



# Future Matters

Start Thinking About Tomorrow – Today

August 2023

## Governor Signs CBBC into Law

SERS contribution based benefit cap (CBBC) became law on July 4, 2023; however, it will not be implemented until August 1, 2024. Originally introduced in HB 146, the CBBC provision was amended into HB 33, the 2024-2025 state budget bill, which Governor Mike DeWine Signed on July 4, 2023.

### What is the CBBC?

The CBBC is a pension benefit inflation control measure. It ensures that pension payouts are supported by a member's career contribution history.

Typically, a SERS pension is based on a member's three-year Final Average Salary (FAS). In most cases, the accrued contributions and investment earnings are sufficient to fund the benefit. In rare instances, however, when an individual has an FAS substantially higher than the majority of that individual's working career, it can result in benefit inflation or "spiking."

The CBBC and its implementation is the byproduct of the SERS Board's sustainability discussions held during May, June, September, and October 2021.

SERS' Board considered tools to limit pension spiking in the future. The Board was opposed to changing the three-year FAS as it would negatively affect everyone, and instead they opted for the CBBC.

**See CBBC on Page 4**

## Reading Your Annual Statement

Your annual statement shows your total employee contributions and service credit as of June 30, 2023. It also gives you a pension estimate.

Your estimate is based on your earliest eligibility, which is an early service retirement, for a monthly pension based on the single life plan, which pays the highest amount to you during retirement and ceases upon your death. It uses your total service credit as of June 30, 2023.

The figures included on this statement are only estimates. If you have service credit or are buying service credit with another Ohio retirement system, it is NOT shown in your total credit.

### About Your Pension

SERS offers two types of service retirement: unreduced service retirement and early service retirement.

For unreduced service retirement, you earn the maximum pension amount based on your service credit, which is how long you have worked in an Ohio public service job, and final average salary, which is the average of your three highest years of salary.

Early retirement pensions are reduced to cover the cost of providing a pension over a longer period of time.

The Service Retirement Eligibility Requirements chart on your statement includes eligibility requirements for both unreduced service retirement and early service retirement.

To see what your maximum pension might be, create an estimate based on your unreduced pension eligibility through Account Login.

### Questions?

Use the message feature of Account Login on our website at [www.ohsers.org](http://www.ohsers.org) to send questions. You also can call us at 800-878-5853.



# It is never too early – or too late – to start thinking about your retirement.

## What to Do and When to Do It

Preparing for retirement can seem like an overwhelming task. Information needs to be gathered, factors need to be considered, and forms need to be completed. How do you know what to do and when to do it?



## Educate Yourself

Prepare for retirement by educating yourself. SERS offers many educational opportunities for you to learn about your retirement.

### Webinars

Members about five years away from retirement are encouraged to join us for the Retiring with SERS webinar, an online seminar. These live seminars offer you an overview of your SERS retirement and are both informative and interactive.

You are able to watch and listen through your computer speakers and ask questions by typing them on your keyboard. Webinars cover Service Retirement Basics, Social Security Offset/Windfall, Health Care, and the Retirement Process.

Webinars are scheduled for noon on September 13; 5 p.m., on October 11; noon on November 9; and 5 p.m., on December 13.

More information can be found on our website at [www.ohsers.org](http://www.ohsers.org).

### Conferences

If you are about two years away from retirement, attend a live, virtual Retirement Conference.

Conferences are scheduled for 9 a.m. on September 16, October 28, and November 18.

Visit our website at [www.ohsers.org](http://www.ohsers.org) for registration information and conference details.

### Videos

You also can watch a Retirement Conference video on the SERS YouTube channel at [www.youtube.com/SERSofOhio](http://www.youtube.com/SERSofOhio), or [www.ohsers.org/education/video-center](http://www.ohsers.org/education/video-center).

Videos discussing membership, service credit, contributions, eligibility, Social Security Offset/Windfall, and health care are available in the Video Center.

### Meet with a Counselor

If you are within a year of retiring, meet with a SERS counselor.

SERS offers personal retirement counseling by appointment only Monday through Friday, 8:15 a.m. to 2:45 p.m. Sessions are available in-person, by phone, or by video.

Sessions are reserved for those retiring within the next 12 months. Schedule your appointment at least two-to-three months in advance.

To schedule an appointment, call us at 800-878-5853.

## Countdown to Retirement

The chart below can help simplify the complications of preparing for your retirement date.

MONTHS

12

12 MONTHS BEFORE

- ☒ Register for your SERS Account Login
- ☒ Attend a Retirement Conference
- ☒ Schedule an appointment with a SERS counselor

MONTHS

6

6 MONTHS BEFORE

- ☒ Choose an effective retirement date

MONTHS

3-6

3-6 MONTHS BEFORE

All districts are different and your severance could be affected. Talk to your district.

- ☒ Notify your employer of your retirement plans
- ☒ If you are on your employer's health care plan, find out when your coverage ends

DAYS

90

90 DAYS BEFORE

- ☒ Complete your Service Retirement Application

## Election Update: Employee-Member Seat Certified



At the April Board meeting, election results for the open employee-member seat were certified for Aimee Russell, a library secretary for Ashland City Schools. Her term began July 1, 2023, and ends June 30, 2027.

