joint Life Plan:**

Plans A, C, D, or F, also known as Joint Survivor plans, provide a reduced monthly pension to the retiree, and also provide a designated monthly benefit to the spouse/beneficiary upon the retiree's death. The monthly pension is payable to the retiree for life, and continues to the beneficiary for his or her lifetime. If you are married and name someone other than your spouse as beneficiary, or if you designated less than half of your monthly benefit to your spouse, spousal consent is required.

### **Limited Life Payment Plan (Plan E):**

The Limited Life Payment plan, also known as Plan E, allows retirees to guarantee a beneficiary protection for a limited period of time, such as five, 10, or 15 years; other periods are available upon request. The gross monthly amount to the beneficiary is the same as the retiree was receiving at the time of death. You cannot change this plan benefit under any circumstance.

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

An option that allows a retiree to take part of their pension in a one-time partial lump sum option payment (PLOP) which permanently reduces the lifetime monthly pension. The PLOP amount may be from 6 to 36 months of the unreduced retirement allowance, but cannot reduce the original allowance more than 50%. The PLOP is irrevocable, and available only to members retiring on service retirement. If married, spousal consent is required.



**Pop-Down:**

If you choose Plan B, the Single Life Allowance, and you marry or re-marry after retirement, you can re-select a joint survivor plan for your new spouse, which will result in a decrease, or “pop-down,” to your monthly pension. You have only one year from the date of marriage to pop-down.

**Pop-Up:**

If you choose Plan A, C, or D for a beneficiary, and your beneficiary dies before you do, or you get divorced, your pension will be adjusted to the Single Life Allowance, also known as Plan B, which will result in an increase, or “pop-up,” to your monthly pension. This also will apply if you choose Plan F for multiple beneficiaries, and one or more of the beneficiaries dies before you do.

**Reemployment:**

A SERS retiree may return to public employment after two months of the effective date of retirement without affecting his or her pension. A retiree who resumes public employment will earn an annuity from the reemployment which will consist of their contributions, part of the employer contributions, plus interest. Reemployment in the private or public sector may affect a retiree’s eligibility for SERS health care coverage. See pages 36 for rules on returning to work.

**Service Credit:**

Used to determine benefit amounts and eligibility, service credit represents contributing membership while you are employed in the public school system of Ohio, and includes part-time, full-time, substitute, vacation, or sick leave. One year of service credit is granted upon completion of 120 or more days of school employment within the fiscal year, July 1 through June 30. For service of less than 120 days, a fraction is granted by dividing the number of days paid by 180.

**Service Credit Purchase:**

On a limited purchase basis, service credit may include other kinds of school or public service, which may be obtained in portions of one month or more. Members may purchase service credit previously cancelled by a refund, non-contributing service, exempted service, leave of absence, compulsory, pregnancy leave, military service credit, School Board service, or other school or government service.

**Single Life Allowance:**

Also known as Plan B, the Single Life Allowance provides the highest monthly pension payable to the retiree, but ceases with the retiree’s death. There is no monthly benefit provided for a beneficiary with this plan. In the event of death prior to all member contributions being recovered in the form of monthly pension, the remaining contribution amount is paid in a lump sum to the designated beneficiary. If you are married and select this plan, spousal consent is required.

**Windfall Elimination Penalty (WEP):**

WEP is a reduction of your Social Security benefit, based on your Social Security employment record. WEP reduces the Social Security benefit as a result of receiving a SERS pension. There is no reduction to the pension if you have 30 or more qualified years of earnings under Social Security, or you were eligible for Social Security or a SERS benefit before 1986. Your SERS pension is not reduced.



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