



# 2026 Service Retirement Guide



School Employees Retirement System of Ohio  
*Serving the People Who Serve Our Schools®*  
800-878-5853 | [www.ohsers.org](http://www.ohsers.org)



# Table of Contents

<b>Contact Information</b>	Address, Telephone Numbers, and Website . . . . .1 Directions to SERS . . . . .1 Holidays . . . . .1
<b>Introduction</b>	Introduction . . . . .2
<b>When Can I Retire?</b>	Eligibility for Retirement . . . . .4 Age + Service Credit + Final Average Salary = Pension . . . . .4 Service Credit . . . . .5 Additional Service Credit . . . . .7 Purchasable Service Credit . . . . .8 Calculating Your Own Pension . . . . .9 Contribution Based Benefit Cap (CBBC) . . . . .12 Choosing the Retirement Plan that is Best for You . . . . .12 Plans of Payment . . . . .13 Changing Your Beneficiary or Plan of Payment After Retirement . . . .16
<b>What is the Retirement Application Process?</b>	The Application Process . . . . .18 After SERS Receives Your Retirement Application . . . . .19
<b>What Will Affect My Payment Once I'm Retired?</b>	About Your Pension Payment . . . . .22 Cost-of-Living Adjustment . . . . .23 Power of Attorney and Guardianship . . . . .24 Taxes . . . . .24 Reemployment . . . . .26 Divorce or Support Orders . . . . .27 Death Benefit . . . . .27

Revised 1/2026



**School Employees Retirement System of Ohio**  
 300 E. Broad St., Suite 100, Columbus, Ohio 43215-3746  
 614-222-5853 | 800-878-5853 | [www.ohsers.org](http://www.ohsers.org)



# CONTACT INFORMATION

## Address, Telephone Numbers, and Website

SERS' office location: 300 E. Broad St.  
Columbus, Ohio

Parking garage: Free parking is available in SERS' parking garage located on Grant Avenue, north of Broad Street

Mailing address: 300 E. Broad St.  
Suite 100  
Columbus, Ohio 43215-3746

Office Hours: 8 a.m. to 4:30 p.m.

Telephone numbers: 1-800-878-5853 (toll-free)  
1-614-222-5853 (local)

Website: [www.ohsers.org](http://www.ohsers.org)

## Directions to SERS

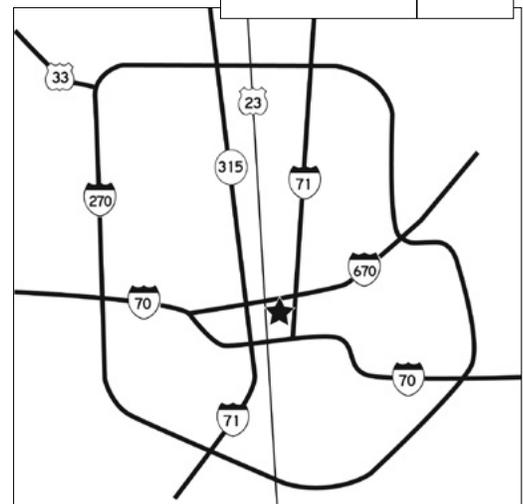
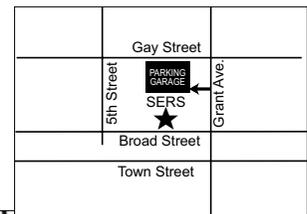
**From the north:** Take I-71 South to exit 109B toward Downtown / Spring Street. Turn right onto Spring Street (one-way street). Turn left onto Grant Avenue. Turn right at the 300 E. Broad parking garage entrance. You will arrive at the SERS entrance before reaching Broad Street.

**From the south:** Take I-71 north to the Downtown/Fulton Street exit. Continue straight on Fulton Street. Turn left onto Grant Avenue. Once you cross Broad Street, the SERS parking garage entrance will be on the left.

To return to I-71 south, turn right onto Grant Avenue. Turn right on Mound Street. Continue on Mound Street in the middle lane for several blocks. After crossing High Street, the I-71 south ramp entrance will be on the left.

**From the west:** Take I-70 East to I-670 East. Take exit 4C for OH-3 / Cleveland Avenue. Turn right onto Spring Street (one-way street). Turn left onto Grant Avenue. Turn right at the 300 E. Broad parking garage entrance. You will arrive at the SERS entrance before reaching Broad Street.

**From the east:** Take I-70 West to exit 101B toward Hospital / Downtown / Mound Street. Continue on East Mound Street. Turn right onto Grant Avenue. Cross Broad Street. The SERS parking garage entrance is half a block up Grant Avenue on the left.



## Holidays

The SERS office is closed to observe the following holidays: New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. If the holiday occurs on a Saturday, then the office is closed on the previous Friday. If the holiday occurs on a Sunday, then the office is closed on the following Monday. Please visit the SERS website for the actual days the office is closed.

# INTRODUCTION

This guide is intended to help you learn about your pension and help you apply for your retirement.

We encourage you to set up an online account using the Account Login feature. It provides the ability to:

