



2019 SERS BOARD QUERY

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SERVICE RETIREMENT BENEFIT STREAM

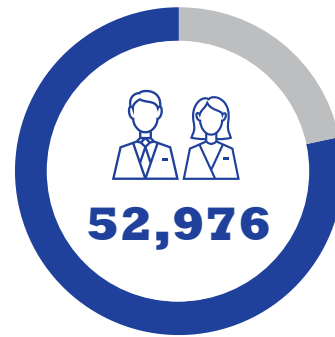
▶ How many current retirees have received a benefit longer than they worked?

65,673

Total Active Service Retirements*



19.3% Years in Retirement Exceed or Equal Years of Service Credit



80.7% Years in Retirement Equal Less Than Years of Service Credit

**Using Active Service Retirements with Member receiving*

▶ At what point does the benefit received by a retiree exceed the contributions made while working?



3-5 YEARS

The Average Point at Which the Benefit Received By Retiree Exceeds the Contributions Made While Working

EXAMPLES



60

Age at Retirement

26

Years of Service Credit

\$865

Monthly Benefit

\$40,184

Employee Contributions

47

Months to Recover Contributions



60

Age at Retirement

40

Years of Service Credit

\$4,391

Monthly Benefit

\$144,522

Employee Contributions

33

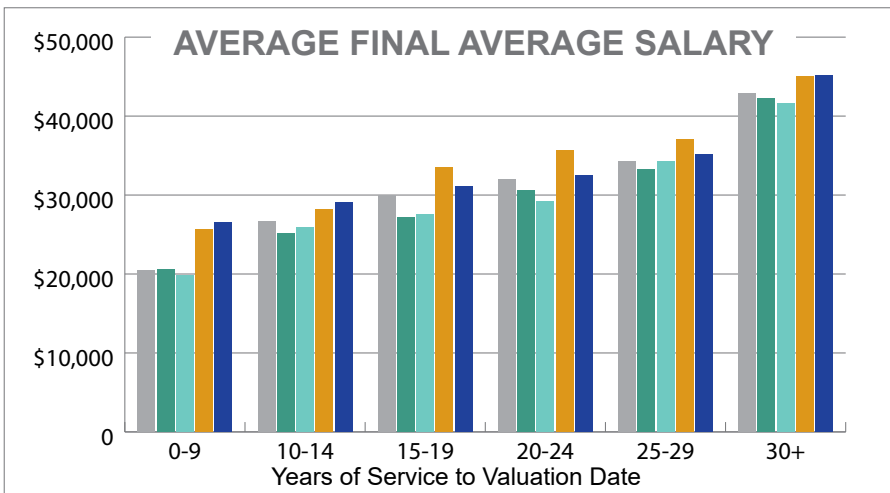
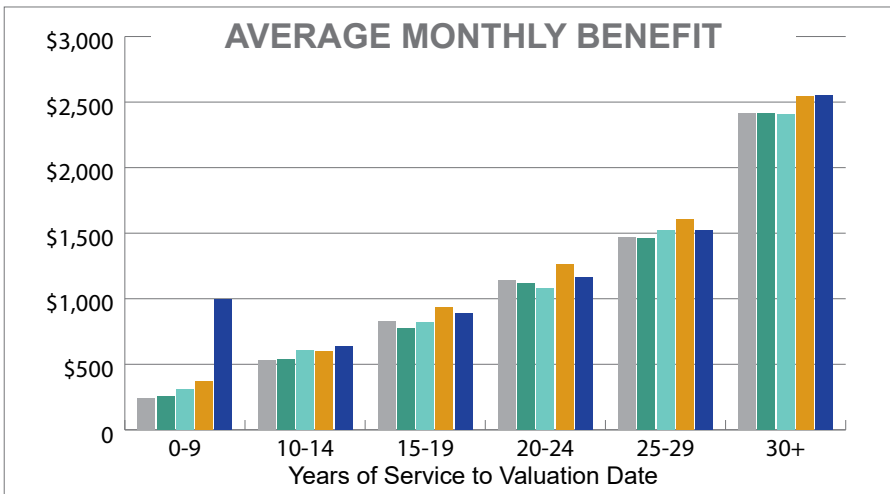
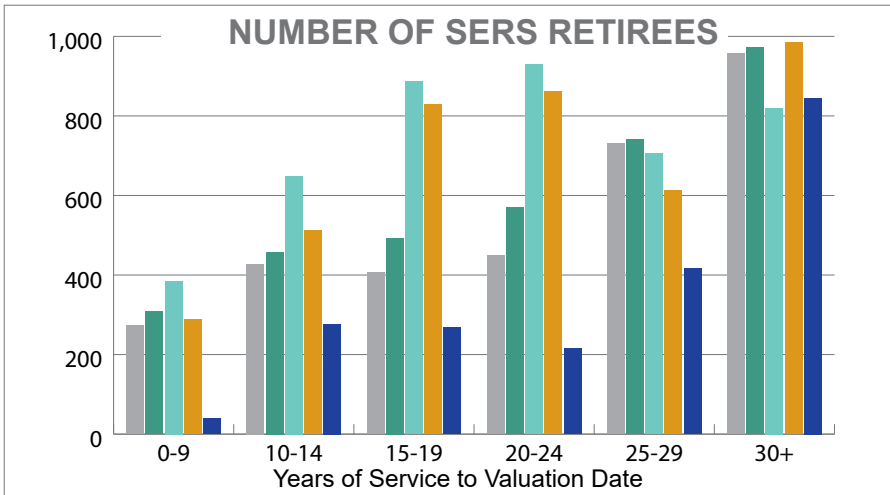
Months to Recover Contributions

