

Destination: Retirement

NAVIGATING A CHANGE IN COURSE



Member Disability Guide





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

Member Disability Guide

Table of Contents

About SERS	1
Disability Benefits	3
Eligibility	3
Application Process	3
Benefit Payment	5
After You Start Receiving a Benefit	5
Termination of Benefits	6
Service Credit	8
Divorce	17
Social Security	18
Survivor Benefits	20
Taxation	23

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

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

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

Publish date: **June 2016**

Courtesy Reminder

Before returning your forms to SERS, did you remember to:

- Sign and date your completed Disability Benefit Application Form
- Complete the Job Duty Form
- Complete the Member Beneficiary Designation Form
- Complete the Authorization for Release of Protected Health Information Form
- Enclose a copy of your Birth Certificate
- If applicable, enclose a copy of any Power of Attorney or Guardianship papers

Note: All forms should be returned to SERS for processing, including the Job Duty Form and the Authorization for Release of Protected Health Information Form.

Dear Member:

As you requested, we have enclosed information on disability benefits with the School Employees Retirement System of Ohio (SERS).

Along with the necessary application forms, you will find:

- *A Member Disability Guide*
- *A Member Health Care Guide*
- A postage-paid return envelope

Please read the *Member Disability Guide* to learn about these benefits and the application process before completing any forms.

In order to begin processing your application, we must receive:

- A completed and signed Disability Benefit Application
- A completed and signed Authorization for Release of Protected Health Information
- Job Duty Form
- A copy of your birth certificate
- Member Beneficiary Designation Form

If you file an application on behalf of a member, you must enclose a copy of a Power of Attorney, Guardianship, or Conservator papers showing that you are authorized to act on the member's behalf.

If you have any questions, please call us toll-free at 866-280-7377, and ask to speak to a disability benefits representative.

Sincerely,

School Employees Retirement System of Ohio
Member Services Department
Disability Benefits Section

About SERS

SERS

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

STAFF

The day-to-day operations are administered by a professional staff led by the executive director and deputy executive director.

SERS RESOURCES

SERS provides additional information through:

- A periodic newsletter to members
- Our website – www.ohsers.org
- Social Media – Our Facebook page at www.facebook.com/sersofohio or on Twitter at 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
- Group conferences, and seminars. Listings are available on the SERS website, and through special notices for posting on school bulletin boards

SERS OFFICE INFORMATION

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

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

Location: 300 E. Broad St., Columbus, Ohio, 43215

Parking garage entrance: On Grant Avenue, north of Broad Street

Mailing address: 300 East Broad Street Suite 100 Columbus, Ohio
43215-3746

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

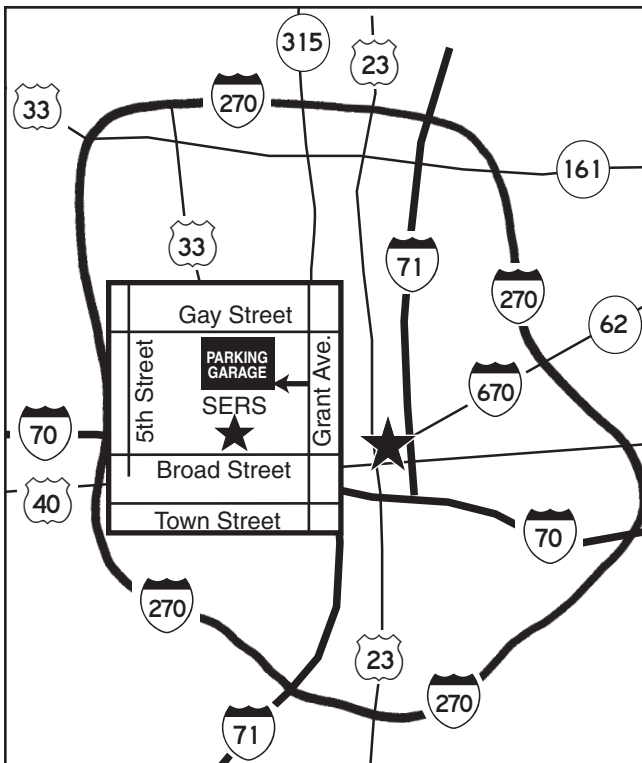
DIRECTIONS TO SERS

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

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

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

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



Disability Benefits

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

If you became a SERS member after July 29, 1992, you are covered under the new disability plan. If you were a member on or before July 29, 1992, you are covered by the old disability plan unless you exercised a one-time election to switch to the new plan.

ELIGIBILITY

Under both plans, you are eligible for disability benefits if you:

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

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

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

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

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

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

APPLICATION PROCESS

You, your employer, or someone acting on your behalf may file a Disability Benefit Application provided by SERS for disability benefits. If the application is filed by someone acting on your behalf, the person also must submit a copy of the person's power of attorney or

guardianship paper which shows the person can act on your behalf.