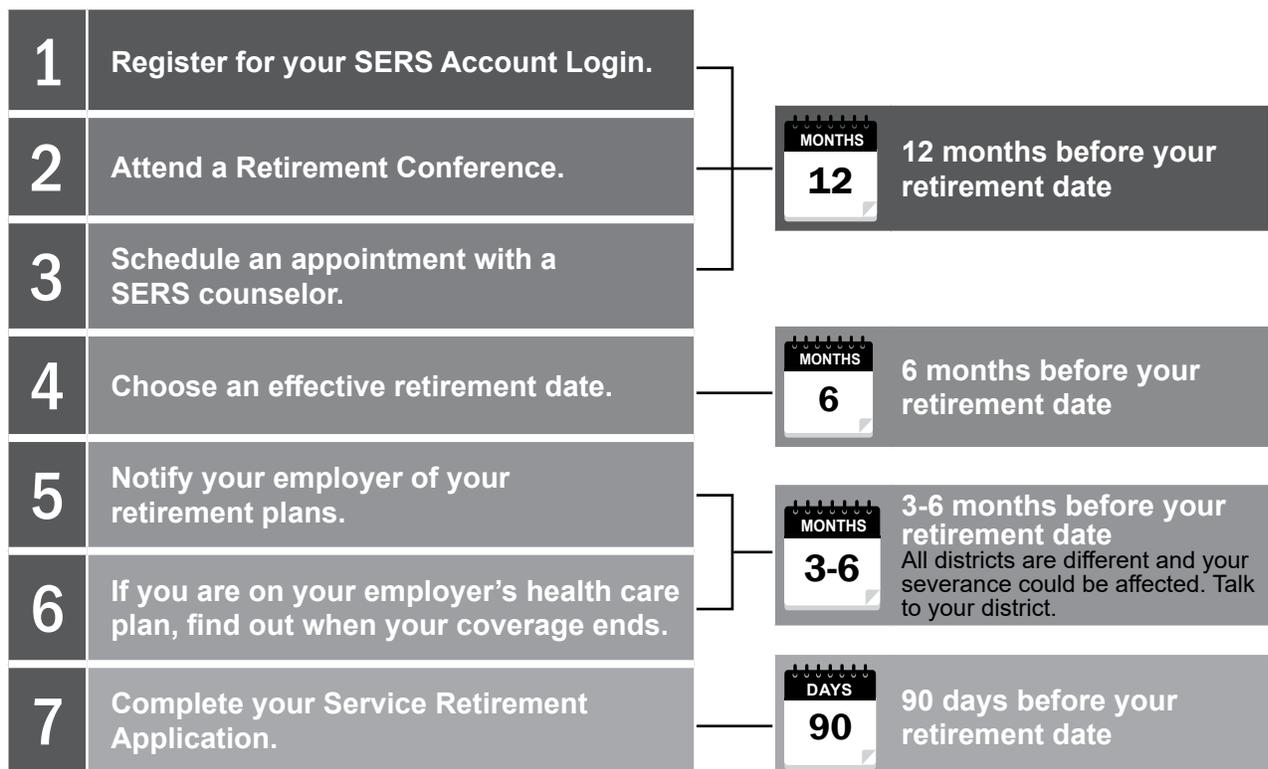
- Review your account balance and service credit
- Update your personal information, such as address and beneficiary
- Create estimates
- Apply for retirement

To begin the registration process, call SERS toll-free at 800-878-5853, from 8:00 a.m. to 4:30 p.m., Monday through Friday. For assistance on how to set up your online account with step-by-step instructions, access the Account Login: Step-by-Step handout on our website at [www.ohsers.org](http://www.ohsers.org).

We offer several educational resources for you to learn about your retirement. You may want to consider attending a SERS Retirement Conference. This program is geared toward members who are currently eligible or will be eligible for retirement within two years. There are also several videos on our website that you may find beneficial. These videos, as well as the conference schedule, are available on the SERS website at [www.ohsers.org](http://www.ohsers.org).

SERS offers personal retirement counseling by appointment only Monday through Friday, 8:15 a.m. to 2:45 p.m. These sessions are available in-person, by phone, or by video. Appointments can be scheduled by calling SERS toll-free at 800-878-5853. Free parking is available at SERS. Directions to SERS are on page 1.

The information in this guide is current as of its publication date. Please be aware that eligibility requirements, pension formulas, and cost-of-living adjustments may change over time. In addition, the SERS Retirement Board can change health care coverage at any time.





## When Can I Retire?

Eligibility for Retirement

Age + Service Credit + Final Average Salary = Pension

Service Credit

Additional Service Credit

Purchasable Service Credit

Calculating Your Own Pension

Contribution Based Benefit Cap (CBBC)

Choosing the Retirement Plan that is Best for You

Plans of Payment

Changing Your Beneficiary or Plan of Payment After Retirement

# WHEN SHOULD I RETIRE?

## Eligibility for Retirement

Retirement with SERS is a matter of eligibility. You must meet one of the age and service credit combinations to be eligible for a monthly, lifetime pension.

Eligibility for retirement through SERS is not the same as eligibility for Social Security. Call Social Security toll-free at 800-772-1213 for additional information.

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

### Unreduced Service Retirement

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

### Reduced Service Retirement

Early service retirement benefits are also based on your service credit (how long you've worked in an Ohio public service job) and final average salary (the average of your three highest years of salary), but will be reduced to cover the cost of providing a pension over a longer period of time.

	Members with at least 25 years of service as of August 1, 2017 (Grandfathered)	Members with less than 25 years of service as of August 1, 2017
<b>Unreduced Service Retirement</b>	Age 65 or Any Age with 30 years	Age 67 with 10 years or Age 57 with 30 years
<b>Early Service Retirement with Reduced Benefits</b>	Age 55 with 25 years	Age 62 with 10 years or Age 60 with 25 years

## Age + Service Credit + Final Average Salary = Pension

Your pension is based on age, service credit, and final average salary.

The age used in a pension calculation is your actual age at the time you retire. If you plan to retire July 1, but your birthday is July 15, it may be to your advantage to postpone your retirement date until August 1.

However, one month's delay will mean one pension check lost. It may not be worth it. Only a comparison of the "before" and "after" estimates will supply the answer.

See the charts on pages 10 and 11 that give a percentage figure to apply to your final average salary to find your pension amount on an annual basis.

### Effective Date of Retirement

Your earliest effective date of retirement is the first day of the month following the later of:

- Your last day of paid school employment, and
- The date you reach an age and service credit combination.

**Q. How much will my annual pension be if I earn 30 years of service with SERS?**

**A.** Your annual pension would be 66% of your final average salary.

## Retroactive Retirement

In some instances, your effective date of retirement can be before the date you submit your retirement application. For example, some members don't apply for retirement with SERS until they file for Social Security benefits, even though they could have retired from SERS a few years earlier when they ended their school employment and reached an age and service eligibility combination.

The first payment will include all payments due from the time you first became eligible to retire. However, health care coverage cannot be retroactive. Therefore, it may be best to apply for your retirement when you are first eligible.

