Retirement Plan Selection Guide
for new members
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Guide To Choosing Your Retirement Plan

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The purpose of this guide

This guide is designed to help you, as a new member, determine which of the three OPERS retirement plans is best suited to your individual career and retirement goals. You also should refer to the Benefits of Membership Handbook, which can be found on our website at www.opers.org for additional details about features and benefits of the three Ohio retirement plans.

This is the beginning of ongoing preparation for your retirement

We encourage you to stay involved with OPERS throughout your public employment career. The advantages of OPERS membership are significant but the details of the three retirement plans are complex and often changing. To help keep you in touch with your retirement future we send newsletters, account statements and special bulletins to your home or e-mail address. Our website is designed to make information easy to find; we host informational in-person and web seminars and we look forward to meeting with you in person or over the phone to answer your questions.

In most cases, your employer does not provide OPERS with changes to your personal information, such as your address. Please help us keep your account current by providing us with changes to your personal information when they occur. Also, be sure to designate beneficiaries for your account. You can provide this information online by establishing access to your account through our Member Benefits System at www.opers.org.

Selecting your retirement plan

New members (except those described below), are eligible to select one of the three OPERS retirement plans – the Traditional Pension Plan, Member-Directed Plan and the Combined Plan. All eligible members have 180 days from their start date to make their retirement plan selection. If a member’s selection is not received by OPERS by the end of the 180-day enrollment period, the member will default into the Traditional Pension Plan.

Certain members are not eligible to select one of the retirement plans. Law enforcement and public safety officers must participate in the Traditional Pension Plan and re-employed retirees contribute to the OPERS Money Purchase Plan. Full-time college and university employees who elect to participate in the Alternative Retirement Program (ARP) are not eligible for coverage under an OPERS retirement plan.

Every effort has been made to ensure the information in this publication is accurate. If the information should conflict with state or federal law, then the law takes precedence. Chapter 145 of the Ohio Revised Code, the Ohio Administrative Code and the plan documents for the Member-Directed and Combined Plans govern OPERS. Benefits and features of the plans are subject to change.
Guide To Choosing Your Retirement Plan

Three plans, your choice

You are encouraged to read this guide carefully to help you choose the plan now that best meets your career and retirement goals for the future. Keep in mind, your initial plan selection is irrevocable.

As a member of OPERS you are required to make contributions through payroll deduction to the retirement plan you select. Your employer also is required to make contributions on the basis of a percentage of your earnable salary. See Member contributions and Employer contributions in the Benefits of Membership Handbook at www.opers.org for details.

Remember, OPERS replaces Social Security as a retirement benefit for public employees in Ohio so it is your responsibility to make this important decision concerning your retirement.

The Traditional Pension Plan

A defined benefit plan is a pension plan, in which a retired employee receives a specific amount based on salary history and years of service, and in which the employer bears the investment risk.

The Traditional Pension Plan is a defined benefit plan in which a member’s lifetime retirement benefit is based on a formula. OPERS manages the investment of member and employer contributions to ensure that funds are available to pay the formula benefit.

The formula uses your years of service credit and the average of your three highest years of earnable salary in the plan, referred to as final average salary (FAS).

\[
\text{Annual benefit} = \text{FAS} \times 2.2\% \times \text{Years of Service}
\]

To be eligible to receive the full amount calculated by this formula, you must be at least age 65 when you begin receiving a retirement benefit, or you must have at least 30 years of service in the plan. If you do not meet one of those requirements, reduction factors will apply to your benefit. Refer to How is my retirement benefit calculated? for the Traditional Pension Plan on page 8.

If you meet the eligibility criteria, the Traditional Pension Plan also offers disability and survivor benefits, as well as cost-of-living adjustments and access to health care coverage in retirement.

