Service Retirement Benefit Stream
How many current retirees have received a benefit longer than they worked?
At what point does the benefit received by a retiree exceed the contributions made while working?

SERS Retirement Behavior
Has the number of retirees changed much over the last five years?
What is their average monthly benefit in comparison to their final average salary?
How many new retirees reached 20 or 30 years of service?

SERS Retiree population
What is the average age and monthly benefit of all service retirees?
What is the average age and monthly benefit of all disability retirees?
How many benefit recipients (disability and service retirees) are currently receiving a benefit and how much is their benefit?
What are the ages of disability retirees in comparison to service retirees?

FY2019 Retiree Demographics
What is the average age, service credit, and monthly benefit of new service and disability retirees?
What percentage of Final Average Salary (FAS) is the average service retirement benefit?

FY2019 Member Demographics
What does SERS’ active member population look like?
What is the average age, service, and salary for active members?
How many members have not contributed in the last year? In the last five years?

History of 120-Day Service Year
How was the 120-Day Service Year established?
What is the impact of changing to a 180-Day Service Year?

History of “Full-Time” Service
How was the definition of a day of “Full-Time Service” established?
What is the impact of changing the definition of a day of “Full-Time Service” to 8 Hours?

Informational: SERS Resources for Members and Employers
SERVICE RETIREMENT BENEFIT STREAM

**How many current retirees have received a benefit longer than they worked?**

![Pie chart showing 19.3% of retirees with years in retirement equal or exceeding years of service credit and 80.7% with years in retirement less than years of service credit.]

**65,673**
Total Active Service Retirements*

- **12,697**
  - 19.3% Years in Retirement Exceed or Equal Years of Service Credit
- **52,976**
  - 80.7% Years in Retirement Equal Less Than Years of Service Credit

*Using Active Service Retirements with Member receiving

**At what point does the benefit received by a retiree exceed the contributions made while working?**

**3-5 YEARS**

The Average Point at Which the Benefit Received By Retiree Exceeds the Contributions Made While Working

**EXAMPLES**

<table>
<thead>
<tr>
<th>Member</th>
<th>Age at Retirement</th>
<th>Years of Service Credit</th>
<th>Monthly Benefit</th>
<th>Employee Contributions</th>
<th>Months to Recover Contributions</th>
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<tbody>
<tr>
<td>A</td>
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<td>26</td>
<td>$865</td>
<td>$40,184</td>
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<td>60</td>
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<td>$4,391</td>
<td>$144,522</td>
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</tbody>
</table>

School Employees Retirement System of Ohio
Serving the People Who Serve Our Schools®
300 E. Broad St., Suite 100, Columbus, Ohio 43215-3746 | 614-222-5853 | Toll-Free 800-878-5853 | www.ohsers.org
SERS RETIREMENT BEHAVIOR

Has the number of retirees changed much over the last five years?

What is their average monthly benefit in comparison to their final average salary?

How many new retirees reached 20 or 30 years of service?

**NUMBER OF SERS RETIREES**

<table>
<thead>
<tr>
<th>Years of Service to Valuation Date</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
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<tbody>
<tr>
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<td>15-19</td>
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<td>30+</td>
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<td>750</td>
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**AVERAGE MONTHLY BENEFIT**

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<th>10-14</th>
<th>15-19</th>
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**AVERAGE FINAL AVERAGE SALARY**

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**AVERAGE OF NEW SERS RETIREES WITH 30 YEARS AND 20 YEARS OF SERVICE**

<table>
<thead>
<tr>
<th>Period</th>
<th>20 YEARS</th>
<th>30 YEARS</th>
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<tbody>
<tr>
<td>1961-70</td>
<td>22%</td>
<td>8%</td>
</tr>
<tr>
<td>1971-80</td>
<td>26%</td>
<td>6%</td>
</tr>
<tr>
<td>1981-90</td>
<td>32%</td>
<td>7%</td>
</tr>
<tr>
<td>1991-2000</td>
<td>52%</td>
<td>13%</td>
</tr>
<tr>
<td>2001-10</td>
<td>63%</td>
<td>25%</td>
</tr>
<tr>
<td>2011-18</td>
<td>57%</td>
<td>25%</td>
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</table>

**AVERAGE FINAL AVERAGE SALARY**

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</table>
What is the average age and monthly benefit of all service retirees?
What is the average age and monthly benefit of all disability retirees?