## Social Security Considerations

Prior to January 2025, the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) reduced Social Security benefits for some SERS members. The Social Security Fairness Act recently repealed these laws retroactively to January 2024.

However, WEP and GPO laws still apply to Social Security benefits received before January 2024. The Social Security Administration may request the amount you received from SERS prior to January 2024.

If you have questions or need additional information, you must contact the SSA through its website at [www.ssa.gov](http://www.ssa.gov) or by phone at 800-772-1213. SERS cannot answer Social Security questions.

## Service Credit

The amount of your pension and eligibility for retirement is largely determined by the length of your service with the schools. Your pension may increase with additional earned or purchased service credit. Service credit also affects health care eligibility.

### Granting Service Credit

One year of service credit is granted upon completion of 120 or more days of school employment within the fiscal year (July 1 through June 30). For service of less than 120 days, SERS will grant a fraction of a year's credit. This fraction is determined by dividing the number of days paid by 180. Any portion of a day constitutes one full day.

A day of paid, used vacation, or used sick leave is also credited as a day of service. Please be aware that if you work less than five days per week, it may take longer to earn the 120 days required to receive one year of service credit.

**Q. *How many days must I work to earn a full year of service credit?***

**A.** You need to be paid for at least 120 days. SERS is on the July-through-June fiscal year.

<b>Fractional Service Credit For Year When Working Less Than 120 Days</b>											
<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>	<b>Days</b>	<b>Percent</b>
1	.006	21	.117	41	.228	61	.339	81	.450	101	.561
2	.011	22	.122	42	.233	62	.344	82	.456	102	.567
3	.017	23	.128	43	.239	63	.350	83	.461	103	.572
4	.022	24	.133	44	.244	64	.356	84	.467	104	.578
5	.028	25	.139	45	.250	65	.361	85	.472	105	.583
6	.033	26	.144	46	.256	66	.367	86	.478	106	.589
7	.039	27	.150	47	.261	67	.372	87	.483	107	.594
8	.044	28	.156	48	.267	68	.378	88	.489	108	.600
9	.050	29	.161	49	.272	69	.383	89	.494	109	.606
10	.056	30	.167	50	.278	70	.389	90	.500	110	.611
11	.061	31	.172	51	.283	71	.394	91	.506	111	.617
12	.067	32	.178	52	.289	72	.400	92	.511	112	.622
13	.072	33	.183	53	.294	73	.406	93	.517	113	.628
14	.078	34	.189	54	.300	74	.411	94	.522	114	.633
15	.083	35	.194	55	.306	75	.417	95	.528	115	.639
16	.089	36	.200	56	.311	76	.422	96	.533	116	.644
17	.094	37	.206	57	.317	77	.428	97	.539	117	.650
18	.100	38	.211	58	.322	78	.433	98	.544	118	.656
19	.106	39	.217	59	.328	79	.439	99	.550	119	.661
20	.111	40	.222	60	.333	80	.444	100	.556	120	1.000

### **If You Have Multiple Jobs**

If you have more than one job with a SERS employer, you may retire from the highest paying position and continue working in the lower-paying job(s). For example, if you are a custodian and a bus driver, and have two distinct salaries, those salaries will both be used in the calculation of your pension, and you can keep working in the lower-paying job after you retire. You must have distinct salaries or individual contracts, or work for more than one SERS employer to do this.

If you work under Ohio Public Employees Retirement System (OPERS) or State Teachers Retirement System (STRS) in addition to SERS, you might be able to retire from the highest-paying position and continue in the lower-paying job.

If you continue in the lower-paying position after you retire, you will be a reemployed retiree. Your original pension will not be affected by continuing to work in this lower-paying position.

# Additional Service Credit

## Other Ohio Retirement Systems



There are three Ohio public retirement systems that are connected for the purposes of combining service credit: School Employees Retirement System of Ohio (SERS); the State Teachers Retirement System of Ohio (STRS); and the Ohio Public Employees Retirement System (OPERS).

SERS provides pensions for all non-teaching, non-certificated public school employees; STRS provides pensions for public school teachers and certificated administrators; and OPERS provides pensions for all other employees of the state of Ohio, which includes city and county workers.

If you are a member of more than one system at the time of retirement, you may have all contributions, salary, and service credit combined for a greater pension and earlier eligibility to retire. Total combined service credit cannot exceed one year for any 12-month period. The system in which you have the greatest service credit is the one that pays the pension benefit. You also may refund from one system without affecting your service credit in the other systems.

**Q. I am a member of OPERS and SERS. Which system will pay my joint retirement benefits?**

**A.** The system in which you have accumulated the greatest years of service will be the paying system.

## Cincinnati Retirement System



Credit may be purchased for former service covered by the Cincinnati Retirement System (CRS). If your contributions in CRS are still on deposit, they may be transferred to SERS, including any amounts paid for the purchase of military service. If you withdrew the contributions, you may purchase the CRS time after contributing to SERS for 18 months. Your cost for each year is an amount equal to the amount refunded by CRS for your contributing service and any purchased military service, plus interest from the date of the refund to the date of the payment as well as the amount of interest, if any, you received when the refund was paid.

## Ohio Police & Fire Pension Fund and Ohio Highway Patrol Retirement System



Credit may be purchased for former service as an Ohio firefighter, police officer, or highway patrol officer. If your contributions in Ohio Police & Fire (OP&F) or Ohio Highway Patrol Retirement System (HPRS) are still on deposit, they may be transferred to SERS, including any amounts paid for the purchase of military service. If you withdrew the contributions, you may purchase the OP&F or HPRS time after contributing to SERS for 18 months. Your cost for each year is an amount equal to the amount refunded by the other system for your contributing service and any purchased military service, plus interest from the date of the refund to the date of payment.

## Workers' Compensation

You also can be granted free credit for time lost due to a school-related injury. There is a three-year maximum to such credit. A copy of the award history must be submitted to determine if credit can be granted.

## Purchasable Service Credit

You may be eligible to purchase additional service credit for past employment in Ohio's public schools or other public employment. You must purchase any service credit prior to your effective date of retirement. You may purchase this credit in a lump sum, in installments, or if the employer offers it, by payroll deduction. SERS also accepts rollovers and trustee-to-trustee transfers. Keep in mind that you cannot use a Partial Lump Sum Option Payment (PLOP) disbursement to purchase service credit.