Three OPERS plans – your choice

| Traditional Pension Plan | Member-Directed Plan | Combined Plan |

A defined benefit plan is a pension plan, in which a retired employee receives a specific amount based on salary history and years of service, and in which the employer bears the investment risk.
**Three plans, your choice (continued)**

<table>
<thead>
<tr>
<th>Years of participation in the Member-Directed Plan</th>
<th>Vesting percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>0%</td>
</tr>
<tr>
<td>1 year</td>
<td>20%</td>
</tr>
<tr>
<td>2 years</td>
<td>40%</td>
</tr>
<tr>
<td>3 years</td>
<td>60%</td>
</tr>
<tr>
<td>4 years</td>
<td>80%</td>
</tr>
<tr>
<td>5 or more years</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Member-Directed Plan is a defined contribution plan in which the member invests their employee contributions and a portion of the employer contributions among professionally managed OPERS investment options. For details about investment options, visit www.opers.org to view the Retirement Plan Investment Guide. Members are 100 percent vested (entitled to) their contributions. The employer contributions vest according to the following schedule:

The vested account balance (including investment gains and losses) is available to you at retirement. The balance can be converted into fixed lifetime annuity payments through OPERS, or the balance can remain in the OPERS investment options and you can make withdrawals from the account.

In addition, a portion of the employer contribution is credited to a Retiree Medical Account (RMA), which is available to you for the payment of qualified health care expenses in retirement or when you separate service and take a distribution from your individual account.
The Combined Plan has a defined benefit and a defined contribution component. Employer contributions are credited to the defined benefit portion and employee contributions are credited to the defined contribution portion. Your total retirement benefit will be made up of both portions.

**Defined benefit portion**
Under the defined benefit portion of the Plan, your lifetime retirement benefit is based on a formula. OPERS manages the investment of employer contributions to ensure funds are available to pay your formula benefit. The formula uses your years of service credit and the average of your three highest years of earnable salary in the plan, referred to as final average salary (FAS).

\[
\text{Annual benefit} = \text{FAS} \times 1.0\% \times \text{Years of Service}
\]

To be eligible to receive the full amount calculated by this formula, you must be at least age 65 when you begin receiving a retirement benefit, or you must have at least 30 years of service in the plan. If you do not meet one of those requirements, reduction factors will apply to your benefit. Refer to *How is my retirement benefit calculated?* for the Combined Plan on page 10.

**Defined contribution portion**
Under the defined contribution portion of the plan, employee contributions are invested by the member among professionally managed OPERS investment options. The account balance (including investment gains and losses) is available to you at retirement. The balance can be converted into fixed lifetime annuity payments through OPERS, or the balance can remain in the OPERS investment options and you can make withdrawals from the account.

If you meet the eligibility criteria, you will receive retirement payments from both the defined benefit and the defined contribution portions of the Combined Plan. You will also be eligible to receive cost-of-living adjustments and you may have access to health care coverage in retirement. Disability and survivor benefits may also be available to Combined Plan members who meet the eligibility requirements.
### Simple steps for comparing the three plans

Now that you have read an overview of the three OPERS retirement plans, follow these simple steps to make your decision.

**How To Select A Plan**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1: Compare Features and Benefits</strong></td>
<td>• Compare each of the three OPERS retirement plans presented in an easy to follow comparison format.</td>
</tr>
<tr>
<td><strong>Step 2: Consider Your Situation</strong></td>
<td>• Ask yourself these questions to help you identify which features and benefits of the plans match up with your unique career and retirement goals.</td>
</tr>
<tr>
<td><strong>Step 3: Learn More</strong></td>
<td>• Provides you with a list of additional resources and tools to help you decide which plan is right for you.</td>
</tr>
<tr>
<td><strong>Step 4: Select a retirement plan and enroll</strong></td>
<td>• Contains information about the enrollment period and the three convenient ways to enroll.</td>
</tr>
</tbody>
</table>

**Please visit www.opers.org to view the Retirement Plan Investment Guide if you are considering the Member-Directed or Combined Plan.**

If you have any questions after reading through this information, you are encouraged to call the OPERS Help Line at 1-866-OPERS-4-U (1-866-673-7748) to speak with a representative.

OPERS also conducts informational in-person seminars at locations throughout the state, along with web seminars. To find out when a How To Select Your OPERS Retirement Plan seminar will be held near you or on our website, visit www.opers.org to view the most up-to-date schedule.
Step 1: Compare features and benefits of the three plans

Each of the OPERS retirement plans is a separate qualified retirement plan with its own features and benefits. Eligibility for most benefits is determined separately under each plan. Except in certain instances, contributions and service under the three plans are not combined to determine eligibility for or to calculate benefits.