SERS RETIREMENT BEHAVIOR

- ▶ Has the number of retirees changed much over the last five years?
- ▶ What is their average monthly benefit in comparison to their final average salary?

- ▶ How many new retirees reached 20 or 30 years of service?

■ FY2015 ■ FY2016 ■ FY2017 ■ FY2018 ■ FY2019



AVERAGE OF NEW SERS RETIREES WITH 30 YEARS AND 20 YEARS OF SERVICE

1961-70
 20 YEARS: 22%
 30 YEARS: 8%

1971-80
 20 YEARS: 26%
 30 YEARS: 6%

1981-90
 20 YEARS: 32%
 30 YEARS: 7%

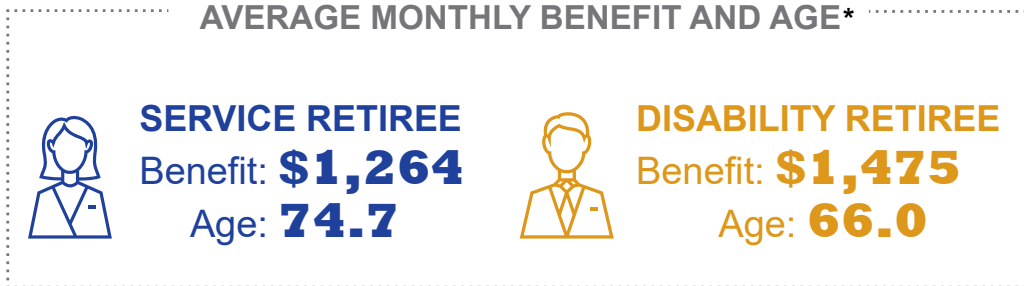
1991-2000
 20 YEARS: 52%
 30 YEARS: 13%

2001-10