Our Member Services staff can show you the pension amount before and after purchase of service credit. In some cases, you can recover the cost of a purchase in two or three years by receiving a higher pension amount.

Purchasable Service Credit includes:

- Refunded Service
- Non-contributing service with an SERS-covered Employer
- Other Government or School Service
- Resignation Due to Pregnancy or Adoption of a Child
- Military Service
- School Board Member/Government Board Member Service
- Leave of Absence

While purchasable credit will apply toward your monthly pension, not all service credit counts toward health care eligibility. Service Credit that does not count toward health care eligibility:

- Military (other than free or interrupted military service credit)
- Federal government, private school, or out-of-state service credit
- Exempted service
- Service credit purchased by a school employer under an Early Retirement Incentive Plan (ERI)
- Additional service credit purchased under OPERS by an elected or appointed official

For more information on purchasing credit, visit the Service Credit page under the Working Members section of our website.

***Q. Several years ago, I refunded three years of service credit from SERS. Can I restore this credit?***

***A. Yes, as long as you returned to work in an Ohio public service position and earned at least 1.500 years of service credit. Remember, you must repay the original refund amount plus the interest to date.***

***Q. What is an ERI?***

***A. Early Retirement Incentive (ERI) is additional service credit purchased by the employer, which cannot exceed 20% of the credit already held by the employee, and must be used for immediate retirement. An ERI must be offered to all SERS-covered employees and at least 5% of the employees in the district. Only people age 57 or older can participate in an ERI.***

# Calculating Your Own Pension

## Website



You can create an online account and generate estimates of your pension. Go to the SERS website at [www.ohsers.org](http://www.ohsers.org) to create an account. After you create your account, select “Estimates” from the left-hand menu.

## Using the Pension Tables

These tables give a percentage figure to apply to your final average salary to find the pension amount on an annual basis.

This table should be used by members that had 25 years or more of service credit on or before August 1, 2017. For example, if you are 58 years old and have total service credit of 27 years, your annual gross pension would equal 50.4% of your final average salary. Divide that figure by 12 to get an estimated gross monthly pension amount based on the single life allowance (Plan B).

<b>Exempted with 25 years or more</b>											
Unreduced Service Retirement - Any age and 30 years or Age 65 Early Service Retirement with Reduced Benefits - Age 55 and 25 years											
Years of Service Credit	Attained Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65
5						9.3%	9.6%	10.0%	10.3%	10.6%	11.0%
6						11.2	11.6	12.0	12.4	12.8	13.2
7						13.0	13.5	14.0	14.4	14.9	15.4
8						14.9	15.4	16.0	16.5	17.0	17.6
9						16.6	17.4	18.0	18.6	19.2	19.8
10						18.7	19.3	20.0	20.6	21.3	22.0
11						20.5	21.2	22.0	22.7	23.4	24.2
12						22.4	23.2	24.0	24.8	25.6	26.4
13						24.3	25.1	26.0	26.8	27.7	28.6
14						26.1	27.1	28.0	28.9	29.8	30.6
15						28.0	29.0	30.0	31.0	32.0	33.0
16						29.9	30.9	32.0	33.0	34.1	35.2
17						31.7	32.9	34.0	35.1	36.2	37.4
18						33.6	34.8	36.0	37.2	38.4	39.6
19						35.5	36.7	38.0	39.2	40.5	41.8
20						37.4	38.7	40.0	41.3	42.6	44.0
21						39.2	40.6	42.0	43.4	44.8	46.2
22						41.1	42.5	44.0	45.4	46.9	48.4
23						43.0	44.5	46.0	47.5	49.0	50.6
24						44.8	46.4	48.0	49.6	51.2	52.8
25	41.2%	41.2%	41.2%	41.2%	44.0%	46.7	48.4	50.0	51.7	53.3	55.0
26	45.7	45.7	45.7	45.7	45.7	48.6	50.3	52.0	53.7	55.4	57.2
27	50.4	50.4	50.4	50.4	50.4	50.4	52.2	54.0	55.8	57.6	59.4
28	55.4	55.4	55.4	55.4	55.4	55.4	55.4	56.0	57.9	59.7	61.6
29	60.6	60.6	60.6	60.6	60.6	60.6	60.6	60.6	60.6	61.8	63.8
30	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0
31	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5
32	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0
33	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5
34	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0
35	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5
36	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0
37	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5
38	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
39	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5
40	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0
41	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5
42	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0
43	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5
44	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

This table should be used by members that did not have 25 years of service by August 1, 2017. For example, if you are 62 years old and have total service credit of 23 years, your annual gross pension would equal 29.7% of your final average salary. Divide that figure by 12 to get an estimated gross monthly pension amount based on the single life allowance (Plan B).

<b>Retirement After August 2017</b>											
Unreduced Service Retirement - Age 57 and 30 years or Age 67 and 10 years Service Retirement with Reduced Benefits - Age 60 and 25 years or Age 62 and 10 years											
Years of Service Credit	Attained Age at Retirement										
	57	58	59	60	61	62	63	64	65	66	67
10						13.5%	14.8%	16.3%	18.0%	19.9%	22.0%
11						14.9	16.3	18.0	19.8	21.9	24.2
12						16.2	17.8	19.6	21.6	23.9	26.4
13						17.6	19.3	21.2	23.4	25.9	28.6
14						18.9	20.8	22.9	25.2	27.8	30.8
15						20.3	22.2	24.5	27.0	29.8	33.0
16						21.6	23.7	26.1	28.8	31.8	35.2
17						23.0	25.2	27.8	30.6	33.8	37.4
18						24.3	26.7	29.4	32.4	35.8	39.6
19						25.7	28.2	31.0	34.2	37.8	41.8
20						27.0	29.7	32.6	36.0	39.8	44.0
21						28.4	31.1	34.3	37.8	41.8	46.2
22						29.7	32.6	35.9	39.6	43.8	48.4
23						31.1	34.1	37.5	41.4	45.7	50.6
24						32.4	35.6	39.2	43.2	47.7	52.8
25				41.3%	41.3%	41.3	41.3	41.3	45.0	49.7	55.0
26				45.8	45.8	45.8	45.8	45.8	46.8	51.7	57.2
27				50.5	50.5	50.5	50.5	50.5	50.5	53.7	59.4
28				55.4	55.4	55.4	55.4	55.4	55.4	55.7	61.6
29				60.6	60.6	60.6	60.6	60.6	60.6	60.6	63.8
30	66.0%	66.0%	66.0%	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0
31	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5	68.5
32	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0	71.0
33	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5	73.5
34	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0
35	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5
36	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0	81.0
37	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5	83.5
38	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
39	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5	88.5
40	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0
41	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5
42	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0	96.0
43	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5	98.5
44	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