The following chart is a summary of the three OPERS retirement plans. For more detailed descriptions, please consult the Benefits of Membership Handbook at www.opers.org

<table>
<thead>
<tr>
<th>Plan</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Pension Plan</td>
<td>OPERS investment professionals invest member and employer contributions under guidelines determined by the Ohio PERS Board of Trustees. OPERS takes responsibility for making sure funds are available to pay your retirement benefit for life and for the life of your beneficiary(ies) if applicable.</td>
</tr>
<tr>
<td>Member-Directed Plan</td>
<td>Member and a portion of employer contributions are allocated to your individual account. You direct the investments for your account by selecting from among the professionally managed investment options offered by OPERS and you bear the risk. The account value available at retirement will depend on how your investments perform (including fees, gains and losses). (A portion of the employer contributions goes into your Retiree Medical Account and is managed by OPERS investment professionals.)</td>
</tr>
</tbody>
</table>
| Combined Plan                 | **Defined benefit portion:** OPERS investment professionals manage the investment of employer contributions the same way as they do in the Traditional Pension Plan. OPERS takes responsibility for making sure funds are available to pay your retirement benefit for life and for the life of your beneficiary(ies) if applicable.  

**Defined contribution portion:** You direct the investment of employee contributions in your individual account by selecting from the same investment options as those offered in the Member-Directed Plan and you bear the risk. The account value available at retirement will depend on how your investments perform (including fees, gains and losses). |

<table>
<thead>
<tr>
<th>Plan</th>
<th>Eligibility</th>
</tr>
</thead>
</table>
| Traditional Pension Plan      | • 5 years of service in the Plan and at least age 60  
                                        • 25 years of service in the Plan and at least age 55.  
                                        • 30 years of service in the Plan and any age. |
| Member-Directed Plan          | At age 55                                                                                                                                                                                                   |
| Combined Plan                 | Same as the Traditional Pension Plan                                                                                                                                                                        |

You have 180 days from your start date to make your plan selection. Log on to www.opers.org.
HOW IS MY RETIREMENT BENEFIT CALCULATED?

Traditional Pension Plan

Your lifetime retirement benefit is determined by a formula that uses your years of service credit and the average of your three highest years of earnable salary, referred to as Final Average Salary (FAS).

Annual benefit = FAS x 2.2% x Years of Service

For example: if your FAS is $40,000 and you have 30 years of service credit in the plan, your monthly benefit (if taken in the form of a single life annuity) would be calculated as follows:

$40,000 (FAS) x 2.2% = $880

$880 x 30 (years of service credit) = $26,400 annual benefit

$26,400 / 12 = $2,200 monthly benefit

If you attain at least 30 years of service credit in the plan or you begin receiving a retirement benefit on or after age 65, you are eligible to receive the full amount calculated by this formula (also called a Single Life Benefit, or Plan B). If you do not meet one of those criteria (age 65 or at least 30 years of service), reduction factors apply to your benefit. Years of total service credit in the Plan for each year in excess of 30 years are multiplied by 2.5 percent of FAS. Please see Eligibility for retirement in the Benefits of Membership Handbook at www.opers.org for more information.
**Step 1: Compare features and benefits of the three plans**

### HOW IS MY RETIREMENT BENEFIT CALCULATED? (continued)

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Description</th>
<th>Vesting Schedule</th>
<th>Example Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member-Directed Plan</td>
<td>You invest the employee contributions and a percentage of the employer contributions among the professionally managed OPERS investment options. You are 100 percent vested in (entitled to) your contributions. The employer contributions vest according to a schedule that starts at 20 percent after the first year of participation and increases 20 percent each year, with 100 percent vesting after attaining five years of participation in the Member-Directed Plan.</td>
<td>-</td>
<td>For example: Your starting salary is $40,000 and does not increase. Your invested money grows annually at 8%. The value of your account after 30 years of participation in the plan would be as follows:</td>
</tr>
<tr>
<td></td>
<td>This example is for illustration purposes only and does not take into account any salary increases. OPERS does not guarantee any minimum investment performance return. You assume investment risk and loss of principal investment can occur.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee contributions(^1) = $3,960 ($40,000 x 9.90%)</td>
<td>$7,452 invested annually + 8% annual investment return x 30 years</td>
<td>$911,721 total account balance at the end of 30 years</td>
</tr>
<tr>
<td></td>
<td>Employer contributions(^2) = $3,492 ($40,000 x 8.73%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At retirement, the vested account balance (including investment gains and losses) is available to you. It can be converted into fixed lifetime annuity payments through OPERS or the balance can remain in the OPERS investment options and you can make withdrawals from the account. For more information about the annuity plans of payment available, see What are my payment options in the Benefits of Membership Handbook at www.opers.org.