 20 YEARS: 63%
 30 YEARS: 25%

2011-18
 20 YEARS: 57%
 30 YEARS: 25%

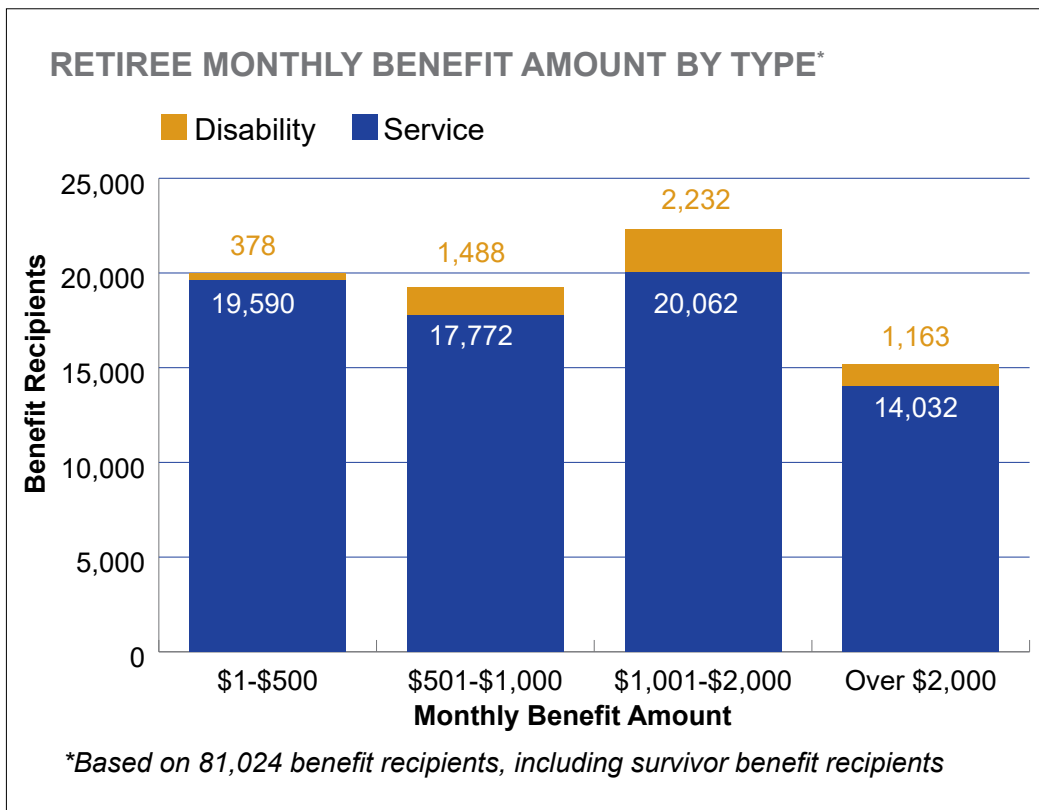
SERS RETIREE POPULATION

- ▶ What is the average age and monthly benefit of all service retirees?
What is the average age and monthly benefit of all disability retirees?



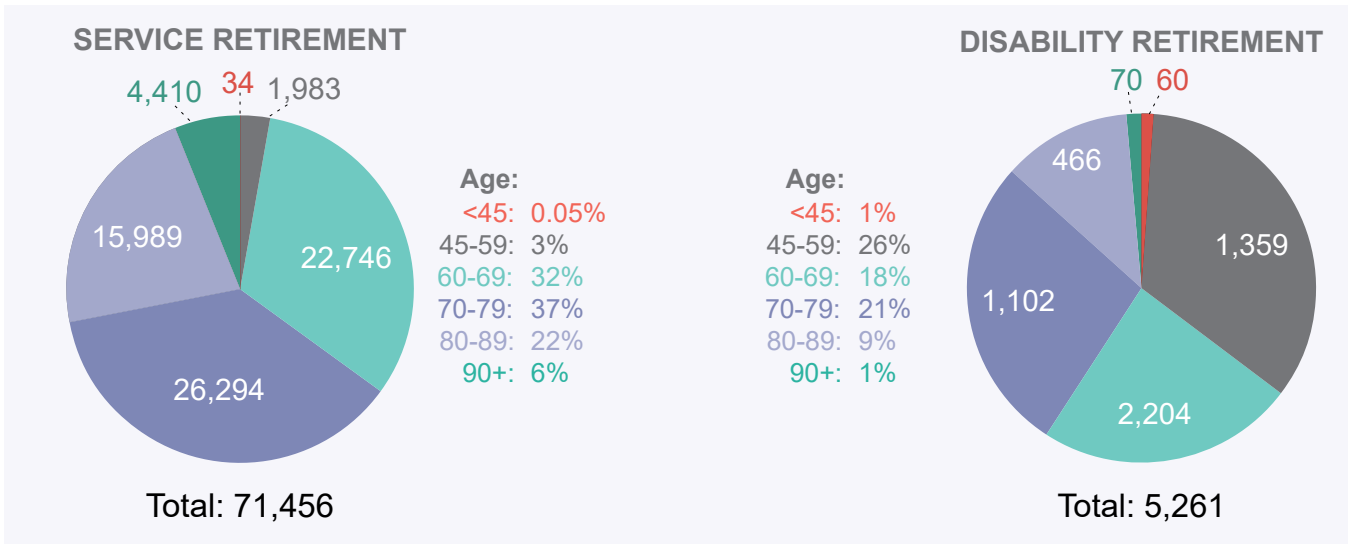
* Information regarding statutory requirements for disability and service retirements will be provided when available.

- ▶ How many benefit recipients (disability and service retirees) are currently receiving a benefit and how much is their benefit?

