



School Employees Retirement System of Ohio BENEFIT CHANGES 1944–2018

1941–1970

1944

Eligibility changed to **age 55 with 30 years** of service (from age 60 with 5 years of service)

1946

Contribution rate increased from **4% to 5%**; Annual contributions earnings limit increased from **\$2,000 to \$3,000**

1955

Service retirement benefit changed from defined contribution to **defined benefit** (1.5% of FAS, which was the highest five years within the last ten years)

1956

FAS changed to **highest three years** within the last 10 years

1960

Pension formula changed from **1.5% to 1.65%** of FAS; Minimum benefit increased from **\$63/year to \$72/year**

1945

Interest rate on refunds reduced from **3% to 1.5%**; **Definition of FAS** changed from “average salary” to “ten years before retirement”

1951

SERS began providing **survivor benefits** (disability benefits provided since inception); **Contributions earnings limit** eliminated

1955

Eligibility changed to age **65 with 40 years** of service; benefits capped at **75% of FAS**; One year of service increased from eight months of service to **nine months** of service

1959

Years of service for full (unreduced) pension decreased from **40 to 35**; Maximum FAS increased from **\$15,000 to \$18,000**

1962

Health care became available, with retirees paying the full premium

1971–1980

1972

Minimum benefit increased from **\$82/year to \$86/year**

1974

FAS changed to highest **three** years

1976

Full, unreduced pension changed from **35 years** of service to **30 years** of service

1972

Retirement formula increased from **1.9% to 2.0%** of final average salary (FAS)

1973

FAS changed to highest **five** years

1974

Pension limit increased from **80% to 90%** of FAS

1977

One year of service reduced from **nine months** to **120 working days**

1981–1990

1988

Retirement formula increased from **2% to 2.1%** of final average salary

1989

Benefit increase of **5%** for all retirees who retired between 2/1/83 and 9/30/88

1984

Benefit increase of **5%** granted for all retirees who retired on or prior to 2/1/83
Estimated cost: **\$4.3 million**

1989

Benefit increase of **2%** for all retirees who retired prior to 2/1/83

1991–2000

1992

Separate annuity program established for **reemployed retirees** (HB 382)

1999

Retirement formula increased from **2.1% to 2.5%** of final average salary for each year of service over 30 years

1992

All non-certificated public school employees, with minimal exceptions, **required to contribute** to SERS (HB 382)

1993

SERS developed a **new disability program** that allows members to apply for disability regardless of age (HB 346)

2001–2010

2001

Retirement formula increased from **2.1% to 2.2%** of final average salary for each year of service under 30 years

2002

COLA changed to fixed **3%**, regardless of change in CPI

2006

Reemployed retirees can receive a **refund** of contributions in lieu of a monthly benefit at age 65

2001

Increased maximum pension from **90% to 100%** of FAS

2003

SERS developed **partial-lump sum payment (PLOP)** option

2008

Pension Reform

- Minimum retirement age set at 55
- Must have at least 10 years of service credit to receive pension
- Increased early retirement eligibility to age 62 with 10 years and age 60 with 5 years
- Revised calculation for those who retire before age 65 or with less than 30 years

2011–2018

2013

Pension Reform - Effective 1/7/13:

- An employee must be age 57 to participate in an early retirement incentive
- A disability applicant must also apply for Social Security if he or she is eligible
- Change in the standard for terminating disability

2018

COLA Changes Effective 1/1/18:

- Three-year COLA suspension for all SERS retirees and benefit recipients
 - COLA based on CPI-W with a cap of 2.5% and floor of 0%
- For benefits effective 4/1/18 and after:
- Benefit recipients must wait until the fourth anniversary of their allowance before receiving a COLA

2017

Pension Reform

Eligibility requirements for members who retire after 8/1/17:

- Age 67 with 10 years of service, or age 57 with 30 years, for full benefits
 - Age 62 with 10 years of service, or age 60 with 25 years, for reduced benefits
- These changes did not affect members who had 25 years of service credit before 8/1/17.

A buy-up option was offered to those affected by these changes to retire under the previous age and service requirements.