

Ready To Retire

For Members Eligible to Retire on or Before 1/7/2018



Major Components of Pension Redesign Effective January 7, 2013



- Age & Service Eligibility
- Age & Service Reduction Factors
- Benefit Formula
- Final Average Salary (FAS)
- Cost of Living Adjustment (COLA)

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Learning Objectives



Pension

- Eligibility
- Service Credit
- Decisions
- Post Retirement
- Resources



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Eligibility: Pension



State and Local Division

Reduced Benefit	<ul style="list-style-type: none">• Age 60 with 60 contributing months• Age 55 with 25 years of service credit
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Unreduced Benefit	<ul style="list-style-type: none">• Age 65 with 60 contributing months• Any age with 30 years of service credit
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Law Enforcement

Limited Service Related Benefit	<ul style="list-style-type: none">• Age 52 with 15-24 years of service credit
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Full Benefit	<ul style="list-style-type: none">• Age 48 with 25 years of service credit
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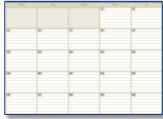
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Service Credit: How is it Earned?



Contributing Service Credit:

- \$250 gross monthly earnings gives you a full month of service credit



Effective 1/1/2014:

- \$600 gross monthly earnings allows one full month of pension credit
- \$1,000 gross monthly earnings allows one full month of health care credit

Other System Service:

- STRS, SERS, OP&F, SHPRS, CRS

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Service Credit: Purchasing



- Do you have any service available to purchase?
- How much will the service cost you to purchase?
 - Initiated before 7/7/2013, Current formula
 - Initiated on or after 7/7/2013, New formula
- How will the purchase benefit you?



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My Account Welcome, JIM
OPERS ID
Last Login: 11/15/2012 at 1:50 PM

OPERS Pension & Benefit Information Logout | Help

My Account | My Profile | Tools and Resources | Apply | Documents

Service Purchase | Health Care Estimate | Seminars and Courseing

Service Purchase

Details

Please select this option to:

- View previous cost statements
- Calculate payoff balances for service credit that have not been fully paid
- Sign up for payroll deduction for cost statements currently awaiting payment
- Initiate payroll deductions through a new employer
- Change your current payment amount

[View Service Purchase Details](#)

Health Care

New health care eligibility requirements will begin January 1, 2014. Please be aware that your service credit purchase will enhance your pension benefit at retirement but your purchase may not qualify as service credit applicable for health care eligibility. [View more details](#)

Estimator

You can use our online estimator to obtain an approximated cost to purchase several different types of service credit. You may also submit your request to OPERS for an actual cost statement.

[Service Purchase Estimator](#)

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Decisions: Payment Plans

Guaranteed lifetime payments:

- Single life annuity
- Life with selected percentage to survivor
- Life with multiple survivors

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Decisions: Payment Plans



Member: Steve, age 63
Spouse: Connie, age 62

Steve has 30 years of service and a Final Average Salary of \$35,000.



Steve's Single Life Annuity	Steve's Amount	Connie's Amount
	\$1,925	\$0

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Decisions: Payment Plans



Single Life Annuity



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Decisions: Payment Plans



Steve's Joint Survivorship Options	Age 63	Age 62
	Steve's Amount	Connie's Amount
100% chosen by the member	100% to Survivor	\$1,593
2 to 4 survivors, percentages chosen by the member	Varies based on number and ages of survivors	Varies based on number and ages of survivors

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Decisions: Partial Lump-Sum Option Payment



- One time, lump-sum payment at retirement
- Reduces your monthly pension amount

Example: Assuming Steve selects a \$50,000 PLOP

Plan	Without PLOP	Reduction	After PLOP
Single Life Annuity	\$1,925	\$334	\$1,591

- Fully taxable if taken as a distribution
- May be rolled over to a tax-deferred account

My Account OPERS Retiree & Beneficiary Information Welcome, JIM
OPERS ID: [redacted] Last Login: 11/15/2012 at 1:59 PM [Logout](#) | [Help](#)

My Account | My Profile | Tools and Resources | Apply | Documents

Service Purchase | **Benefit Estimator** | Estimate | Seminars and Counseling

Benefit Calculators

Traditional Plan Benefit Estimator

As a member of the Traditional Pension Plan, you can use our online calculator to help you estimate your retirement benefits. Many items are even pre-filled in the calculator for your convenience.

[Use the Benefit Estimator](#)

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Progress Check ✓



Do payments continue after your death in the Single Life Annuity?

- Yes
- No**

Decisions: Taxes



Your OPERS payment will be subject to taxation

- Federal
- State of Ohio



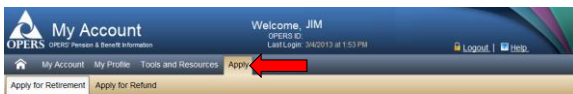
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Decisions: Additional Annuity



- A savings program to supplement retirement income
- Two ways to make a deposit:
 - After tax deposits (subject to annual contribution limits)
 - Tax-deferred rollovers from a qualified plan
- Mandatory distribution option at retirement:
 - Lump-sum refund
 - May be penalty for early withdrawal - Age 59 ½
 - Monthly annuity