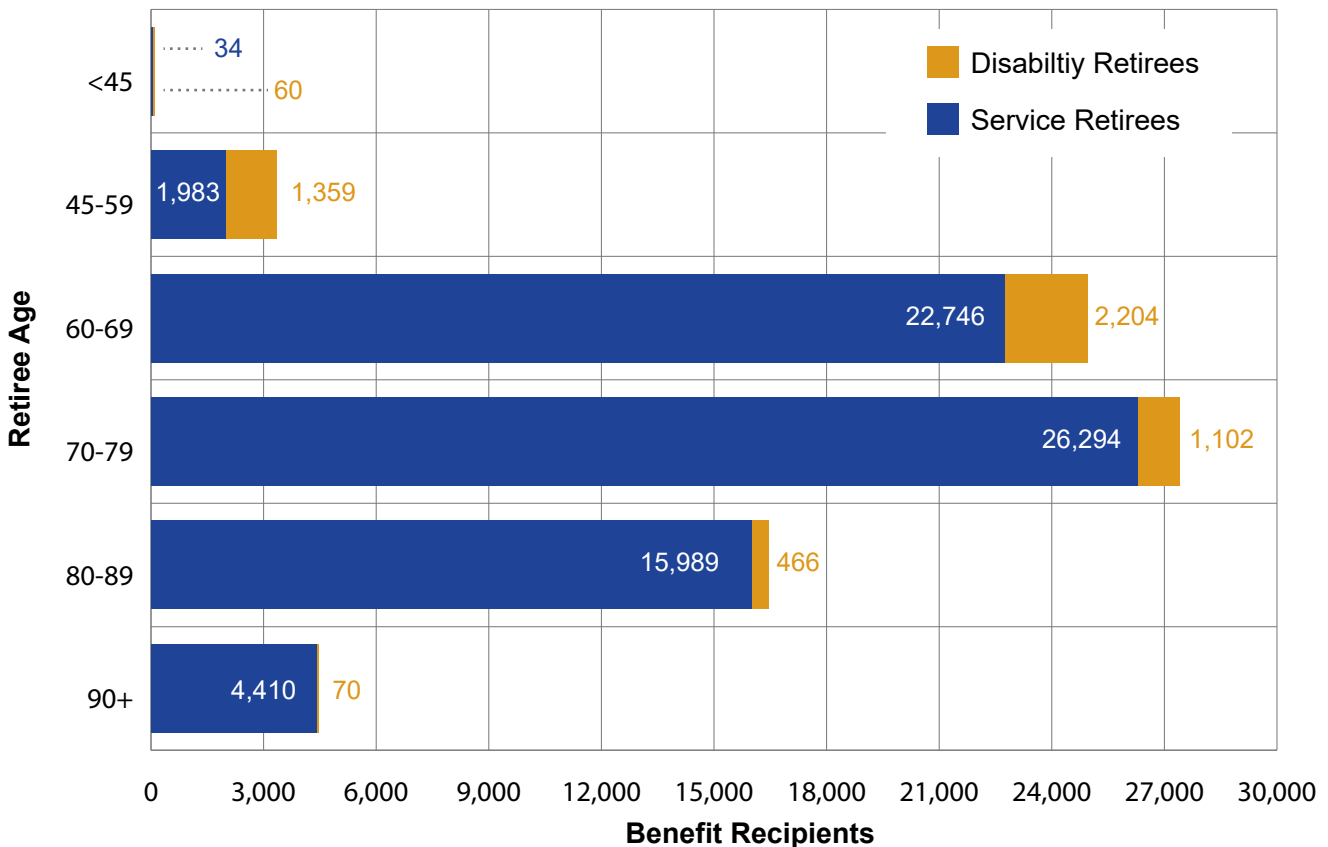


What are the ages of disability retirees in comparison to service retirees?

Age: ■ Under 45 ■ 45-59 ■ 60-69 ■ 70-79 ■ 80-89 ■ 90+



TOTAL SERVICE AND DISABILITY RETIREES BY AGE



PERCENTAGE OF TOTAL:

Age:	Service:	Disability:
<45:	0.05%	1%
45-59:	3%	26%
60-69:	32%	18%
70-79:	37%	21%
80-89:	22%	9%
90+:	6%	1%

FY2019 RETIREE DEMOGRAPHICS

What is the average age, service credit, and monthly benefit of new service and disability retirees?

