



Pension Benefits and Health Care Coverage Overview

For Defined Benefit Plan Enrollees Preparing for Retirement

As an STRS Ohio member approaching retirement, you will want to be aware of the items detailed in this document related to your pension benefits and health care coverage.

Pension Benefits

Benefit Payment Details

If your fully completed *Service Retirement Application* is received by STRS Ohio at least 30 days before your retirement date, we may issue a benefit payment on your retirement date. If the actual benefit amount is not calculated by your retirement date, a partial payment may be issued.

Most members receive two or three partial payments. Once exact information is available, any balance will be retroactive to your effective date of retirement and paid as a catch-up payment, which is the difference paid to you after receiving partial payments and before your regular payments begin.

- Benefits are automatically deposited to your bank account on the first banking day of the month, which is usually the first day of the month.
- If the first day of the month is a holiday or falls on a weekend, the direct deposit date is adjusted accordingly. A list of first banking days for each month is available at www.strsoh.org in the Receiving Benefits section under Payment of Benefits.
- You will be notified when you receive your first regular benefit payment, every January and following changes to your benefit amount.

Employment After Retirement

Reemployment in a public position in Ohio after retirement is restricted during the first two months following retirement.

- To be eligible for service retirement, there **must be a minimum one-day break in service** between the last day of employment as an active member of STRS Ohio and the first day of employment as a reemployed retiree. This one day must be the last workday of the month or the first workday of the retirement month and cannot be a Saturday, Sunday or holiday.

- If you are employed by **only one public employer** at the time of retirement, you must wait two months after your date of retirement to return to public employment.
- If you are employed at the time of retirement by **more than one employer** covered by STRS Ohio, Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS), you may retire with the highest paying (primary) employer and continue to work with one or all of the lower paying (secondary) employers with no waiting period. You must have held the secondary position for at least 12 consecutive months prior to retirement to be eligible to continue working with the secondary employer with no waiting period. For example, if your retirement date is July 1, 2024, you must have been working in your secondary position in July 2023 and continue working for the next 12 months.
- **If your secondary employer is covered by OPERS or SERS**, then you must also combine that account with your STRS Ohio account at retirement to avoid a forfeiture of benefits.

If you choose to work in a public position with your primary employer or a new employer within the first two months of retirement, you will forfeit your monthly retirement benefits for the months worked. The amount forfeited by violating the two-month waiting period is the Single Life Annuity monthly benefit calculated before the reduction for a Partial Lump-Sum Option Plan (PLOP) payment and a Joint and Survivor Annuity or Annuity Certain (if selected).

If you continue public employment after retirement, you will contribute to the applicable Ohio public retirement system. If you become employed in an STRS Ohio-covered position, you will be eligible to receive your contributions plus interest upon ending reemployment. Ohio law may require public notice if you are returning to your former employer. Please contact your employer for details.

Purchasing Service Credit

The Revised Code allows you to purchase service credit for certain types of past employment and leaves of absence, which may increase the amount of your retirement income or enable you to retire sooner.

Provided the service credit is certified before your effective date of retirement, all service credit **must be paid in full within three months following your retirement effective date or earlier if you allow your benefit to be final**. Purchasing service credit after retirement will delay the finalization of your retirement benefit and may delay partial payments. (See "Benefit Payment Details" on Page 1.) If you are not eligible for retirement without purchased credit, STRS Ohio will not issue partial payments until your credit purchase is completed.

Taxes

Beginning with the first payment, STRS Ohio retirement benefits are taxable. STRS Ohio will withhold federal taxes from your benefits unless you direct otherwise. If federal taxes are not withheld, you will be responsible for filing federal quarterly estimates.

- **If you are an Ohio resident**, benefits are subject to Ohio income tax and may be subject to school district income tax. Ohio income tax will be withheld upon request. School district taxes cannot be withheld.

- **If you are a resident of another state**, the laws in that state govern your state tax liability. STRS Ohio cannot withhold tax for states other than Ohio.
- Benefit payments are **exempt from local or municipal taxes in Ohio**.