## Contribution Based Benefit Cap (CBBC)

SERS will begin using the CBBC when calculating the pension of members who retire on or after August 1, 2024.

The CBBC is a tool that will be used to identify and prevent pension spiking, or benefit inflation. When benefit inflation occurs, the pension fund must subsidize those pensions, which is unfair to the majority of members whose career salary and contributions followed a normal trajectory.

Benefit inflation may occur when the highest three years of a member's salary history is considerably higher than the rest of their working career. This results in a traditional pension calculation that is significantly higher than what is supported by their career contributions.

The CBBC ensures that a member's career contributions support their pension benefit.

The CBBC does NOT affect or change the Final Average Salary (FAS) calculation (average of the highest three years of salary) used in the traditional formula calculation.

The Board approved a CBBC factor of 6.25, which is expected to affect less than 1% of future retirees.

For more information, visit our website at [www.ohsers.org/cbbc-explained](http://www.ohsers.org/cbbc-explained).

## Choosing the Retirement Plan that is Best for You

### Payment Plans



When you apply for retirement with SERS, you will have to choose a payment plan. Depending on your circumstances, one payment plan may be a better choice than another. The decision must be based on personal factors such as health, finances, marital status, and other sources of income. The SERS staff will supply the necessary estimate(s) to help in your decision. We are available to discuss the advantages and disadvantages of each plan, but the final decision is up to you.

It is important that you understand each plan. The payment plan you choose is largely determined by whether or not you wish to provide for someone after your death. If so, your pension will be reduced. The amount of the reduction depends upon the payment plan you choose and the ages of those involved.

If you change your mind within 30 days of your first pension deposit, please contact SERS immediately. After 30 days, you can only change your payment plan under these limited circumstances:

- Marriage
- Remarriage
- Divorce
- Dissolution
- Annulment
- Death of your designated beneficiary

No matter which plan you choose, your pension is for your lifetime. You are always assured the return of your contributions. Any employee contributions remaining in the account must be paid to your estate if both you and your beneficiary die before your total contributions have been collected in benefits.

***Q. Will my pension ever end?***

***A.*** Your pension is for your lifetime. It ends only upon your death.

***Q. Do I have to choose my spouse as my beneficiary?***

***A.*** If you are married, you must choose a Plan A and name your spouse unless your spouse consents to your election of a different plan and/or different beneficiary. This is required in order to complete your service retirement application.

# Plans of Payment

## Plan A Joint Survivor Allowance

This amount goes to you for life. After your death, one-half of the amount goes to your spouse. Also see Pop-Up Provision.

## Plan B Single Life Allowance

This amount is the maximum monthly allowance. It goes to you for your life only. Under this plan, your beneficiary receives only a cash refund of the unused contributions at the time of your death.

## Plan C Joint Survivor Allowance

This amount goes to you for life. You can designate the percentage amount you wish payable to your beneficiary after your death. This amount cannot be more than the retiree's amount and cannot be less than \$100 per month. In certain cases where you have designated a beneficiary other than a spouse, the maximum amount payable is listed, and may be less than \$100 due to IRS regulations. Also see Pop-Up Provision.

## Plan D Joint Survivor Allowance

This amount goes to you for life. After your death, the same amount goes to your beneficiary. If you named a beneficiary other than a spouse, and there is a considerable difference in your ages, there may not be any figure printed for Plan D. IRS regulations restrict the amount a beneficiary other than a spouse may receive. Also see Pop-Up Provision.

## Plan E Guaranteed Allowance Certain and Continuous

### **5 Years, 10 Years, 15 Years, and other periods are available upon request:**

This amount goes to you for life. After your death, the same amount goes to your beneficiary if the Plan E period has not expired. This beneficiary protection period begins with your effective date of retirement. If you designate multiple beneficiaries, the amount payable is the remaining annuity discounted to its current present value and will be paid in a one-time lump sum equally among them.

## Plan F Multiple Beneficiaries

You may name up to four people to receive monthly benefits upon your death. Each additional beneficiary named will reduce your own pension. You must designate a percentage of your monthly pension OR a flat dollar amount for each beneficiary. The amount designated cannot be less than 10% unless required by a court order, and the amount for all beneficiaries cannot exceed 100%. If you are required by a court order to provide a benefit for an ex-spouse, include a copy of the court order. If you select this plan, you will be sent a separate form for designation of beneficiaries. This form must be received by SERS before benefits are paid. Contact SERS if you are considering this plan.

## Pop-Up Provision

If your beneficiary dies first, you may request that your benefit be increased to a Single Life Allowance. If you named your spouse as beneficiary and you get a divorce, dissolution, or annulment, the consent of your ex-spouse or a court order is necessary to Pop-Up to a Single Life Allowance. If your beneficiary is not your spouse, you cannot remove that person from the Pop-Up unless he or she dies.

## Health Care Coverage



Aside from providing income for a beneficiary, another advantage of choosing a Joint Life Plan is the current ability to continue a beneficiary's health care coverage.

To provide health care coverage for your beneficiary after your death, you must select Joint Life Plan A, C, D, or F.

Your spouse and your children are the only beneficiaries who can be eligible for SERS' health care coverage. Any other named beneficiary will receive monthly payments, but not health care coverage.

Health care premiums are deducted from your monthly pension payment. Upon your death, your beneficiaries receive monthly payments. Their health care coverage premiums would be deducted from their monthly payments.