Your personal physician also must provide a report stating the basis of your disability. Once SERS receives your completed Disability Benefit Application, Job Duty Form, and Authorization for Release of Protected Health Information Form, SERS will request information from your doctor. In addition, SERS will contact your school employer to obtain information on your current job duties and other payroll information.

You will be examined by an SERS-appointed physician. A medical determination is made on whether you are permanently disabled for work in your SERS-covered job. The SERS Retirement Board's medical advisory committee and/or the chair of the committee, reviews the examiner's report and all records submitted with your application and makes a recommendation to the Board. The Board reviews all recommendations from its medical advisory committee for approval or denial of disability benefits and makes the final determination.

If you are granted disability benefits, you may be required to seek, obtain, or continue medical treatment and/or vocational rehabilitation for the disabling condition as recommended by the Board physician or other consultants in order to receive benefits. Benefits may be terminated or suspended if you do not obtain recommended medical treatment and/or vocational rehabilitation.

The complete process generally takes between three and five months. However, the actual time can vary depending on the number of medical conditions involved, the schedule of SERS' medical examiners, and the medical review process.

If the application is denied, information is sent to you describing your appeal rights.

Disability recipients must apply for Social Security disability insurance and should apply for early Medicare due to disability.

After three or five years on SERS' disability, disability recipients who are capable of performing a job other than their previous job could be terminated from disability. Such termination can occur if they are capable of performing the duties of a job that can be reasonably found with pay at or above 75% of the annual compensation of their previous school job and for which they are qualified.

BENEFIT PAYMENT

Old Disability Plan

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

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

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

New Disability Plan

Under the new disability plan, the amount of your annual benefit is the greater of: 45% of your FAS, or your total service credit at the time of your application multiplied by 2.2% of your FAS. The following chart shows the applicable percentage amounts under this plan.

Total Service Credit	Percentage of the Member's FAS
5-20 years	45.0%
21	46.2
22	48.4
23	50.6
24	52.8
25	55.0
26	57.2
27	59.4
28 or more years	60.0

AFTER YOU START RECEIVING YOUR BENEFIT

Benefit Payments

Benefit payments will be in your account on the first of the month, unless the first is a holiday. If the first is a holiday, the benefit will be deposited by the preceding business day, except for January 1, when the benefit will be available the next business day.

SERS sends only a quarterly statement to you detailing the current gross monthly benefit and deductions and these amounts for the year-to-date.

Health Care Coverage

Information on health care coverage is provided in the *Member Health Care Guide*.

Updating Your Information

When corresponding with SERS, be sure and provide your full name and Social Security number.

It is important to keep us informed of changes to your personal information. Notify SERS if the following occur:

- Your address changes
- Your phone number
- Your spouse or other beneficiary dies
- Events that may terminate health care coverage for your spouse, such as divorce, or for your dependent children, such as reaching age 26

Cost-of-Living Adjustment (COLA)

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

TERMINATION OF BENEFITS

A disability benefit under either plan stops:

- **If you return to a SERS-covered job**
You must file annual earnings reports and employment information with SERS. If you return to a non-SERS covered position, you may be required to be re-examined by a SERS-appointed physician.
- **If a subsequent SERS medical re-examination finds that you are no longer disabled**
You may be required to have an annual re-examination. If the Retirement Board concurs in the recommendation to terminate the benefit, your benefit ends within three months of the Board's determination. If you received disability benefits for less than three years, unless in treatment or vocational rehabilitation, SERS notifies your last employer before you became disabled, and the employer should restore you to your previous position and salary or a similar position and salary, unless you were dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance, or conviction of a felony. If you return to employment covered by SERS, STRS, or OPERS, and contribute for two years, you may receive up to two years of disability credit for the time you received disability benefits. You may purchase any time over two years.

- **Upon your death**

If you die while receiving disability benefits, your qualified beneficiaries are entitled to survivor benefits. In addition, the beneficiary will receive a \$1,000 lump sum death benefit. If you have designated multiple beneficiaries, the death benefit is divided equally among them.

- **If you request that benefits end**

- **Automatically, under the new disability plan**

Benefits will end after a specified number of months as shown in the following table:

Age on Date of Disability	Benefit Period
Younger than 60	Until age 65
60 or 61	60 months
62 or 63	48 months
64 or 65	36 months
66, 67 or 68	24 months
69 or older	12 months

At end of the period, you can apply for a service retirement benefit. To be eligible for health care coverage under service retirement, you must have at least 10 years of qualified service credit. Your qualified service credit includes the years you received disability benefits.