Death Benefit

At the time of a service or disability benefit recipient's death, a \$1,000 lump-sum death benefit is automatically payable to the beneficiary designated at retirement. You may purchase additional death benefits of either \$1,000 or \$2,000 at retirement or at age 65. Your beneficiary may be changed at any time.

Cost-of-Living Adjustment (COLA)

New STRS Ohio benefit recipients are eligible to receive a COLA beginning on the fifth anniversary of their retirement date. The State Teachers Retirement Board will periodically evaluate whether a cost-of-living increase is payable in accordance with the law in effect at that time (Section 3307.67, Revised Code). If a COLA is granted, you will receive it on the anniversary of your retirement date.



Health Care Coverage

STRS Ohio offers access to health care plans that include hospital, medical and prescription drug coverage. We also offer dental and vision plans to supplement health care plan coverage. Unlike your pension benefit, access to health care coverage is not guaranteed under Ohio law. However, STRS Ohio understands that quality health care in retirement is important to you and continues work to preserve this coverage.

Health Care Costs

STRS Ohio currently makes medical plan premiums less expensive for eligible service retirement and disability benefit recipients by subsidizing a portion of the monthly cost. The premium subsidy is based on years of service, with the maximum premium subsidy being provided for a benefit recipient with 35 or more years of service. As you evaluate your retirement options and estimate retirement income and expenses, you should consider how health care costs (such as your premium and out-of-pocket costs) will impact your retirement income.

Eligibility Criteria

Service retirement benefit recipients with 20 or more years of total service credit have access to health care coverage and receive a premium subsidy.

Other eligibility criteria are as follows:

- **Disability benefit recipients:** Eligible for access to health care coverage. If the disability recipient later applies for service retirement, coverage access and cost is based on whether the disability effective date was before or after Jan. 1, 2004.
- **Eligible dependents (spouse, child and/or disabled adult child):** Eligible for coverage once the benefit recipient enrolls.
- **Beneficiaries of service retirement benefit recipients:** Eligible for coverage if the service retirement benefit recipient was eligible for coverage at the time of death.

- **Survivors of active members or disability benefit recipients:** Eligible for coverage if granted survivor benefits and was an eligible dependent at the time of the active member's or disability benefit recipient's death.
- **Employed non-Medicare enrollees:** Coverage under the STRS Ohio Health Care Program is limited for non-Medicare enrollees employed in public or private positions. Employed enrollees are eligible only for secondary coverage through STRS Ohio's Aetna Basic Plan when they: (1) are eligible for medical and prescription drug coverage through the employer, or (2) hold a position for which similarly situated employees are eligible for medical and prescription drug coverage at the same cost as full-time employees. The rule applies to all employed enrollees who are not eligible for Medicare, regardless of hire date or type of employment. If you think you might be affected, contact STRS Ohio.

Enrollment at Retirement

The *Service Retirement Application* you will complete to begin receiving service retirement benefits includes a section about health care enrollment. If you indicate you want to enroll but do not select a plan, health care information will be mailed to you after your benefit application has been processed.

Be sure to verify the date your employer-sponsored health care coverage will end in order to determine an accurate effective date of STRS Ohio health care coverage. Once health care coverage takes effect, enrollment cannot retroactively be changed or canceled. If you change your retirement benefit effective date, you will be responsible for the full unsubsidized premium for months health care coverage was in effect and you were not receiving a pension benefit.

Enrollment After Monthly Benefits Begin

Outside of enrolling in coverage when monthly benefits begin, you may request enrollment for yourself and any eligible dependents under the following circumstances. **An enrollment application is required and must be received within 31 days of the qualifying event.**

- **Medicare enrollment** — Eligible individuals may enroll upon initial eligibility for and enrollment in Medicare Parts A & B or Part B-only. Coverage will be effective the first of the month Medicare coverage begins.
- **Loss of other coverage** — Coverage becomes effective the first of the month in which other coverage is lost if STRS Ohio receives the enrollment application and required documentation within 31 days of the date your other coverage ended.
- **Marriage** — You may enroll a spouse upon marriage. Coverage will be effective the first of the month following the date of marriage.