FY2019 AVERAGE SERVICE RETIREE



64.6

AVERAGE AGE

26.4 YEARS

AVERAGE SERVICE

\$38,038

AVERAGE FAS

FY2019 AVERAGE DISABILITY RETIREE



55.1

AVERAGE AGE

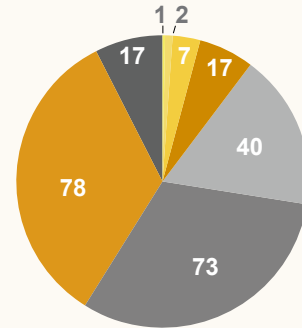
16.8 YEARS

AVERAGE SERVICE

\$32,962

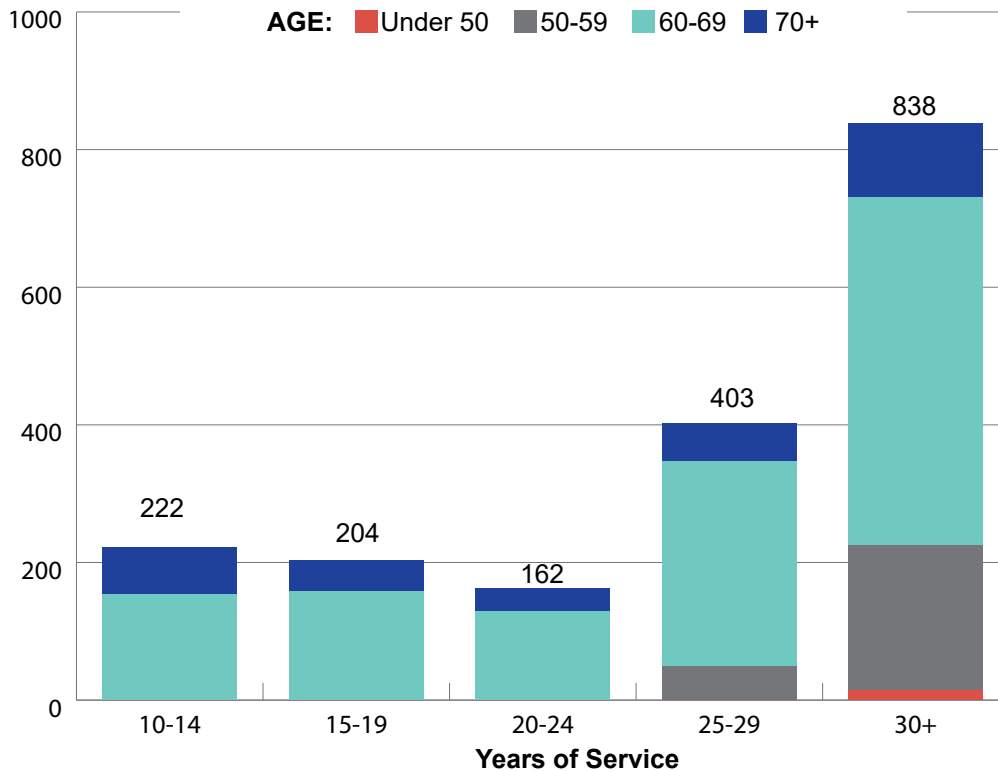
AVERAGE FAS

FY2019 DISABILITY RETIREE DEMOGRAPHICS

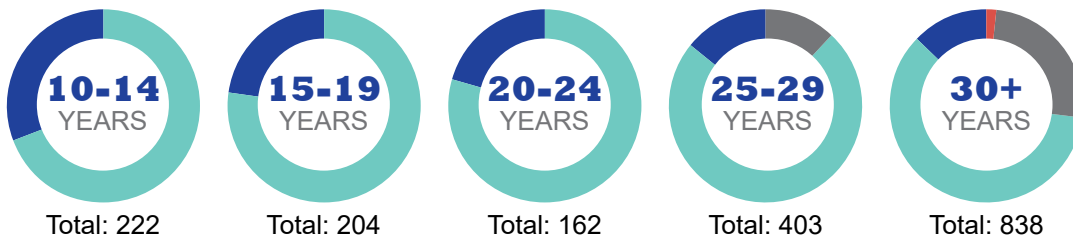


AGE: 30 35 40 45 50 55 60 65