Service Credit

The amount of your service credit determines:

- Eligibility for disability benefits
- The amount of a benefit
- Eligibility for health care coverage and the amount of the premium

It also determines the eligibility of your dependents for survivor benefits, the amount of benefits, and availability of health care coverage.

Service credit is accrued through contributions during school employment, for other periods at no cost, and for other service that may be purchased.

CONTRIBUTING SERVICE CREDIT

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

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

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

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

FREE SERVICE CREDIT

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

SERVICE CREDIT PURCHASE

Additional service credit may be available to you for purchase.

If you qualify to purchase other types of service credit, SERS will send you a statement for the cost of the credit. You can purchase all or a part of the service credit by making payments directly to SERS in one or more installments, or tax-deferred payroll deduction if your employer offers this type of payment plan. Under a payroll deduction plan only one payment a month is deducted from your salary; and, due to federal tax law, once you select this method of payment you cannot change it until the purchase for all the credit is completed.

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

All service credit must be purchased before you receive disability benefits.

Disability recipients who return to contributing service after their disability terminates will be limited to two years of free disability-period service credit. However, they will be allowed to purchase service credit for the remaining period of disability.

REFUNDED

If you had previous SERS service credit and received a refund of your contributions for this previous service after you left employment, you

may restore this service credit. In order to purchase this credit, you must have returned to employment covered by SERS, State Teachers Retirement System of Ohio (STRS), Ohio Public Employees Retirement System (OPERS), the Ohio Police & Fire Pension Fund (OP&F) or the Ohio Highway Patrol Retirement System (HPRS), and earned at least 1.5 years of service credit. 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 you were on an employer-authorized unpaid leave of absence from your school employer and you return to work, you may purchase the credit for this time by paying both the employee and employer contributions, plus interest, that would have been paid during the period.

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 can be purchased for a period of leave is two years.

NON-CONTRIBUTING SERVICE WITH A SERS-COVERED EMPLOYER

- **Exempt**

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

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

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

- **Optional**

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

- **Compulsory**

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

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

OTHER GOVERNMENT OR SCHOOL SERVICE

You may purchase credit for service with:

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

The maximum amount of service credit that may be purchased is the lesser of five years, or the total years of your Ohio service credit. If you combine your SERS service credit with any STRS and/or OPERS service credit you have for a combined disability 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 you resigned because of pregnancy or adoption of a child, you may purchase service credit for this time. You must have returned to work by the beginning of the third school year after the resignation and earned a year of contributing service credit after the return to work. You cannot purchase more than a total of two years service credit.

For each year of credit, you must pay contributions based on the first year of full-time SERS-covered employment after returning to work plus interest from the date of the return to work to the date of payment. Your employer at the time of the resignation also must pay the employer contributions and interest.

MILITARY SERVICE

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

- **Free**

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

- **Interrupted**

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

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

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

- **Other Military Service**

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

You may purchase up to five years of active duty in the armed forces, and up to an additional five years for time spent as a prisoner of war. If you combine your SERS service credit with any STRS and/or OPERS service credit, for a combined disability 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 your military service began applied to your compensation for the first year of full-time employment covered by SERS, STRS, or OPERS following the end of the military service, plus interest from the date of re-employment to the date of payment.

You must send SERS a copy of your discharge (DD214), or separation, notice. This service cannot be purchased if it has been or will be used in any other retirement program except Social Security or retired pay for non-regular service under 10 U.S.C. 12731-12739, or if you contributed to SERS during the same period of time.

SCHOOL BOARD MEMBER SERVICE

If you were a school board member or governing board member before July 1, 1991, you may be eligible to purchase .250 of a year for each year of board service. You must pay the actual liability for this service credit. It can be purchased no sooner than 90 days before retirement. If this service was at the same time as 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

- **Cincinnati Retirement System**

Credit may be purchased for former service covered by the Cincinnati Retirement System (CRS). If your contributions in CRS are still on deposit, they can be transferred to SERS including any amounts paid for the purchase of military service. If you withdrew the contributions, you may purchase the CRS time after contributing to SERS for 18 months. Your cost for each year is an amount equal to the amount refunded by the CRS for your contributing service and any purchased military service, plus the amount of interest, if any, you received when

the refund was paid. You cannot purchase this service credit if it is or will be used in the payment under any other retirement program.