Eligible beneficiaries can continue to receive SERS' health care coverage as long as they pay the premiums.

SERS reserves the right to change or discontinue any health plan or program. For more information, please see the Dependent Coverage section in the *Member Health Care Guide*.

## Partial Lump Sum Option Payment (PLOP)

A Partial Lump Sum Option Payment (PLOP) is a payment option you can choose when you apply to retire. The PLOP amount may be from 6 to 36 times your unreduced monthly pension, paid in a lump sum at the time of retirement. Your monthly pension is still payable to you for life, but it is permanently reduced to reflect the lump sum amount you receive up front in a single payment. You cannot elect a PLOP amount that reduces your monthly pension more than 50%.

### **Example:**

Mary is considering retirement and wants to know how much receiving a PLOP will reduce her monthly pension. If she retires on a Single Life Allowance (Plan B), **her monthly pension amount without receiving a PLOP would be \$780.31**. The following example provides the difference between receiving a PLOP equal to 6 times her monthly pension and 36 times her monthly pension.

PLOP MONTHS	PLOP AMOUNT	REDUCED PENSION AMOUNT
6	\$4,681.86	\$745.12
36	\$28,091.16	\$569.18

If you are considering a PLOP, make sure you know what your reduced monthly pension will be. For a personalized estimate, please contact SERS.

## PLOP Eligibility

The PLOP is only available at the time of retirement. You cannot elect to take a lump sum payment after you begin receiving your monthly pension.

## Electing to Receive a PLOP

Your decision about whether to elect a PLOP is part of the Service Retirement Application. You can either elect to:

- Not receive a PLOP
- Receive the minimum amount of 6 times your unreduced pension
- Receive the maximum amount of 36 times your unreduced pension
- Receive a dollar amount you specify, as long as the amount is not less than the minimum amount and does not exceed the maximum amount

Please note if you are married and elect to receive a PLOP, your spouse must complete and sign a consent form.

## PLOP Taxation

Taxes may substantially reduce your PLOP amount. The PLOP is subject to mandatory 20% federal income tax withholding. Retirees under the age of 59½ may also be subject to an additional 10% federal income tax on early distributions, unless an exception applies. You may be able to continue to defer federal taxation by rolling over your PLOP to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover.

### **Example:**

Joe is 58 and retiring with 28 years of service and electing to receive a PLOP. Joe does not want to rollover the PLOP to a qualified plan. He decides to take the maximum amount, which equals 36 times his unreduced pension.

Joe's PLOP Amount	20% Federal Tax Paid from	Joe's PLOP Amount
Before Taxes	PLOP	After Taxes
\$50,000	\$10,000	\$40,000

Since Joe is younger than 59½, he will also be subject to an additional 10% federal income tax. This will be assessed by the IRS when he files his income tax return.

If you select a PLOP, you will receive detailed information about federal taxes and the rollover option. If you wish to have Ohio state taxes withheld, please contact SERS for the necessary form.

## Changing a PLOP

You have 30 days from the receipt of your first monthly pension payment to make changes to your Service Retirement Application, including your PLOP election. This is done by sending SERS written notification that you want to cancel your retirement. After 30 days, the PLOP election becomes irrevocable.

## Spousal Consent



If you are married and choose a plan of payment other than Plan A or Plan D naming your spouse as your beneficiary, or select a PLOP, written consent from your spouse is required. You must complete the Spousal Consent form included with the Service Retirement Application, and the form must be signed in the presence of a notary public or a SERS employee.

If your spouse will not consent to the plan choice, SERS will be required to pay your retirement under Plan A, which would provide one half of your monthly amount to your spouse upon your death. You must advise us in writing if your spouse will not sign the consent.

The spousal consent requirement may be waived if your spouse's whereabouts are unknown, if he or she is medically unable to give consent, or if a guardianship has been established for your spouse. Please contact SERS for documentation requirements.

Your retirement cannot be processed until SERS receives the signed spousal consent, you have notified us that your spouse will not give consent, or until the appropriate document in support of waiver has been filed.

# Changing Your Beneficiary or Plan of Payment After Retirement



If you are married, you should discuss your payment plan choice with your spouse. Upon your death, benefits stop unless you selected a Joint Survivor Allowance — Plans A, C, D, E, or Plan F.

## “Pop-Up” Feature

If you choose Plan A, C, or D for a beneficiary, and your beneficiary predeceases you, your pension will be adjusted to the Single Life amount. This is called a “Pop-Up.” If you choose Plan F for multiple beneficiaries, your pension will be adjusted if one or more of the beneficiaries predeceases you.

There is no Pop-Up available for Plan E, where time limits apply on benefits.

If you selected Plan A, C, D, or F naming your spouse as beneficiary, and you later divorce, your marriage is annulled, or your marriage is dissolved, your plan may be adjusted only with the consent of your ex-spouse or by an order of the court.

## “Pop-Down” Feature

If you marry or re-marry after retirement, you can reselect a joint survivor plan for your new spouse if you chose Plan B, or in limited circumstances, Plan F. This is called a “Pop-Down.” You have only one year from the date of your marriage to Pop-Down.

## Remarriage

You have one year from the date of your marriage to change your Plan of Payment to provide for your new spouse.

## Health Care

If you are enrolled in SERS’ health care coverage, you have 31 days from the date of your marriage to enroll your new spouse.

### **Q. *Can I change my beneficiary after I retire?***

- A.** In limited circumstances, you can change your beneficiary. If your marital status changes or your beneficiary dies, contact SERS to discuss your options.



# What is the Retirement Application Process?

The Application Process  
After SERS Receives Your Retirement Application

# WHAT IS THE RETIREMENT APPLICATION PROCESS?

## The Application Process



In order to retire and begin receiving a monthly pension, you must complete and return a Service Retirement Application. It must be completely filled out and signed by you, and if necessary, by your spouse. The application must be returned with all the necessary documents.

You also have the option of completing the Service Retirement Application online using the Account Login feature available from our website. Create your online account by visiting [www.ohsers.org](http://www.ohsers.org). Once you create your online account, the application wizard walks you through each step of the application and provides a Retirement Checklist that allows you to upload all of the required documents.