FY2019 SERVICE RETIREE DEMOGRAPHICS



FY2019 SERVICE RETIREE AGE PERCENTAGE BY YEARS OF SERVICE

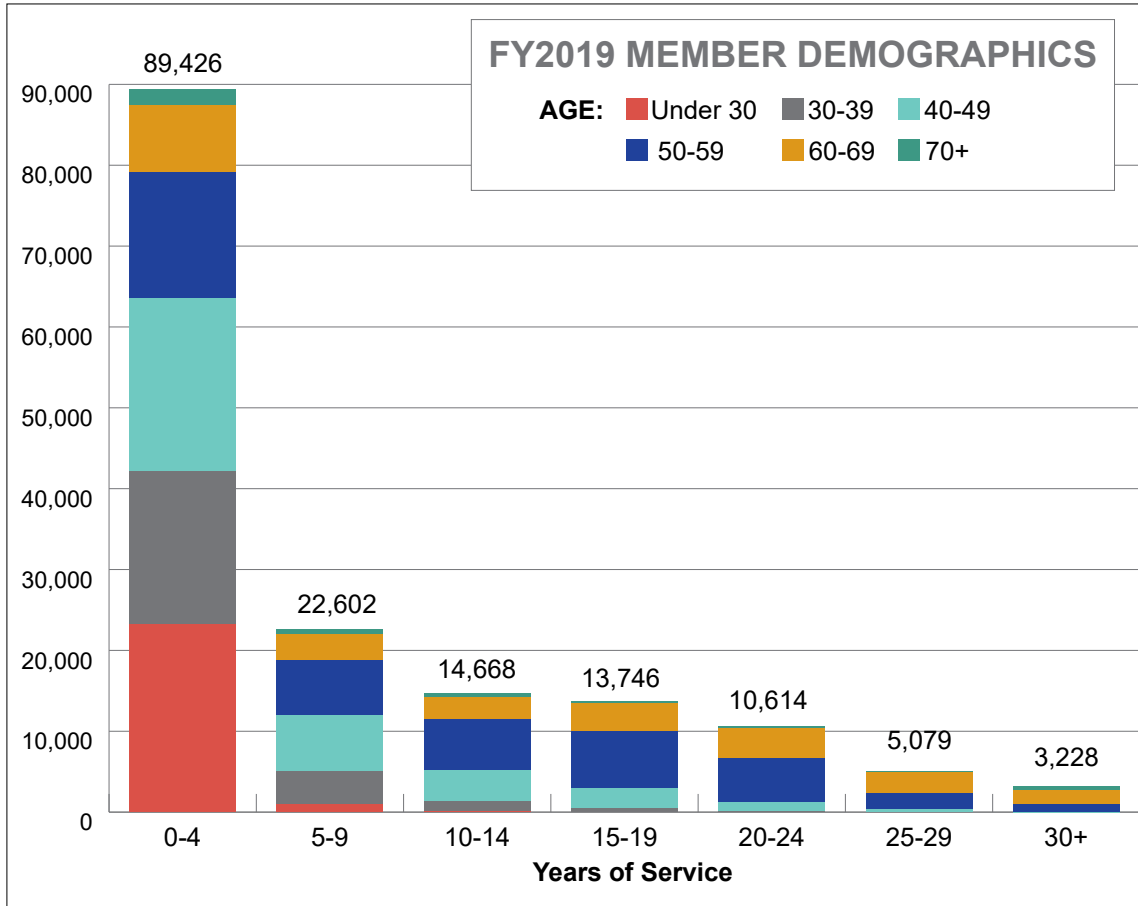


▶ **What percentage of Final Average Salary (FAS) is the average service retirement benefit?**

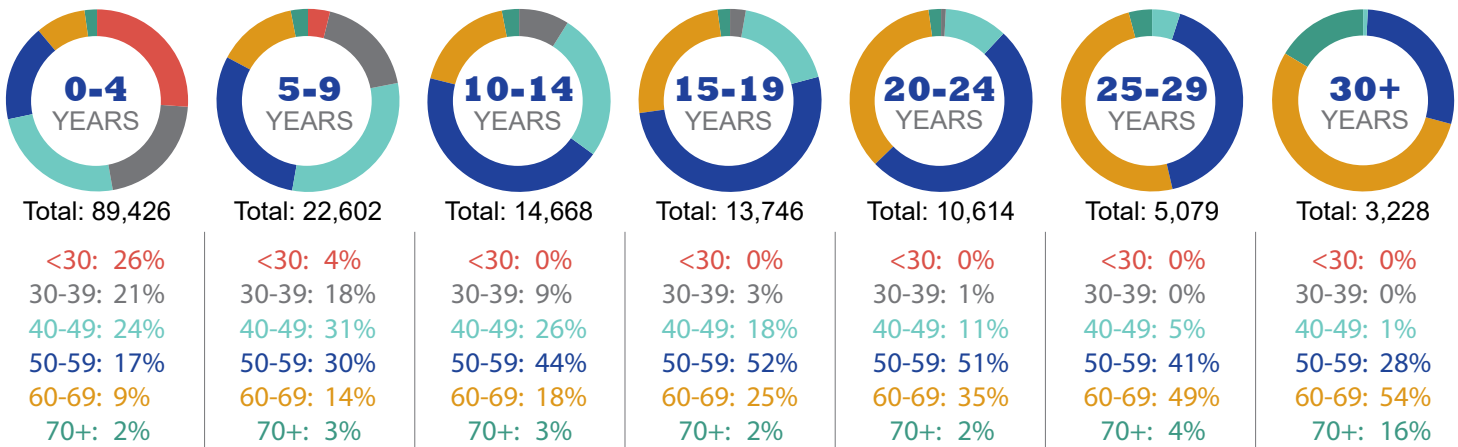


FY2019 MEMBER DEMOGRAPHICS

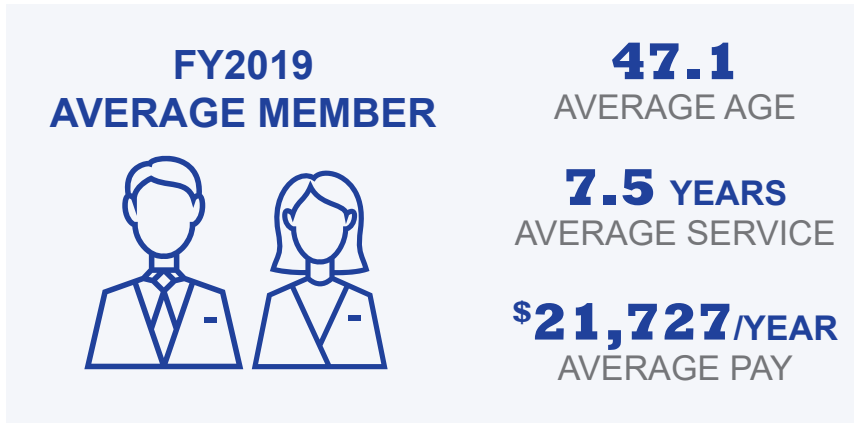
▶ What does SERS' active member population look like?