**AVERAGE MONTHLY BENEFIT AND AGE**

**SERVICE RETIREE**
- Benefit: $1,264
- Age: 74.7

**DISABILITY RETIREE**
- Benefit: $1,475
- Age: 66.0

*Information regarding statutory requirements for disability and service retirements will be provided when available.*

How many benefit recipients (disability and service retirees) are currently receiving a benefit and how much is their benefit?

<table>
<thead>
<tr>
<th>Monthly Benefit Amount</th>
<th>Disability</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1-$500</td>
<td>378</td>
<td>19,590</td>
</tr>
<tr>
<td>$501-$1,000</td>
<td>1,488</td>
<td>17,772</td>
</tr>
<tr>
<td>$1,001-$2,000</td>
<td>2,232</td>
<td>20,062</td>
</tr>
<tr>
<td>Over $2,000</td>
<td>1,163</td>
<td>14,032</td>
</tr>
</tbody>
</table>

*Based on 81,024 benefit recipients, including survivor benefit recipients*
What are the ages of disability retirees in comparison to service retirees?

**TOTAL SERVICE AND DISABILITY RETIREES BY AGE**

- **<45**
  - Service: 34
  - Disability: 60
- **45-59**
  - Service: 1,983
  - Disability: 1,359
- **60-69**
  - Service: 22,746
  - Disability: 2,204
- **70-79**
  - Service: 26,294
  - Disability: 1,102
- **80-89**
  - Service: 15,989
  - Disability: 466
- **90+**
  - Service: 4,410
  - Disability: 70

**PERCENTAGE OF TOTAL:**

- **<45**
  - Service: 0.05%
  - Disability: 0.08%
- **45-59**
  - Service: 3%
  - Disability: 2%
- **60-69**
  - Service: 32%
  - Disability: 3%
- **70-79**
  - Service: 37%
  - Disability: 1%
- **80-89**
  - Service: 22%
  - Disability: 61%
- **90+**
  - Service: 6%
  - Disability: 0.09%

*Total: 71,456 Service Retirees Total: 5,261 Disability Retirees*
What is the average age, service credit, and monthly benefit of new service and disability retirees?

**FY2019 AVERAGE SERVICE RETIREE**
- **64.6** AVERAGE AGE
- **26.4** YEARS AVERAGE SERVICE
- **$38,038** AVERAGE FAS

**FY2019 AVERAGE DISABILITY RETIREE**
- **55.1** AVERAGE AGE
- **16.8** YEARS AVERAGE SERVICE
- **$32,962** AVERAGE FAS

**FY2019 SERVICE RETIREE DEMOGRAPHICS**
- **222** Under 50
- **204** 50-59
- **162** 60-69
- **403** 70+

**FY2019 DISABILITY RETIREE DEMOGRAPHICS**
- **78** Under 50
- **73** 50-59
- **40** 60-69
- **17** 70+
- **17** 80+

**FY2019 SERVICE RETIREE AGE PERCENTAGE BY YEARS OF SERVICE**

**FY2019 DISABILITY RETIREE AGE**

**FY2019 AVERAGE SERVICE RETIREE REPLACEMENT RATIO AND PENSION BY YEARS OF SERVICE**
- **10-14 YEARS**
  - **ANNUAL PENSION:** $6,120
  - **FAS:** $28,669
  - **FAS Replacement Ratio:** 21%

- **15-19 YEARS**
  - **ANNUAL PENSION:** $9,336
  - **FAS:** $30,580
  - **FAS Replacement Ratio:** 31%

- **20-24 YEARS**
  - **ANNUAL PENSION:** $12,648
  - **FAS:** $31,073
  - **FAS Replacement Ratio:** 41%

- **25-29 YEARS**
  - **ANNUAL PENSION:** $18,084
  - **FAS:** $34,975
  - **FAS Replacement Ratio:** 52%

- **30+ YEARS**
  - **ANNUAL PENSION:** $30,564
  - **FAS:** $45,156
  - **FAS Replacement Ratio:** 68%
What percentage of Final Average Salary (FAS) is the average service retirement benefit?

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>FAS Replacement Ratio</th>
<th>ANNUAL PENSION</th>
<th>FAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-14 Years</td>
<td>21%</td>
<td>$6,120</td>
<td>$28,669</td>
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<tr>
<td>15-19 Years</td>
<td>31%</td>
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<td>30+ Years</td>
<td>68%</td>
<td>$30,564</td>
<td>$45,156</td>
</tr>
</tbody>
</table>
What does SERS’ active member population look like?