Once SERS receives your application, you will be sent a handout explaining the retirement process. SERS also will notify your employer that you have applied for retirement and the expected date of retirement. You must also notify your employer in writing of your retirement date.

If you indicated on the application that you wish to obtain additional service credit for which you may be eligible, SERS will notify you by mail of your cost to purchase any service credit. You must purchase all service credit prior to your effective retirement date.

No retirement is official until all forms have been completed, returned, and approved by SERS.

### Notify your employer

Don't forget to notify your employer that you are planning to retire. Each school district has a separate policy regarding severance packages for retiring employees.

Your employer must certify your final contributions and last date of service.

#### ***Q. When is the best time to complete the SERS retirement application?***

- A.** We recommend sending your completed service retirement application to SERS at least 90 days before your intended retirement date.

# After SERS Receives Your Retirement Application

## Pension Verification

Once your monthly pension has been processed, you will receive: a verification letter that includes information that can be used for income verification, Social Security verification, if applicable, and income tax information to use in determining your tax withholding amounts.

## Changing your Plan of Payment

If you choose to change your plan of payment, PLOP selection, or retirement date prior to receiving your first payment, you must submit a notice in writing that you want to cancel your initial application and submit a revised Service Retirement Application.

If you choose to change your plan of payment, PLOP selection, or retirement date after receiving your first payment, you must return the payment and submit a signed notice in writing that you want to cancel your initial application within 30 days of the initial payment date. You also must submit a revised Service Retirement Application with your new selections.

## Death

If you die before the effective date of your retirement, your retirement will not take effect and your account will be processed as if you died while still working. This would be considered a survivor benefit.

### ***Q. How will I know if SERS receives my retirement application?***

- A.** When SERS receives your application, we will send you information explaining what to expect in the retirement process.





## What Will Affect My Payment Once I'm Retired?

- About Your Pension Payment
- Cost-of-Living Adjustment
- Power of Attorney and Guardianship
- Taxes
- Reemployment
- Divorce or Support Orders
- Death Benefit

# WHAT WILL AFFECT MY PAYMENT ONCE I'M RETIRED?

## About Your Pension Payment

### Direct Deposit

Direct deposit is required for all SERS retirees. With direct deposit, your monthly payment will always be available on the first of the month.

### Your First Retirement Payment

You may be eligible to receive an estimated payment if SERS receives the following at least 30 days before your retirement effective date:

- Your fully completed retirement application, and
- Necessary birth certificates; and
- Proof of your marriage, including marriage record, abstract of marriage, or marriage certificate that has been filed with the court and has been signed by a judge or clerk. We cannot accept a marriage license; and
- A completed Direct Deposit Form; and
- Any other required documentation

Your estimated pension payment will be based on payroll and service credit information posted through your last completed fiscal year (July 1 - June 30). Once your employer reports all final pay figures, SERS will finalize your monthly pension and notify you of the final amount. If the final calculation of your pension is greater than the estimated amount, we will send you another payment that covers the difference. If the final calculation of your pension is less than the estimated amount, we will notify you of required repayment to SERS.

### Monthly Payments



After your initial payment, your payments will be available on the first of every month. The January payment will be in your account on the first business day following January 1. SERS sends a bi-annual *Retiree Focus* publication in January and July, which will include a statement detailing your current gross monthly pension and deductions, and these amounts for the year-to-date. You also will receive a statement whenever there are any changes to your monthly payment amount.

You also can view your monthly payment information using Account Login. Create your online account by visiting [www.ohsers.org](http://www.ohsers.org). The Payments section of the secure site provides a breakdown of your payments and payment details for your next monthly payment. The Payments section also allows you change your tax withholding and direct deposit information.

#### **Q. When will I receive the PLOP payment?**

- A.** At the same time you receive your first finalized pension payment. It will not be paid until SERS receives all required information from your employer, and all contributions have been received.

## Keeping Your Information Current



When you write to SERS, please make sure to give your full name and the last four digits of your Social Security number or Member ID.

Also, make sure you advise SERS of any change in address. Even if SERS deposits your check directly into your bank account, we still need your current home address. If you move and do not notify SERS, your benefits can be suspended. You can easily update your address using the My Profile section of Account Login.

You also must notify us when circumstances change, such as the death of a spouse if the spouse was covered by our health plan or if you chose a Joint Life plan of payment.

## Cost-of-Living Adjustment

Under current law, benefit recipients must wait until the fourth anniversary of their benefit to receive a Cost-of-Living Adjustment (COLA). The COLA is calculated using your base pension amount and the Consumer Price Index, and can range between 0% - 2.5%

### **Q. *What is the Consumer Price Index?***

**A.** The Consumer Price Index (CPI) is a measure of how much the same set of goods and services cost through the year compared to prior year data. The data is collected by the U.S. Department of Labor through the Bureau of Labor Statistics. You can find more information at <https://www.bls.gov/cpi/>.

# Power of Attorney and Guardianship

## Power of Attorney

In some instances, such as a hospital or nursing home stay, a retiree may not be able to handle their own financial matters. At times like these, many people find it helpful to have a trusted friend or relative act on their behalf and handle necessary financial matters. If you, as a retiree, want someone other than yourself to handle your SERS retirement, you must provide SERS with a copy of your General Power of Attorney form.

This is necessary because, in addition to the retiree, SERS' pension payments may only be cashed by authorized individuals. In order for another person to have authority to take care of business related to a SERS pension, the retiree must grant Power of Attorney to someone, or a probate court must appoint a guardian for the retiree.

## Guardianship

A guardian might need to be appointed by a probate court when a retiree becomes unable to handle financial matters.

A copy of the appointment of the guardian must be filed with SERS. This information is necessary so we know how to prepare future payments and where to send them.

### ***Q. Is my pension taxable?***

**A.** Yes, a portion of your pension is subject to federal and state income taxes. Your pension also may be subject to local taxes.

## Taxes

A portion of your pension is subject to federal and state income taxes.