1. **Employee contributions** are 10% of earnable salary. An administrative fee of 0.1% ($1 for every $1,000 of salary) is deducted and 9.9% is credited to the investment option(s) you select. These percentages are subject to change at the discretion of the OPERS Board of Trustees.

2. **Employer contributions** are 14% of earnable salary. 8.73% is credited to the investment option(s) you select, 4.5% is credited to your Retiree Medical Account and a mitigating rate of .77% is credited to the Traditional Pension Plan. These percentages are subject to change at the discretion of the OPERS Board of Trustees.
Step 1: Compare features and benefits of the three plans (continued)

HOW IS MY RETIREMENT BENEFIT CALCULATED? (continued)

<table>
<thead>
<tr>
<th>Combined Plan</th>
<th>Defined benefit portion</th>
<th>Defined contribution portion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under the defined benefit portion of the Combined Plan, your lifetime retirement benefit is determined by a formula that uses your years of service credit and the average of your three highest years of earnable salary, referred to as Final Average Salary (FAS). Annual benefit = FAS x 1% x Years of Service</td>
<td>Under the defined contribution portion of the Combined Plan, you invest the member contributions among the professionally managed OPERS investment options.</td>
</tr>
<tr>
<td></td>
<td>For example: If your FAS is $40,000 and you have 30 years of service credit in the plan, your monthly benefit (if taken in the form of a single life annuity) would be calculated as follows: $40,000 (FAS) x 1.0% = $400</td>
<td>For example: Your starting salary is $40,000 and does not increase. Your invested money grows annually at 8%. The value of your account after 30 years would be as follows: Employee contributions = $3,960 ($40,000 x 9.9%)</td>
</tr>
<tr>
<td></td>
<td>$400 x 30 (years of service credit) = $12,000 annual benefit</td>
<td>$3,960 invested annually + 8% annual investment return x 30 years</td>
</tr>
</tbody>
</table>

Total Amount Available at Retirement

<table>
<thead>
<tr>
<th>$1,000 monthly payment (Defined benefit portion)</th>
<th>AND</th>
<th>$484,489 account balance (Defined contribution portion)</th>
</tr>
</thead>
</table>

If you attain at least 30 years of service credit in the plan or you begin receiving a retirement benefit on or after age 65, you are eligible to receive the full amount calculated by this formula (also called a Single Life Benefit, or Plan B). If you do not meet one of those criteria (age 65 or at least 30 years of service), reduction factors apply to your benefit. Years of total service credit in the Plan for each year in excess of 30 years are multiplied by 1.25 percent of FAS. Please see Eligibility for retirement in the Benefits of Membership Handbook at www.opers.org for more information.

At retirement, the account balance (including investment gains and losses) is available to you. It can be converted into fixed lifetime annuity payments through OPERS or the balance can remain in the OPERS investment options and you can make withdrawals from the account. For more information about the annuity plans of payment available, see What are my payment options in the Benefits of Membership Handbook at www.opers.org.

Employee contributions are 10% of earnable salary. An administrative fee of 0.1% ($1 for every $1,000 of salary) is deducted and 9.9% is credited to the investment option(s) you select. These percentages are subject to change at the discretion of the OPERS Board of Trustees.
**IF I REFUND MY ACCOUNT WHEN I LEAVE MY JOB, HOW MUCH CAN I WITHDRAW?**

If you are not eligible for a lifetime retirement benefit when you leave public employment or if you do not wish to receive a lifetime retirement benefit, you can take a refund of your account three months after your Ohio PERS-covered employment ends. A refund is a lump sum withdrawal of your account value. A refund cancels your service credit or contributing months and you forfeit your rights to all benefits in the plan, which can include disability and survivor benefits and access to health care coverage in retirement.

You would be responsible for any taxes on a refund that is made payable to you, or you can postpone taxation by rolling over the refund amount to a Traditional or Roth individual retirement account (IRA) or to another retirement plan [a 401(a) plan, 403(b) annuity or governmental 457(b) plan] that accepts direct rollovers.

