COLA Changes: Effective January 1, 2018

Beginning January 2018, whether an annual Cost-of-Living Adjustment (COLA) is granted in any given year is at the discretion of the SERS Retirement Board. If granted, COLAs will be based on the increase in the Consumer Price Index and capped at 2.5%.

Changes Necessary

COLA changes were necessary to address immediate financial challenges and long-term funding goals.

The Board reviewed SERS’ financial position with input from its independent actuary, Cavanaugh Macdonald Consulting, LLC.

The actuary detailed SERS’ financial challenges, along with the urgency to improve its funding status. The Board, staff, and actuary examined possible options to address these issues. The Board held roundtable discussions with its advocacy groups in 2015, and continued to host stakeholder meetings through 2017.

The resulting consensus indicated that changes to the COLA were the best and most fair way to manage financial challenges and funding goals, and for active and retiree members to share in the solution.

At a special Board meeting in October, the Board suspended COLAs for retirees and benefit recipients for three years beginning January 1, 2018.
What’s Your Eye-Q?

Holding your phone at a distance? Can’t focus on a pill bottle or book without squinting?

You might be experiencing presbyopia, a gradual loss of the ability to see things up close. It is caused by a decrease in the elasticity of the lens.

A change in vision might mean a trip to the optometrist; but, vision care can be expensive. An annual eye exam can cost anywhere from $50 to $125. Specialty frames and contact lenses can go for five times that much. Even “cheater” eyeglasses from a drugstore can be about $20.

A benefit of SERS membership is access to vision coverage when you retire, but taking care of your eyes now is a good idea.

A Feast for the Eyes

Protecting your sight includes feeding your eyes the proper diet.

According to Healthprep.com, the vitamin E in nuts protects eye’s cells from free radicals that can break down eye tissue.

Vitamin C keeps blood vessels healthy, lowering the risk of developing cataracts.

The fatty acids found in fish can prevent dry eye syndrome.

Zinc can help prevent cataracts and improve night vision.

Lutein and zeaxanthin are carotenoids found in vegetables. They also are antioxidants found in the part of your retina responsible for detailed vision. Increasing consumption of foods that contain them have been linked to a lower risk of macular degeneration.

Spring Retirement Conferences

If you are thinking about retiring in the near future, think about attending a Retirement Conference.

Each spring, SERS holds a number of informational meetings across the state for members considering retirement.

If you are within two years of retirement, you will automatically receive a notice by mail of the Retirement Conference in your area. If you are more than two years away from retirement, you are still welcome to attend.

All those wishing to attend can register on our website at www.ohsers.org.

Unable to attend a Retirement Conference? The information shared at the conferences also is available on our YouTube channel. You can find the link on our website at www.ohsers.org.

Conference Schedule

Saturday, February 24, 2018
Conference begins at 9:30 a.m.
Avon Lake High School
175 Avon Belden Rd.
Avon Lake, OH 44012

Saturday, March 3, 2018
Conference begins at 9:30 a.m.
Lima Shawnee High School
3255 Zurmehly Rd.
Lima, OH 45806

Saturday, March 10, 2018
Conference begins at 9:30 a.m.
Cincinnati Princeton High School
100 Viking Way
Cincinnati, OH 45246

Saturday, March 17, 2018
Conference begins at 9:30 a.m.
Owens Community College
30335 Oregon Rd.
Toledo, OH 43551

Saturday, April 7, 2018
Conference begins at 9:30 a.m.
Nordonia High School
8006 S. Bedford Rd.
Macedonia, OH 44056

Saturday, April 14, 2018
Conference begins at 9:30 a.m.
Oakwood Middle School
2300 Schneider St. NE
Canton, OH 44721

Saturday, April 28, 2018
Conference begins at 9:30 a.m.
Meadowbrook High School
58615 Marietta Rd.
Byesville, OH 43723

Saturday, May 5, 2018
Conference begins at 9:30 a.m.
Worthington Kilbourne High School
1499 Hard Rd.
Columbus, OH 43235

Financial Reports

Did You Know

Do you know how much of your paycheck goes toward your retirement?

You contribute 10% of your paycheck to your retirement. Your employer contributes 14% to your retirement.

What is a PLOP?

A Partial Lump Sum Option Payment (PLOP) is an option you can choose when you apply to retire. It allows you to receive part of your retirement allowance in a lump sum payment at the beginning of your retirement.

A PLOP may be from 6 to 36 months of your original retirement allowance, but cannot reduce your original monthly payment more than 50%. It also:

- Must be taken at retirement
- Is irrevocable
- Is available only to a member retiring on service retirement

If you are married and are eligible for a PLOP, your spouse must sign a consent form. Once you retire, you have 31 days from the receipt of your first check to change your mind.

Taking a PLOP permanently reduces your lifetime monthly allowance. If you are considering a PLOP, make sure you know what your reduced monthly allowance will be and how much will be withheld for income taxes. For example, suppose you are retiring with a 36-month PLOP. Your monthly allowance would be $785.87. If you do not take a PLOP, it would be $1,104.13.

Taxes may substantially reduce your PLOP amount. Unless you rollover your PLOP, SERS withholds 20-30% for taxes. This means that if your 36-month PLOP was for $39,748.68, after taxes it would be $31,798.94 or less.

For personalized examples, you can request an estimate which includes a PLOP. Call SERS toll-free at 866-280-7377.
Eligibility Reminder

In 2012, the SERS Board passed changes that increased the age and years of service requirements that determine a member’s retirement eligibility.

These changes were designed to keep the system within the legislatively mandated 30-year funding period and to address the longer life expectancy of retirees.

If you did not have 25 years of service credit as of August 1, 2017, you are subject to increased eligibility requirements.

This means you can retire at:
- Age 67 with 10 years of service credit
- Age 57 with 30 years of service credit

You can retire early with reduced benefits at:
- Age 62 with 10 years of service credit
- Age 60 with 25 years of service credit

The law includes a grandfather provision that allows members with 25 or more years of service on August 1, 2017, to retire under the previous age and service requirements.

This means you can retire at:
- Any age with 30 years of service credit
- Age 65 with 5 years of service credit

You can retire early with reduced benefits at:
- Age 55 with 25 years of service credit
- Age 60 with 5 years of service credit