- **Birth, legal adoption or legal guardianship** — Benefit recipients may enroll an eligible child for coverage beginning the first of the month of the date of birth, legal adoption or legal guardianship.

Open Enrollment

An eligible individual may enroll during open enrollment without a qualifying event. Open enrollment is offered in November each year for medical plans and once every two years for dental and vision plans. Online enrollment applications are accepted Nov. 1 through the Tuesday before Thanksgiving. Coverage will begin Jan. 1 following open enrollment.

Dental and Vision Coverage

STRS Ohio offers dental and vision coverage under separate plans. Coverage is available to benefit recipients with 20 or more years of total service credit and eligible dependents. STRS Ohio health care plan enrollment is not required to enroll in the dental and vision plans; however, you must be enrolled in the dental and/or vision plan(s) for eligible dependents to participate. You may enroll in either or both plans. Once enrolled you must remain enrolled and pay monthly premiums through the end of the two-year contract period.

Medicare and STRS Ohio Coverage

Medicare is a federal health insurance program for people age 65 and older, some people with disabilities under age 65 and people with end-stage renal disease or amyotrophic lateral sclerosis (ALS). You do not need to contribute to Social Security to be eligible for Medicare.

- STRS Ohio requires you to enroll in Medicare Part B (medical insurance) and pay a monthly premium.
- You must also enroll in Medicare Part A (hospital insurance) if it is premium-free.
- Enroll in Medicare three months before your 65th birthday. If you are enrolling in both Medicare Parts A & B, you can complete your Medicare application online at www.ssa.gov. If you are not eligible for premium-free Part A and are enrolling in Part B-only, you must visit your local Social Security Administration office or call Social Security toll-free at 800-772-1213 to enroll.
- Once you enroll in Medicare, you'll need to submit your Medicare information to STRS Ohio through your Online Personal Account.

Medicare also offers Part D (prescription drug insurance). **Do not enroll in any other Part D prescription drug plan** if you enroll in an STRS Ohio health care plan. STRS Ohio's health care plans for enrollees with Parts A & B or Part B-only include Part D prescription coverage.

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When you enroll in Medicare, STRS Ohio's health care costs are reduced, and you pay a lower monthly premium for STRS Ohio health care coverage. If you decline Medicare coverage for any reason, you will not be eligible for an STRS Ohio medical plan.

Benefit recipients enrolled in an STRS Ohio Medicare plan receive partial reimbursement for paying their monthly

Part B premium to Medicare. The reimbursement is provided through lower monthly premiums, which are reduced by a \$30 Medicare Part B premium credit.

Online Resources at www.strsoh.org

STRS Ohio website

Go to www.strsoh.org to access:

- Benefit information (while teaching and in retirement)
- Your Online Personal Account
- A video library
- Counseling and seminar information
- STRS Ohio publications and forms
- Benefit calculators

Online Service Retirement Application

Save time and submit your *Service Retirement Application* online using your Online Personal Account. Benefits and features of the online application include:

- Step-by-step instructions
- Flexibility to complete the application in stages
- First partial benefit payment on your retirement date (if you submit your application at least 30 days before)
- Processing status updates via your online account

Retirement Benefits Presentation

This presentation, available at www.strsoh.org in the Videos section, provides information pertaining to health care coverage, applying for retirement, the retirement benefit payment, employment after retirement and death benefits.

Online Account Features

During your career and after retirement, access your STRS Ohio account online to:

- View account information or benefit payment details
- Make account changes
- Access calculators
- Retire online
- Withdraw your account
- View documents
- Access health care coverage information
- Make a benefits counseling appointment
- Register for a member education seminar

To register for online account access, go to www.strsoh.org and click on "REGISTER" at the top of the page. A video with more details about online account features is available at www.strsoh.org in the Videos section.

eUPDATE

STRS Ohio uses its email news service to update members about legislation, benefits and other issues affecting the STRS Ohio membership. All members with an email on file with STRS Ohio receive the eUPDATE.