### Traditional Pension Plan

<table>
<thead>
<tr>
<th>Attained Service Credit</th>
<th>Amounts available in a refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>With less than 5 years of qualified service¹</td>
<td>Employee contributions, plus interest²</td>
</tr>
<tr>
<td>With at least 5 but less than 10 years of qualified service</td>
<td>Employee contributions, plus interest AND an additional amount of 33% of your eligible contributions³</td>
</tr>
<tr>
<td>With 10 or more years of qualified service</td>
<td>Employee contributions, plus interest AND an additional amount of 67% of your eligible contributions³</td>
</tr>
</tbody>
</table>

**Example of a refund with 6 years of qualified service in the Traditional Pension Plan and an annual salary of $40,000:**

Employee contributions⁴ = $24,000 ($40,000 salary x 10% contribution x 6 years of service)

Interest on employee contributions = $854

Additional amount = $8,201 [($24,000 + $854) x .33]

**Total refund amount = $33,055** ($24,000 + $854 + $8,201)

¹ **Qualified service** includes the contributing service you earn (when your contributions are remitted to OPERS) and some types of purchased service. See the Refunds section of the Benefits of Membership Handbook at www.opers.org for a list of the types of qualified service.

² **Interest** rate is currently 1%. It is set by the OPERS Board of Trustees and is subject to change.

³ **Eligible contributions** in the Traditional Pension Plan include the mandatory employee contributions you made to the Plan and any amounts you paid to purchase qualified service credit, plus applicable interest on both amounts.

⁴ **Employee contributions** are 10% of earnable salary. The percentage is subject to change at the discretion of the OPERS Board of Trustees.
Step 1: Compare features and benefits of the three plans (continued)

IF I REFUND MY ACCOUNT WHEN I LEAVE MY JOB, HOW MUCH CAN I WITHDRAW? continued

<table>
<thead>
<tr>
<th>Years of participation in the Member-Directed Plan</th>
<th>Vesting percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>0%</td>
</tr>
<tr>
<td>1 year</td>
<td>20%</td>
</tr>
<tr>
<td>2 years</td>
<td>40%</td>
</tr>
<tr>
<td>3 years</td>
<td>60%</td>
</tr>
<tr>
<td>4 years</td>
<td>80%</td>
</tr>
<tr>
<td>5 or more years</td>
<td>100%</td>
</tr>
</tbody>
</table>

Example of a refund with 6 years of participation in the Member-Directed Plan, an annual salary of $40,000 and an 8% annual investment return.

- Employee contributions\(^1\) = $23,760 ($40,000 salary x 9.9% contribution x 6 years of participation)
- Total investment earnings over six years = $7,614

- Employer contributions\(^2\) = $20,952 ($40,000 salary x 8.73% contribution x 6 years of participation)
- Total investment earnings over six years = $6,714

**Total refund amount = $59,040** ($23,760 + $7,614 + $20,952 + $6,714)

\(^1\) **Employee contributions** are 10% of earnable salary. An administrative fee of 0.1% ($1 for every $1,000 of salary) is deducted and 9.9% is credited to the investment option(s) you select. These percentages are subject to change at the discretion of the OPERS Board of Trustees.

\(^2\) **Employer contributions** are 14% of earnable salary. 8.73% is credited to the investment option(s) you select, 4.5% is credited to your Retiree Medical Account and a mitigating rate of .77% is credited to the Traditional Pension Plan. These percentages are subject to change at the discretion of the OPERS Board of Trustees.
Step 1: Compare features and benefits of the three plans (continued)

If I refund my account when I leave my job, how much can I withdraw?

### Combined Plan

<table>
<thead>
<tr>
<th>Attained Service Credit</th>
<th>Amounts available in a refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>With less than 5 years of qualified service¹</td>
<td>Employee contributions, including investment gains or losses (DC portion)</td>
</tr>
<tr>
<td>With at least 5 but less than 10 years of qualified service</td>
<td>Employee contributions, including investment gains or losses (DC portion) AND an additional amount of 33% of your eligible contributions² (DB portion)</td>
</tr>
<tr>
<td>With 10 or more years of qualified service</td>
<td>Employee contributions, including investment gains or losses (DC portion) AND an additional amount of 67% of your eligible contributions² (DB portion)</td>
</tr>
</tbody>
</table>

