



Employment After Retirement

For members enrolled in the
Defined Benefit Plan
Defined Contribution Plan
Combined Plan



2024|2025

Table of Contents

Reemployment Overview	1
Filing for service retirement	1
One-day break in service	1
Returning to Ohio public employment	2
Single employer	2
Multiple employers	2
Forfeiting retirement benefits: violations and penalties	3
Reemployment benefit	4
Important tax considerations	5
Contributions made during two-month waiting period	5
Required minimum distribution	6
Annual Statement of Account	6
Apply for benefits	6
Employed retiree health care	7
Limited coverage	7
Verification process	8
Definitions	8
Determining eligibility for primary coverage	8
Employment and Medicare enrollment	10
STRS Ohio Resources	11

STRS Ohio retirees may choose to be reemployed after retirement. This brochure provides information about the rules associated with reemployment and your service retirement benefit. If you are considering any type of reemployment after retirement, please review this brochure carefully. It explains restrictions on reemployment, potential benefits forfeited, primary and secondary employment, and the reemployment benefit, as well as important information about health care eligibility during employment after retirement.

Ohio law may require public notice if you are returning to a position with the employer from which you retired; please contact your employer for details.

Filing for service retirement

You must terminate employment from your highest paying Ohio public employer to be eligible for retirement benefits. If you plan to retire with STRS Ohio and return to Ohio public employment, STRS Ohio must receive your *Service Retirement Application* before your reemployment begins.

One-day break in service

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 STRS Ohio member and the first day of employment as a reemployed retiree in an STRS Ohio-covered position. This one day must be the last workday of the month before the service retirement date or the first workday of the retirement month. The one-day break must be a normal workday and cannot be a Saturday, Sunday or holiday. The one-day break in service does not apply if your reemployment is with an employer other than the employer you retired from. It also does not apply to employment covered by Ohio Public Employees Retirement System (OPERS) or School Employees Retirement System (SERS).

- For example, if your service retirement date is July 1 and:
 - Your last paid workday is on or before June 29 and you do not work on June 30 (if a normal workday), you can begin reemployment on July 1.

This brochure is a summary written in plain language for use by STRS Ohio members. It is not intended as a substitute for the Ohio Revised Code or the Ohio Administrative Code or for any state or federal law or regulation, nor will its interpretation prevail should a conflict arise between it and any law or regulation. More information may be obtained by contacting STRS Ohio toll-free at 888-227-7877.

- Your last paid workday is June 30 and you do not work July 1 (if a normal workday), you can begin reemployment on July 2.

In addition, working anytime during the first two months of retirement may cause you to lose retirement benefits. See the next section for further details.

Returning to Ohio public employment

Single employer

If you are employed by only one Ohio public employer at the time of retirement, you must wait two months after your retirement date to return to public employment. Public employment during the first two months will result in the loss of one or two months of retirement benefits.

If you are reemployed within the first two months of retirement or continue in the same position as a nonpaid volunteer, you will be in violation of the two-month waiting period and will forfeit monthly benefits for any month in which you are in violation. If you volunteer, you may never be paid for the services rendered during the volunteer period. Simply deferring payment until later will not eliminate the violation. Please review “Forfeiting retirement benefits: violations and penalties” on Page 3 for further information.

Multiple employers

If you are employed at the time of retirement by more than one employer covered by STRS Ohio, OPERS or 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. To be eligible to continue to work with a secondary employer with no waiting period or penalties, you must have worked and earned compensation from that employer for each of the 12 months before and in the month of retirement.

For example, if your retirement date is July 1, 2025, you must be working in your secondary position in July 2024 and continue to work in each of the next 12 months into July 2025.

A secondary employer is defined as any STRS Ohio, OPERS or SERS employer with which you earned less compensation than you earned with your highest paying employer (in that fiscal year or in the previous 12-month period) and you are continuing employment with that employer in the first month of retirement. You may have more than one secondary employer. The “one-day break in service” referenced on Page 1 does not apply to employment with a secondary employer.

Defined Benefit Plan members only:

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.