When your pension is calculated, SERS determines the amount that is taxable and the amount that is non-taxable. SERS sends you this information when your first pension payment is processed.

### **Federal Income Tax**

SERS is required to withhold federal income tax from your monthly pension amount unless you elect in writing not to have any withheld.

You need to file an Internal Revenue Service (IRS) Form W-4P with SERS to instruct us on whether we should withhold income taxes. If you do not file this form, SERS withholds as if you are single with no adjustments. You can change your withholding amounts at any time by requesting a new form from SERS or downloading it from the SERS website.

## State Income Tax

Your SERS pension amount may be subject to state and/or local taxes. You should consult the appropriate tax department in the area in which you live to determine your obligations.

For Ohio residents, your SERS pension amount is subject to Ohio state income taxes. However, SERS is not required to withhold amounts for state tax unless you return a form indicating the specific amount you wish to have withheld. This amount can be changed at any time by requesting a new form from SERS or downloading it from the SERS website.

You should consult your own tax advisor, the IRS, or state or local tax departments for advice on your specific tax questions. SERS cannot provide individual tax advice.

Both your state and federal tax withholding can be updated anytime using Account Login.

## **1099-R Tax Form**

By January 31 of each year, SERS will send you the IRS 1099-R Form for the previous calendar year. This provides the pension amounts you received for the year, the amount of taxes withheld, and other tax information. You also will receive a SERS Income Tax Information handout that explains the form, and provides other detailed federal and state tax information.

Your 1099-R information will be available in your secure online account on our website by January 31.

# Reemployment

## How Reemployment Affects Pension Payments



If you return to work in a position covered by SERS, OPERS, STRS, Ohio Police & Fire Pension Fund, or Ohio Highway Patrol Retirement System, you must wait two months from your effective date of retirement before being reemployed. There is no limitation on the number of days you can work or the amount you can earn. The only restriction is when you can return to work.

No retirement is effective until all forms have been completed, returned, and approved by SERS. Do not begin working as a reemployed retiree until your retirement is approved and two months have passed from your retirement effective date.

If you return to work in an Ohio public job within two months of your retirement date, you will forfeit your pension for that period of time. The only exception is if you hold multiple positions prior to retirement. You may then continue working in the lesser-paying position(s) without forfeiting two months of pension payments.

If a school hires you to the same position you had before retiring, and that position is filled by a vote of the members of a board or commission, public notice of the potential reemployment must be given at least 60 days prior to the start of your reemployment. A public hearing also must be conducted between 15 and 30 days prior to your first day of work. Information on the hearing must be included in the public notice.

**There must be a definitive break in service, with the employer certifying to SERS when your regular employment period ends, and when your reemployment period begins.**

If you begin reemployment in a position covered by one of the Ohio retirement systems, contributions will be withheld and sent to the appropriate retirement system. No additional service credit will be granted for reemployment. You will earn an annuity from the reemployment. The annuity will be paid by the retirement system that covers your reemployment.

Your original pension is not affected during your reemployment. The annuity will be paid separately from the original pension. It will be paid in a lump sum or monthly payments; however, monthly payments are only an option if the amount is at least \$25 per month.

## How Reemployment Affects Health Care Coverage



If you retire and then take a new job or go back to work for a public or private employer, you may temporarily lose eligibility for SERS' health care coverage while you are reemployed. Once reemployment ends, your eligibility will be restored.

Individuals affected are those:

- Under age 65 not yet eligible for Medicare
- Eligible for Medicare but not enrolled in Part B

Individuals not affected are those:

- Enrolled in Medicare Part A and B
- Enrolled in Part B only

SERS' health care eligibility is lost when:

- You are eligible for medical and prescription coverage through your new employer
- You are not eligible for medical and prescription coverage through your new employer but other employees in comparable positions are eligible for coverage. The coverage available to employees in comparable positions must be at the same cost as full-time employees.

You will not lose your eligibility for SERS' coverage if you do not have access to the employer coverage, or if it costs employees in comparable positions more than most full-time employees pay.

Please notify SERS if you or your spouse become reemployed.

## Divorce or Support Orders

### Support Orders

If you are subject to a court order to provide support for your spouse, former spouse, or children, the court can order SERS to withhold money from your pension benefit payments.

### Division of Property Orders (DOPO)

Your pension payments, including any PLOP amount, can be subject to an Ohio Division of Property Order (DOPO) that requires SERS to pay a portion of your pension to a former spouse for purposes of dividing your marital property. Your ex-spouse cannot receive payment until your payment begins, and payment must be in the same manner you receive (lump sum or monthly). Payment to your ex-spouse will cease when you stop receiving a payment. Regardless of the number of DOPOs SERS receives, the total amount deducted from your pension cannot exceed 50% of your original payment amount.

**For more information** about DOPOs and divorce, visit the Life Events section of our website.

### Plan of Payment Requirement

Ohio law allows a court to order you to elect a retirement plan with your former spouse as beneficiary under a joint life plan. The order must be issued as part of your divorce proceedings, specify the amount of the survivorship portion, and be issued prior to the effective date of your retirement. If SERS has received a copy of the order when you apply for retirement, SERS can only accept your application if it complies with the court order.

### Divorce

If you selected Plan A, C, D, or F for your spouse, and you later divorce, your marriage is annulled, or your marriage is dissolved, your plan may be adjusted only with the consent of your ex-spouse or by an order of the court.

## Death Benefit

A \$1,000 lump-sum death benefit will be paid to your designated beneficiary upon your death. If you have multiple beneficiaries, this will be distributed equally among them. By law, if you do not designate a beneficiary, a statutory order of succession will apply. Payment will be made only upon receipt of a death certificate and evidence of qualification, as required by SERS.

If the beneficiary designated by you at retirement dies first, you should select a new beneficiary. You must designate a new beneficiary in writing on the form provided by SERS. Contact our office for this form.

### Refund of Deceased Member's Contributions

If you die early in retirement before recovering the employee contributions you made to SERS while you were working, a refund will be due. This will be the case if you selected Plan B, the Single Life Allowance. In this case, whatever remained of the employee contributions would be paid to your designated beneficiary or estate.