FY2019 MEMBER AGE PERCENTAGE BY YEARS OF SERVICE



► What is the average age, service, and salary for active members?



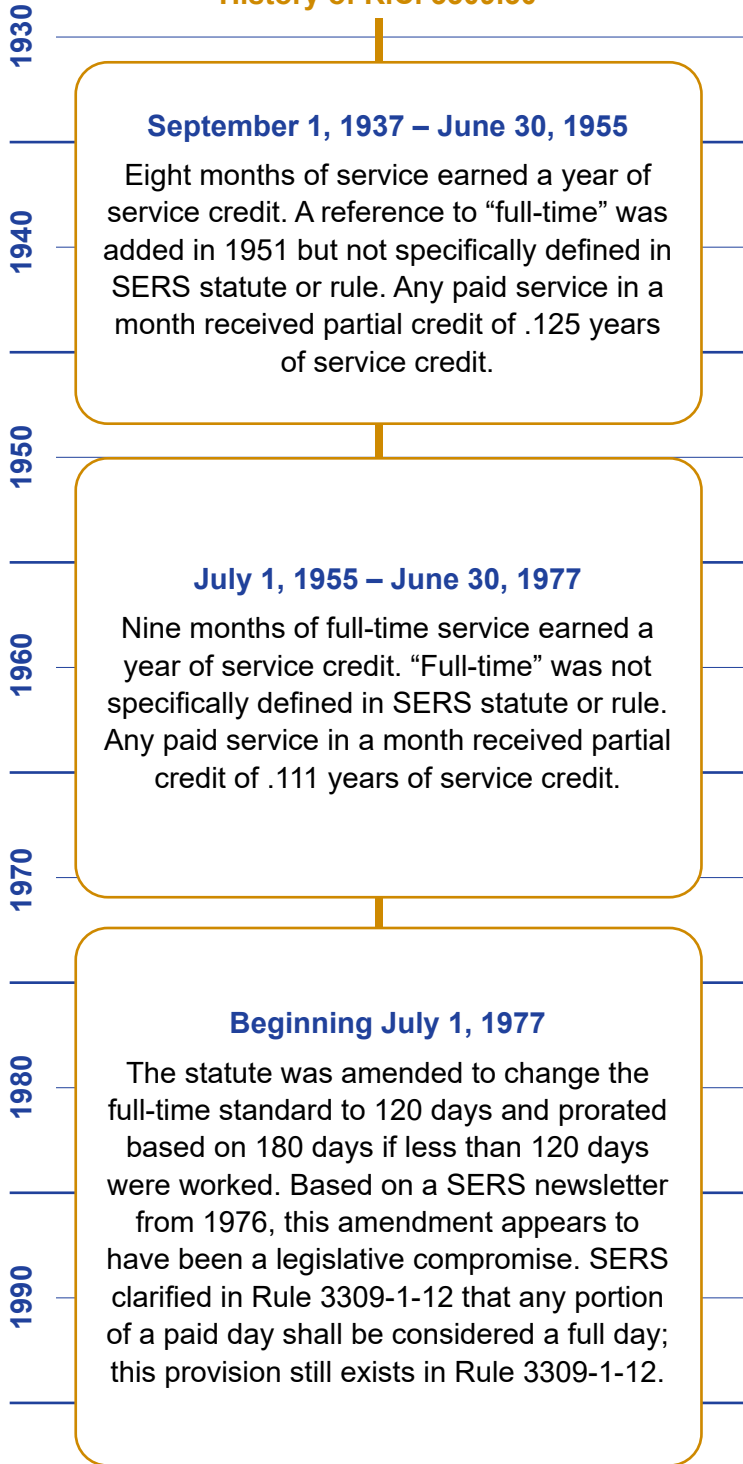
► How many members have not contributed in the last year?
In the last five years?



HISTORY OF 120-DAY SERVICE YEAR

How was the 120-Day Service Year established?