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

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

EARLY RETIREMENT INCENTIVE PROGRAM

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



School Employees Retirement System of Ohio

Service Credit Request

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

Military duty (*Attach copy of your official Report of Separation showing first and last dates of active military service.*)

• First year of Ohio public service and employer _____

• My present or most recent public employer _____

• I plan to purchase my military service in (month) _____ (year) _____

Other Government Service **OPERS** **STRS**

Other school employment outside the public school system in Ohio

Uniformed service—Ohio Police & Fire or State Highway Patrol

Former public school service in Ohio as indicated:

Credit cancelled by refund Leave of absence Workers' Compensation Exempted Service

Compulsory service (Should have been a SERS member based on job held with School District)

Name: _____ Social Security No.:

Address: _____

City, State, Zip: _____

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

Divorce

SUPPORT ORDERS

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

DIVISION OF PROPERTY ORDERS

Your payment can be subject to Ohio court Division of Property Orders (DOPO) that require you to pay a portion of your payment to a former spouse for purposes of dividing your marital property when you receive a payment.

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

CONTINUING BENEFIT ORDERS

If you receive a disability benefit under the new plan, you will be required to convert to a regular retirement payment plan at the end of your disability period. Ohio law also allows a court to order you 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 and issued prior to the effective date of your retirement. If this type of order is issued and you are receiving a disability benefit under the new plan, when you convert to service retirement you must select a payment plan that complies with the court order.

In addition, if you are under the new disability plan and will convert to a service retirement payment plan you will be eligible for a Partial Lump Sum Option Payment (PLOP). If you decide to receive a PLOP, this amount is subject to support orders and DOPOs.

You should discuss these matters with your attorney.

Social Security

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

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

THE GOVERNMENT PENSION OFFSET (GPO)

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

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

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

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

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

When you receive Cost-of-Living Adjustments or other increases in your SERS benefit, you must report these to the Social Security Administration (SSA). These increases will result in a new GPO calculation and further reduction in your Social Security benefit.

THE WINDFALL ELIMINATION PROVISION (WEP)

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

If you have 30 qualified years or more of earnings under Social Security, or you were eligible for either your Social Security or SERS benefit before 1986, the WEP will not affect your Social Security benefit. The following chart shows what earnings make a qualified year.

HOW TO FIGURE YOUR YEARS OF COVERAGE					
You are credited with a year of coverage if your earnings equal or exceed the figures shown for each year in the following chart.					
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		

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

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

For more detailed information on the GPO and WEP and how they may affect your specific Social Security benefit, you should contact the SSA by contacting your local office, visiting the SSA website at www.ssa.gov, or by calling toll-free at 800-772-1213.

Survivor Benefits

ELIGIBILITY

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

Your beneficiary(ies) are determined by one of two methods:

- You have completed a Designation of Beneficiary form provided by SERS, or
- If no beneficiary form has been completed, the statutory order of beneficiaries applies

The statutory order of succession is as follows:

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

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

The first qualifying beneficiary is entitled to a one-time, lump-sum payment of only your employee contributions to SERS, or monthly benefits if otherwise eligible. However, if you are survived by children under age 19, or mentally or physically incompetent children, only a monthly benefit is available to the qualifying survivors.

Monthly benefit payments are available if you:

- Had at least one and one-half (1½) years of contributing service credit
- Had at least one-quarter (¼) year of Ohio service credit earned within two and one-half (2½) years prior to your death, and
- Were not receiving a service retirement benefit

The following survivors are eligible for monthly benefits:

- Surviving spouse at age 62
- Surviving spouse: at any age if you had 10 or more years of service credit; if there are qualified children; or, if declared mentally or physically incompetent by a court

- Children who have never married, are under age 19; or have been declared mentally or physically incompetent by a court
- Dependent parent age 65 or older

Benefits begin the first of the month after the survivor qualifies. Monthly benefits end if the beneficiary dies or no longer meets the above-mentioned eligibility requirements.

BENEFIT PAYMENTS

The amount of the monthly benefit is determined under one of the following schedules, whichever pays the greater benefit.

Number of Qualified Beneficiaries	SCHEDULE I Monthly Benefit Shall Not be Less than	SCHEDULE II 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

SCHEDULE III

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

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

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

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

LUMP SUM DEATH BENEFIT

At your death if you are still receiving disability benefits, your beneficiary is entitled to a one-time lump sum payment of \$1,000.

COST-OF-LIVING ADJUSTMENT (COLA)

Beginning on the first anniversary of the survivor's effective benefit date, the survivor is eligible to receive a Cost-of-Living Adjustment of 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.

Taxation

TAXES

A portion of your disability benefit is subject to federal and state income tax. When your benefit is calculated, SERS determines the amount that is taxable and the amount that is non-taxable. We send you this information.

By January 31 of each year, SERS sends you a tax form (IRS Form 1099R) for the previous calendar year. It provides information on the amounts you received for the year, the amount of taxes withheld, and other tax information.

FEDERAL INCOME TAX

SERS is required to withhold federal income tax from your monthly benefit 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 income tax should be withheld, and if so, the amount to 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 amounts at any time by filing a new Form W-4P, which can be obtained from SERS.

STATE INCOME TAX

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

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

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