Forfeiting retirement benefits: violations and penalties

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 retirement benefits for the months worked. The amount forfeited is equal to the single life annuity benefit amount before any reduction for a joint and survivor or annuity certain plan of payment (all plans) and a partial lump-sum option plan payment (Defined Benefit and Combined plans). The difference between the actual plan of payment selected and the Single Life Annuity (or pre-PLOP Single Life Annuity) will be deducted from future monthly benefits.

Retirees who work during the two-month waiting period may still be eligible for health care coverage during the period benefits are forfeited. (See Page 7 for information regarding “Employed retiree health care.”) If you are enrolled in medical/prescription, dental or vision coverage, monthly premiums will be billed to you directly. Monthly premiums for the optional retiree-funded death benefit will be deducted from a future benefit payment.

Reemployment benefit

Members continuing public employment after retirement and their employers both contribute to the applicable Ohio public retirement system. These contributions fund a benefit that you may collect as a lump-sum payment the first of the month following your last day of service or 12 months after the payment of a previous reemployed retiree benefit payment, whichever is later. Before benefits are payable, you must terminate employment.

Interest begins to accrue in the fiscal year (July 1–June 30) following deposit and would be payable the following August or later. No interest is payable in July for contributions made in the previous fiscal year.

If you elect a benefit *before age 65*, you will receive your contributions and interest on your contributions through your last day of service. This benefit is paid as a lump sum.

If you elect a benefit *at age 65 or after*, you will receive your contributions and interest on your contributions, and possibly a matching amount and interest depending on when the work was performed. Interest terminates at age 65 or your last day of service, whichever is later. For example, if you stop working at age 63 and leave the account for a payment at age 65, interest will be included through age 65.

Interest is calculated at 6.5% through June 30, 1982; 7.75% from July 1, 1982 through June 30, 1994; 6.0% from July 1, 1994, through June 30, 1999; 5.0% from July 1, 1999, through June 30, 2012; and 4.0% beginning July 1, 2012. Interest rates are subject to change.

- Member contributions made before July 1, 2005, are matched at 100%.
- Member contributions made July 1, 2005, through June 30, 2013, are matched at 50%.
- Member contributions made July 1, 2013, and after are not matched.

You may elect to receive the benefit as a lump-sum payment or a monthly annuity, provided the monthly annuity is \$25 or greater. (The matching amount and interest rates are subject to change.)

Lump-sum payments can be:

- Paid directly to you, or
- Rolled over to a qualified plan.

Upon your death, survivors receive a lump-sum payment of any unpaid funds. Individuals continuing employment after retirement are not eligible for any other benefits.

Important tax considerations

If you choose to withdraw your STRS Ohio account, there are important tax implications.

If you choose to have your withdrawal paid directly to you:

- Your payment will be taxed in the year in which it is issued.
- STRS Ohio will withhold federal tax at a rate of 20%.
- If you receive the payment before age 59-1/2, you may have to pay a 10% tax penalty for an early withdrawal.

You may roll over your withdrawal amount to an eligible retirement account that will accept your rollover and:

- Your payment will not be taxed in the current year and no taxes will be withheld.
- The rolled over funds will be taxed when removed from the account to which they were deposited.

There are other tax implications if you withdraw your STRS Ohio account. Review the *Special Tax Notice Regarding Lump-Sum Payments* found within the *Application For Lump-Sum Payment* (located on the website under Forms) and consult a professional tax advisor for more information. STRS Ohio cannot provide tax advice.

Contributions made during two-month waiting period

Contributions made during the two-month waiting period (see Page 2) are not eligible for matching funds or interest. You may request a refund of these contributions at any age when employment with this employer terminates. These contributions may be withdrawn separately from other contributions.

Required minimum distribution

Federal tax law requires you to take a minimum distribution from your retirement plan by April 1 of the year that follows the latter of: the year in which you reach age 73 or the calendar year in which you stop working in an Ohio public position. Failure to begin benefit payments by such date may subject you or your heirs to a federal tax penalty of 50% on the income that you should have taken.

If you do not apply for your monthly benefit payments or an account withdrawal by the required beginning date, a lump-sum payment will automatically be made to you, beginning with a retirement effective date of Jan. 1 of the year following the year you reach age 73.

