



# STRS OHIO MEMBER TALKING POINTS

## IN SUPPORT OF AN EMPLOYER RATE INCREASE

*STRS Ohio encourages you to join in the efforts to communicate the need to increase the employer contribution rate to the system. One way to do that is to send a letter or email to your local legislator or have a conversation. The talking points below can be used for these purposes. To locate the name and Statehouse phone number of the state representative or state senator for your area, please go to [findmydistrict.ohiosos.gov](http://findmydistrict.ohiosos.gov). Email addresses for Ohio House and Senate members can be found on the [Employer Rate Increase Initiative web page](#).*



### **STRS Ohio is seeking an increase in the employer contribution rate.**

- The **current rate is the second lowest** among states where teachers are not covered by Social Security.
- **Current rate:** 14% of payroll to STRS Ohio (the maximum under statute and unchanged since 1984)
- **Proposed rate:** 18% of payroll (increase of 0.5% each year for eight years)

### **An act of legislature is needed to increase the employer contribution rate.**

- The State Teachers Retirement Board does not currently have the authority to increase the rate.
- A rate increase would allow the board to responsibly consider benefit changes sooner than would otherwise be possible.
- Benefit changes for members could include reducing the requirement for 34 years of service credit for full retirement benefits and inflation protection for retirees.

### **Contributions from STRS Ohio members and their employers, along with investment returns earned by the system are used to fund member benefits.**

- Adequate funding improves STRS Ohio's ability to weather economic downturns.
- Market returns in the early 2000s, combined with demographic changes, put STRS Ohio on a path where the system would have been unable to pay benefits by 2040.

### **Pension reform legislation in 2012 improved the system's financial condition but negatively impacted STRS Ohio members**

- The legislation included decreases to the cost-of-living adjustment for retirees, teachers having to work longer for retirement eligibility and a 40% increase to the member contribution rate.
- The system has not recovered yet to the point where meaningful inflation protection or reduction of retirement eligibility requirements is possible.

### **While the board has made recent benefit changes, funding future benefit changes comes at an expense that, without adequate funding, could negatively impact the fiscal integrity of the fund.**

- Maintaining the integrity of the pension fund is just as important for the 22-year-old new teacher as for the oldest retiree.
- STRS Ohio is the pension system that more than 536,000 educators rely upon for retirement security.

## Organizations Supporting an STRS Ohio Employer Contribution Rate Increase

**Ohio Conference of American Association of University Professors (AAUP)**

**Ohio Council of Higher Education Retirees (OCHER)**

**Ohio Education Association (OEA)**

**Ohio Retirement for Teachers Association (ORTA)**

**Ohio Federation of Teachers (OFT)**

[www.strsoh.org](http://www.strsoh.org)



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