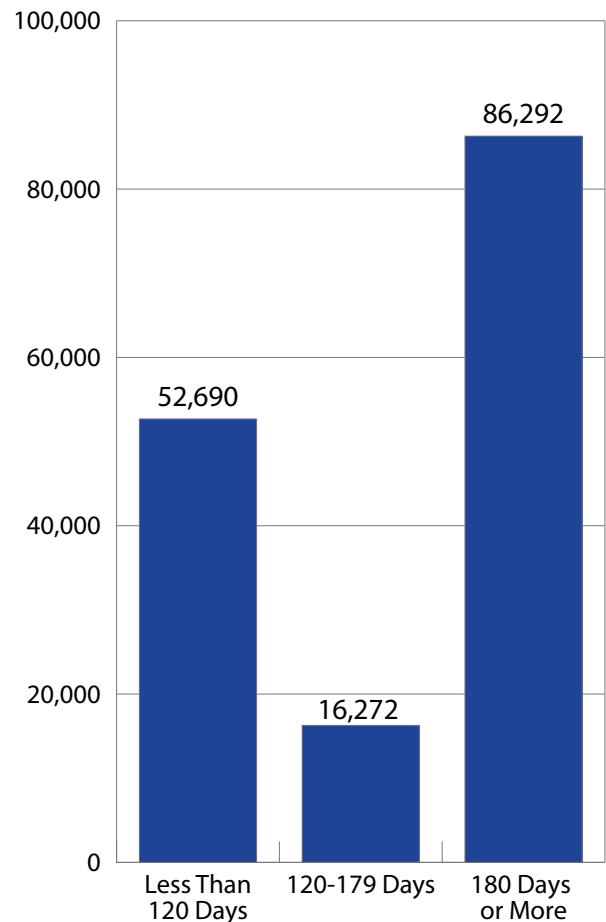
History of R.C. 3309.30



What is the impact of changing to a 180-Day Service Year?

As of November 2019, SERS has 155,254 active members. Of this group, 16,272 members (10.4%) had between 120 days and 179 days of service for the year. Using the 180-day proration, the average service credit for this group would be .867 rather than a full year. The least amount of service credit change is -.006 for members who worked 179 days, and the greatest amount of service credit change is -.333 for members who worked 120 days.

Service Days Worked



HISTORY OF “FULL-TIME” SERVICE

▶ How was the definition of a day of “Full-Time Service” established?

1974

- In 1974, SERS asked the Attorney General’s office whether the Board could apportion service credit based on hours worked. At that time, service credit was granted for any paid service in a month; 9 months of full-time service earned a year of service credit. “Full-time service” was not specifically defined in SERS statute or rule.

1975

- The Attorney General’s office advised that creating a minimum number of hours for full-time employment would conflict with Attorney General Opinion 1950 O.A.G. 1605, which provided that: employees of a board of education work full-time if they work all of the hours available for the particular occupation, and are employed on an annual basis or are otherwise continuously employed.

1976

1977

In 1977, R.C. 3309.30 was amended to implement the 120-day standard of full-time employment for receiving one year of service credit. At that time, SERS clarified in Rule 3309-1-12 that any portion of a paid day shall be considered a full day; this provision still exists in Rule 3309-1-12.

1978

1979

▶ What is the impact of changing the definition of a day of “Full-Time Service” to 8 Hours?

Currently, employers report “days” worked through payroll reporting, not “hours” worked. This would require a reporting change for employers. Also, employers and SERS could encounter problems with members who work in multiple districts concurrently, and reporting for coaches and other members with supplemental positions would be challenging.

INFORMATIONAL: SERS RESOURCES FOR MEMBERS AND EMPLOYERS

MEMBER EDUCATION



New Member Education

- Welcome packet explaining SERS benefits for every new member (decades)
- Members invited to create an account and watch new member video (April 2018)
- Website section dedicated to new members (May 2018)

Website Education



- Eligibility Information
- Retirement Conference Video
- Social Security and Your SERS Pension
- “Invest in Yourself” section discusses the SERS pension being a part of their retirement income and the need for additional income sources
- Informative webinars offered throughout the year



Mailed Information



- The member newsletter, *Future Matters*, has two versions based on member age – one for those under 45 and one for those 45 and over
- Member annual statements every September providing retirement benefit amounts

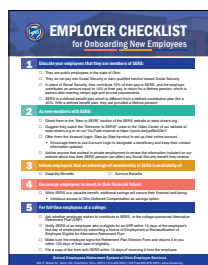
Member Counseling



- Member in-office counseling, remote counseling, and retirement conferences offered for those within 2 years, and pre-retirement meetings for those further out than 2 years
- At the PREP meetings, a representative from deferred compensation speaks
- Conduct member meetings and attend benefit fairs



EMPLOYER EDUCATION



- Employee (Member) Onboarding Checklist
 - Deferred Compensation information
- Employer 101 Training
- eSERS Hands-on Training
- Employer Education Web Series
 - Contribution Reporting
 - Payroll Schedules
 - Wage Certification
 - Membership
- Availability of employer support team

DISABILITY EDUCATION

Eligibility for disability has historically always been 5 years. Disability is income replacement for someone still working; not a retirement payment. Our recently implemented Vocational Rehabilitation program was designed to identify members who have become healthier because of the program and help them get back in the work force and off of the SERS program.