It is important that you review your options with an STRS Ohio benefits counselor before making a decision. A benefits counseling appointment can be scheduled at www.strsoh.org using your Online Personal Account.

Annual Statement of Account

Each fall, an *Annual Statement of Account* is provided to reemployed retirees and reflects account information as of the preceding June 30. This statement is available through your Online Personal Account and reflects your total account balance and account withdrawal value.

Apply for benefits

When you terminate employment, you can apply online for reemployed benefits in the Reemployed section of your Online Personal Account.

Employed retiree health care

(Defined Benefit and Combined Plan members only)

STRS Ohio offers medical, dental and vision coverage to eligible service retirement and disability benefit recipients, beneficiaries and survivors.* Members who retired on or after Aug. 1, 2023, must have at least 20 years of service credit to qualify for coverage. (At least 15 years of service credit is required for members who retired before Aug. 1, 2023.) Coverage is also offered to eligible dependents.

Medicare enrollment is required at age 65 or when eligible. Additionally, STRS Ohio offers a Health Care Assistance Program to help qualified benefit recipients who need financial assistance paying for their STRS Ohio health care plan.

Please refer to the *STRS Ohio Health Care Program Guide* and Health Care section of our website for detailed information about the STRS Ohio Health Care Program including eligibility requirements, Medicare enrollment, plan information and monthly premiums. You can also use your Online Personal Account to review your plan options and premiums.

Limited coverage

Medical coverage for employed individuals not eligible for Medicare is limited to secondary coverage under STRS Ohio's Aetna Basic Plan when they:

- Are eligible for medical and prescription coverage through their employer, or
- Hold a position for which other similarly situated employees are eligible for medical and prescription coverage.

Note: The determination of similarly situated employee is based on position and employment status (part time/full time), not retirement status.

The rule applies to all employed enrollees who are not eligible for Medicare, regardless of hire date or type of employment. Please see Page 8 for definitions and information on determining eligibility for primary coverage.

*The STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

Verification process

STRS Ohio requires non-Medicare enrollees to verify their employment status and access to employer health care coverage. If you are employed and not eligible for Medicare, it is your responsibility to provide verification through your Online Personal Account.

Definitions

Similarly situated position — Individuals performing the same duties and tasks on a part-time or full-time basis and eligible for medical and prescription coverage through the employer. Retirement status is not considered a factor that differentiates one position from another.

Primary coverage — Medical plan that pays first on a claim when a person is covered by more than one insurance plan.

Secondary coverage — Applies only when a person is enrolled in more than one medical plan. The secondary medical plan will not pay on a claim until the primary medical plan has first processed the claim. Many enrollees, unless chronically ill, do not see the financial benefit of purchasing secondary health care coverage. You may find it beneficial to discuss the purchasing decision with your financial planner.

Determining eligibility for primary coverage

Sometimes employed individuals are not offered employer health insurance because they are retired and have access to STRS Ohio coverage. However, an employer's decision to not offer coverage based on retirement status is not a factor when determining eligibility for primary coverage through STRS Ohio. Instead, we look at three factors.

First, is the individual eligible for Medicare? If the answer is no, we ask:

- Is the individual offered medical and prescription coverage through the employer?
- Are other employees in similarly situated positions (i.e., performing the same duties and tasks on a part-time or full-time basis) offered medical and prescription coverage?

If the answer to either question is yes, the individual is not eligible for primary STRS Ohio coverage.

Let's look at a few scenarios. In the examples that use a teacher position, the same results would apply for administrators or retirees employed in the private sector.

In all scenarios, the retiree is not eligible for Medicare.

Scenario 1

STRS Ohio retiree Jane is employed by the board of education as a full-time teacher. As part of the collective bargaining agreement, she is not offered district-provided health insurance.

The collective bargaining agreement between the board and the nonexempt, certificated/licensed teachers provides that all full-time teachers are entitled to medical and prescription coverage. However, the agreement provides that an STRS Ohio retiree employed by the board is not eligible to participate in district-provided health insurance.

Eligibility — Jane would not be eligible for primary coverage through STRS Ohio since employees in other similarly situated positions (teachers) are eligible for health care coverage through the employer. The collective bargaining agreement's treatment of reemployed teachers is irrelevant since the comparison is to other employees in similarly situated positions.