FY2019 MEMBER DEMOGRAPHICS

FY2019 MEMBER AGE PERCENTAGE BY YEARS OF SERVICE
What is the average age, service, and salary for active members?

**FY2019 AVERAGE MEMBER**

- **AVERAGE AGE**: 47.1
- **YEARS**: 7.5
- **AVERAGE SERVICE**: 
- **AVERAGE PAY**: $21,727/YEAR

How many members have not contributed in the last year?
In the last five years?

**FY2019 INACTIVE MEMBERS**

Total: **241,974**

- **212,093** Have NOT Contributed in Last 5 Years (87.7%)
- **29,881** Have Contributed in Last 5 Years (12.3%)
HISTORY OF 120-DAY SERVICE YEAR

How was the 120-Day Service Year established?

September 1, 1937 – June 30, 1955
Eight months of service earned a year of service credit. A reference to “full-time” was added in 1951 but not specifically defined in SERS statute or rule. Any paid service in a month received partial credit of .125 years of service credit.

July 1, 1955 – June 30, 1977
Nine months of full-time service earned a year of service credit. “Full-time” was not specifically defined in SERS statute or rule. Any paid service in a month received partial credit of .111 years of service credit.

Beginning July 1, 1977
The statute was amended to change the full-time standard to 120 days and prorated based on 180 days if less than 120 days were worked. Based on a SERS newsletter from 1976, this amendment appears to have been a legislative compromise. SERS clarified in Rule 3309-1-12 that any portion of a paid day shall be considered a full day; this provision still exists in Rule 3309-1-12.

What is the impact of changing to a 180-Day Service Year?

As of November 2019, SERS has 155,254 active members. Of this group, 16,272 members (10.4%) had between 120 days and 179 days of service for the year. Using the 180-day proration, the average service credit for this group would be .867 rather than a full year. The least amount of service credit change is -.006 for members who worked 179 days, and the greatest amount of service credit change is -.333 for members who worked 120 days.
In 1974, SERS asked the Attorney General’s office whether the Board could apportion service credit based on hours worked. At that time, service credit was granted for any paid service in a month; 9 months of full-time service earned a year of service credit. “Full-time service” was not specifically defined in SERS statute or rule.

The Attorney General’s office advised that creating a minimum number of hours for full-time employment would conflict with Attorney General Opinion 1950 O.A.G. 1605, which provided that: employees of a board of education work full-time if they work all of the hours available for the particular occupation, and are employed on an annual basis or are otherwise continuously employed.

In 1977, R.C. 3309.30 was amended to implement the 120-day standard of full-time employment for receiving one year of service credit. At that time, SERS clarified in Rule 3309-1-12 that any portion of a paid day shall be considered a full day; this provision still exists in Rule 3309-1-12.
New Member Education
- Welcome packet explaining SERS benefits for every new member (decades)
- Members invited to create an account and watch new member video (April 2018)
- Website section dedicated to new members (May 2018)

Website Education
- Eligibility Information
- Retirement Conference Video
- Social Security and Your SERS Pension
  - “Invest in Yourself” section discusses the SERS pension being a part of their retirement income and the need for additional income sources
- Informative webinars offered throughout the year

Mailed Information
- The member newsletter, Future Matters, has two versions based on member age – one for those under 45 and one for those 45 and over
- Member annual statements every September providing retirement benefit amounts

Member Counseling
- Member in-office counseling, remote counseling, and retirement conferences offered for those within 2 years, and pre-retirement meetings for those further out than 2 years
- At the PREP meetings, a representative from deferred compensation speaks
- Conduct member meetings and attend benefit fairs

EMPLOYER EDUCATION
- Employee (Member) Onboarding Checklist
  - Deferred Compensation information
- Employer 101 Training
- eSERS Hands-on Training
- Employer Education Web Series
  - Contribution Reporting
  - Payroll Schedules
  - Wage Certification
  - Membership
- Availability of employer support team

DISABILITY EDUCATION
Eligibility for disability has historically always been 5 years. Disability is income replacement for someone still working; not a retirement payment.
Our recently implemented Vocational Rehabilitation program was designed to identify members who have become healthier because of the program and help them get back in the work force and off of the SERS program.