## Average New Retiree in FY2022:



**65.2**  
Years Old



**\$38,250**  
Final Average  
Salary



**24.8**  
Years of Service



**\$1,581**  
Monthly Pension

## Upcoming Election: Employee-Member Board Seat Open

One employee-member seat is up for election with the term beginning July 1, 2024, and ending June 30, 2028.

### Electronic Petition Option

SERS has changed its Board election nominating petition procedure for the upcoming election.

The Board approved a rule change, which is currently going through the Joint Committee on Agency Rule Review process, that allows for electronic petitions in the nomination of a candidate.

Any member of SERS, other than a disability benefit recipient, is eligible to run for an employee-member seat.

To be considered for election:

- Begin gathering signatures on or after August 8, 2023
- Obtain signatures of 500 SERS members on a paper or electronic nominating petition provided by SERS with not less than 20 signatures of members from each of at least 10 counties where those members are employed
- Make sure that signing members indicate their school district employer, and the county of employment
- Return original paper petitions with original signatures and all original completed and required forms to the SERS office, 300 E. Broad St., Suite 100, Columbus, Ohio 43215-3746, no later than 4:30 p.m., EST, December 1, 2023

If two or more candidates qualify for the open seat, SERS will hold an election. Ballots will be mailed in January.

All ballots must be received in the SERS office no later than 4:30 p.m. EST, March 4, 2023.

Ballots will be delivered unopened to the judges appointed by the Board. The judges will make the final determination of the validity of the ballots, which will be counted on March 5, 2024, in accordance with the Board's election laws, election rule, policy, and procedure.

Those interested in running should contact Tim Barbour by phone at 614-222-5901 or by email at [tbarbour@ohsers.org](mailto:tbarbour@ohsers.org) to have an electronic form on the website created with their names.

All election information and forms will be available on SERS' website beginning August 8, 2023.



The CBBC will compare a member's traditional formula benefit to the member's CBBC benefit. The CBBC calculation will annuitize the member's accumulated contributions and then multiply it by a factor selected by the Board to identify the outer end of the contribution/benefit alignment. A member's pension will be the lower of the formula benefit or the CBBC benefit.

Sustainability session details and materials that include numerous calculations can be found on the SERS website at [www.ohsers.org/about-sers/board-of-trustees/sustainability/](http://www.ohsers.org/about-sers/board-of-trustees/sustainability/).

## Will I Be Affected?

Nobody wants their monthly pension to be reduced, but SERS' sustainability is adversely impacted when everyone else in the System must subsidize the pensions of the handful of members whose FAS is significantly greater than normal salary growth.

SERS' staff tested the CBBC calculations on 3,270 actual retirees from 2020-2021 and found that only a small percentage of those members would have been affected, and most of those would have minimal reductions to their monthly pension amounts.

Therefore, the majority of members will not be affected.

In general, only members whose three-year FAS is significantly higher than their career salary history will be affected.

The CBBC is not expected to cap a benefit that is a product of normal salary growth during a working career.

Anyone who is already retired or who retires before August 1, 2024, will not be affected by the CBBC.

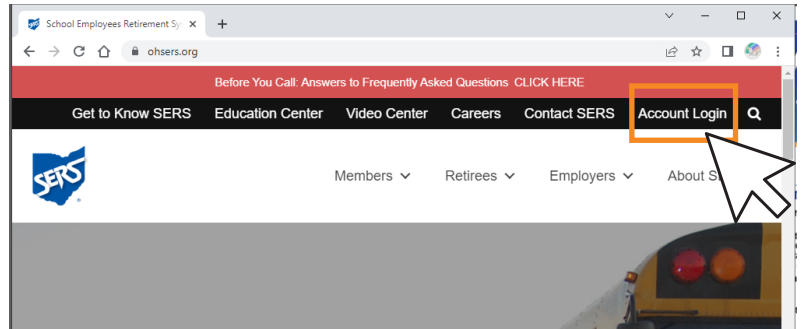
More details on the implementation of the CBBC will be shared in the upcoming months.

## Register for Account Login



Account Login is your personal tool for managing your SERS account. With Account Login, you can access your account whenever you want, view pay stubs, or update your personal information, including your address. Register now. It's easy.

- 1 Visit our website at [www.ohsers.org](http://www.ohsers.org), and click "Account Login."



- 2 On the My SERS Account page, click "Register Now."
- 3 On the End User Terms and Conditions page, click "I Agree."
- 4 On the Confirm Your Identity page, fill in your Last Name, Social Security Number, Date of Birth, ZIP Code/Postal Code, and click "Continue."
- 5 On the Create Username page, create a username by typing it into the blank field and clicking "Continue."
- 6 Create a password as instructed by entering it, confirming it, and clicking "Continue."
- 7 On the Account Verification page, select Email or Mail, click "Generate," enter the verification code sent to you, either by email or mail, and click "Submit." Those who select Mail, must wait for the verification code to arrive in the mail before continuing with Steps 8-11.
- 8 On the Select a Security Image and Phrase page, select an image and create a phrase, and then click "Continue."
- 9 Select your Challenge Questions by answering four questions and clicking "Continue."
- 10 On Your Communication Information page, type your email address, and click "Continue."
- 11 You will be asked if you want to use your current computer when checking your SERS account, click "Yes" or "No," and then click "Finish."