Scenario 2

STRS Ohio retiree John is employed in a teaching position part time and is eligible for medical and prescription coverage through his employer. Because the cost of coverage for part-time employees is higher than STRS Ohio coverage, John would prefer to obtain primary coverage through STRS Ohio.

Eligibility — John would not be eligible for primary coverage through STRS Ohio since he is offered health care coverage through his employer. Cost is not a factor when determining eligibility for primary coverage.

Scenario 3

STRS Ohio retiree Mary is employed in a nonteaching position part time. Although the employer offers medical and prescription coverage to full-time employees, all part-time employees are excluded from coverage.

Eligibility — Mary would be eligible for primary coverage through STRS Ohio since she is not offered health care coverage and other employees in similarly situated positions (part-time employees) are not eligible for coverage through the employer.

Employment and Medicare enrollment

STRS Ohio requires all medical plan participants to be enrolled in Medicare Parts A & B at age 65 or when eligible. Medicare Part B is required for all enrollees. Medicare Part A is also required if it is available to you at no cost (premium free). If you decline Medicare Part B or premium-free Part A, you will no longer be eligible for STRS Ohio medical coverage.* Most people age 65 or older qualify for premium-free Medicare Part A based on their own or their current or former spouse's employment history. If you or your spouse is still employed and covered by a group health plan through the employer, you may choose to delay your enrollment in Medicare. However, if you delay your enrollment, you should be aware of the following:

- You have an eight-month special enrollment period in which to sign up for Medicare after the employer health coverage ends or employment ends (whichever comes first). You will not be subject to a late enrollment penalty if you sign up during this special enrollment period.
- If you miss the eight-month special enrollment period, you can enroll during the general enrollment period from Jan. 1 through March 31. Coverage begins the month after you enroll and a lifetime late enrollment penalty will apply.
- If your employer has more than 20 employees, your employer health plan will be the primary payer of covered hospital and medical expenses. Your STRS Ohio plan will be the secondary payer.

When you enroll in Medicare, please submit your Medicare information through your Online Personal Account.

If you discontinue your employer health care coverage and fail to enroll in Medicare, you will no longer be eligible for an STRS Ohio medical plan.

*The STRS Ohio Health Care Program is not guaranteed. STRS Ohio may change or discontinue all or part of the program for all or a class of eligible benefit recipients and covered dependents at any time.

By phone: 888-227-7877 (toll-free)

Our dedicated team of member service representatives is available to answer your questions when you need them.

- Call Monday–Friday, 8 a.m.–5 p.m.

When you need more detailed information, our benefits counselors can provide you with one-on-one consultation in our Columbus office, through a teleconference, videoconference or during field counseling sessions.

On the Internet: www.strsoh.org

A quick way to access information is through STRS Ohio's website, where you will find the items below and much more.

- Benefit information (while teaching and in retirement)
- Online Personal Account information
- Videos and on-demand webinars
- Benefits counseling and seminar information
- STRS Ohio publications and forms
- Benefit calculators

By email:

- Go to www.strsoh.org and select "Contact" from the top menu.

Email news service

STRS Ohio updates members about legislation, benefits and other issues affecting the STRS Ohio membership through our email news service — *eUPDATE*. All members with an email on file receive the *eUPDATE*.



Publications available

The following STRS Ohio publications are available on the STRS Ohio website at www.strsoh.org.

- *Account Withdrawal*
- *Annual Comprehensive Financial Report*
- *Death Benefits*
- *Disability Allowance*
- *Disability Benefits (Combined Plan)*
- *Disability Retirement*
- *Employment After Retirement*
- *Preparing for Retirement*
- *Purchasing Service Credit*
- *Service Credit Guidelines*
- *Service Retirement and Plans of Payment*
- *Summary Annual Financial Report*
- *Survivor Benefits*
- *Understanding Your STRS Ohio Benefits — Plan Summary*



STATE TEACHERS RETIREMENT SYSTEM OF OHIO
275 East Broad Street • Columbus, OH 43215-3771
888-227-7877 • www.strsoh.org