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Congratulations on your career in public service!
In choosing to retire, you are making an important financial decision. Please consider the following before getting started.
When should my pension begin and what plan of payment should I select?
The retirement benefit estimator was created to help you with these decisions. We suggest using the estimator to view all of the plans of payment available to you prior to applying for retirement.
You have not performed any benefit estimates online.
To access the Benefit Estimator, click the Retirement Planning link above and then click the Benefit Estimate link.
What Health Care coverage am I eligible for and what options are best for me?
To determine your Health Care coverage eligibility, we suggest using the Health Care Calculator.
To access the Health Care Calculator, click the Retirement Planning link above and then click the Health Care Estimate link.
The following link provides access to a number of health care related resources including Summary of Benefits and Coverage (SBC) documents and the Uniform Glossary of Terms as required by the Affordable Care Act (ACA). [Click here.](#)



Apply for Retirement Overview
While completing your retirement application you will need to provide information about the following:

- Other service credit (if applicable), such as other Ohio retirement system service, active military duty, workers compensation or any other service.
- Your selected retirement payment plan, PLOP election (if applicable) and tax withholding.
- Your beneficiary(ies) (if applicable) including social security number.
- Your bank routing and account numbers.
- Your selected health care coverage including medicare and other retirement system coverage for you or your spouse (if applicable).

Decisions: When to Use Paper Forms

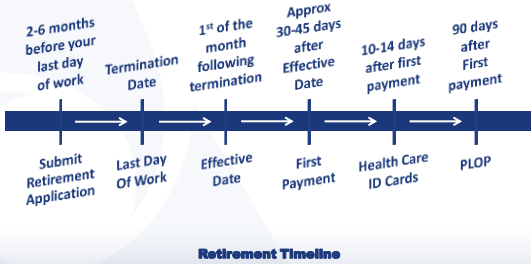


- You have joint system service
 - STRS
 - SERS
 - Ohio Police & Fire
 - SHPRS
 - CRS
- You will retire under Law Enforcement
- Contact OPERS for forms



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Decisions: Timeline Expectations



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Learning Objectives



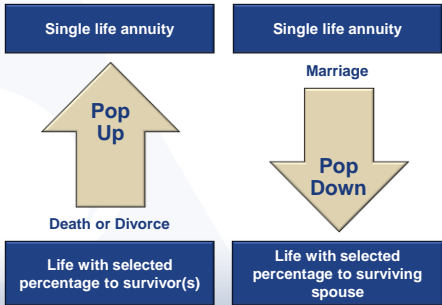
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Post Retirement: Payment Plan Changes



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Post Retirement: Cost of Living Adjustment



- How is the COLA calculated?
- Five-year transition plan

Effective Dates	COLA	Years Received
Feb 1 thru Dec 1, 2013	Fixed 3%	5 years
In 2014	Fixed 3%	4 years
In 2015	Fixed 3%	3 years
In 2016	Fixed 3%	2 years
Jan 1 thru Dec 1, 2017	Fixed 3%	1 years
Jan 1, 2018 or later	CPI 0 - 3%	

- When will you receive your COLA?

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Progress Check ✓



If Jill retires with an effective date of June 1, 2015 how long will she receive a fixed 3% Cost of Living Adjustment (COLA)?

- A) She should receive a fixed 3% for three years, then transition to the CPI based model.
- B) 5 years

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Post Retirement: Lump Sum Death Benefit



Service Credit	Amount
at least 5, but less than 10 years	\$500
at least 10, but less than 15 years	\$1000
at least 15, but less than 20 years	\$1500
at least 20, but less than 25 years	\$2000
25 or more years	\$2500

Post Retirement: Re-employment



- Two month forfeiture period
- Employer responsible for health care coverage
- Contributions
 - First day of re-employment
 - Money Purchase Annuity
 - Prior to age 65
 - Age 65 and older



Progress Check ✓



Can your plan of payment be changed after retirement if there is a marriage, divorce or death of a survivor?

- Yes, but through a Pop-Up or Pop-Down only
- No

Post Retirement: Social Security



- Your Social Security Benefit may be reduced based on your OPERS pension
 - Windfall Elimination Provision (WEP)
 - Government Pension Offset (GPO)
 - www.ssa.gov
 - Contact your local office



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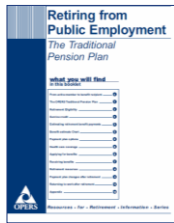


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Resources



- www.opers.org
- Retiring from Public Employment
- Counseling
 - In-House
 - Phone
- On-line Account
 - Retirement Calculator
 - Service Purchase Calculator



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Resources



Ohio PERS
277 E. Town Street
Columbus, Ohio 43215

1-800-222-7377

www.opers.org

Stay Connected:   



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The screenshot shows the OPERS website homepage. At the top, it says "Welcome to Ohio PERS - A partner in your future" with a search bar. Below this is a navigation menu with categories like "Board of Trustees", "Investments", "Health Care", "Government Relations", "Legal", "Vendor Opportunities", and "News". The main content area features a large banner for "PENSION & HEALTH CARE CHANGES: What do they mean to you?". To the left, there are sections for "Forms" (Member, Employer, Retiree) and "Members" (Active & Inactive). To the right, there are sections for "Employers" and "Retirees". A sidebar on the right contains "Make Us Your Homepage", "Information Resources for Pension and Retirement Issues", and "From The OPERS Blog".

Questions



In the Ready to Retire Health Care presentation you will learn about upcoming eligibility changes for Health Care that will impact members as early as 2014.

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