Example of a refund with 6 years of qualified service in the Combined Plan, an annual salary of $40,000 and an 8% annual investment return for the defined contribution portion of the Plan:

**Defined benefit portion calculation**

- Employee contributions³ = $24,000 ($40,000 x 10% x 6)
- Interest⁴ on employee contributions = $854
- Additional amount = $8,201
  
  \[ \text{Additional amount} = \frac{\text{Employee contributions} \times \text{interest rate}}{\text{years}} \]

- DB portion refund amount = $8,201

**Defined contribution portion calculation**

- Employee contributions⁴ = $23,760 ($40,000 x 9.9% x 6)
- Total investment earnings over six years = $7,614

- DC portion refund amount = $31,374 ($23,760 + $7,614)

**TOTAL COMBINED PLAN REFUND AMOUNT = $39,575**

(DB portion refund amount of $8,201 + DC portion refund amount of $31,374)

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¹ **Qualified service** includes the contributing service you earn (when your contributions are remitted to OPERS) and some types of purchased service. See the Refunds section of the Benefits of Membership Handbook at www.opers.org for a list of the types of qualified service.

² **Eligible contributions** in the Combined Plan include the mandatory employee contributions you made to the Plan (not including investment gains and losses) and any amounts you paid to purchase qualified service credit, plus applicable interest on both amounts.

³ **Employee contributions** are 10% of earnable salary. This amount does not reflect the deduction of administrative fees and is only used to calculate the additional amount you may receive from the defined benefit portion of the Combined Plan in a refund. The percentage is subject to change at the discretion of the OPERS Board of Trustees.

⁴ **Interest** rate is currently 1%. It is set by the OPERS Board of Trustees and is subject to change. In a refund from the Combined Plan, you are not paid interest on the mandatory employee contributions made to the Plan. The interest is only used to calculate the additional amount you may receive from the defined benefit portion of the Combined Plan in a refund.

⁵ **Employee contributions** are 10% of earnable salary. An administrative fee of 0.1% ($1 for every $1,000 of salary) is deducted and 9.9% is credited to the investment option(s) you select. These percentages are subject to change at the discretion of the OPERS Board of Trustees.

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You have 180 days from your start date to make your plan selection. Log on to www.opers.org.
Guide To Choosing Your Retirement Plan

**Step 1: Compare features and benefits of the three plans (continued)**

**CAN I MAKE ADDITIONAL CONTRIBUTIONS TO MY ACCOUNT?**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Pension Plan</td>
<td>Subject to limits imposed by federal law, after-tax contributions may be made to an Ohio PERS additional annuity and invested in the OPERS Stable Value Fund. Pre-tax and after-tax funds may be rolled over from another qualified retirement plan into an OPERS additional annuity. The amount of such rollovers is not limited.</td>
</tr>
<tr>
<td>Member-Directed Plan</td>
<td>Subject to limits imposed by federal law, after-tax contributions may be made to your individual account. Pre-tax and after-tax funds may be rolled over from another qualified retirement plan into your individual account. The amount of such rollovers is not limited. These funds will be invested in the OPERS investment options you have selected for ongoing contributions into your individual account.</td>
</tr>
<tr>
<td>Combined Plan</td>
<td>Same as the Member-Directed Plan</td>
</tr>
</tbody>
</table>

**DO THE PLANS OFFER ACCESS TO HEALTH CARE COVERAGE IN RETIREMENT?**

<table>
<thead>
<tr>
<th>Plan</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Pension Plan</td>
<td>Access to health care coverage in retirement is offered for members with at least 10 years of service in the Plan. Ohio law does not guarantee health care coverage under OPERS. The Ohio PERS Board determines the eligibility requirements, coverage and costs, which are reviewed each year and subject to change. Go to <a href="http://www.opers.org">www.opers.org</a> for more information.</td>
</tr>
<tr>
<td>Member-Directed Plan</td>
<td>The plan does not offer health care coverage, however, a portion of the employer contributions made to the plan is credited to a Retiree Medical Account (RMA). The account earns a set rate of interest each year, currently 4 percent. You vest in the amounts in the RMA according to this schedule. The vested balance is used to pay for qualified medical expenses once you take a distribution from your Member-Directed account.</td>
</tr>
<tr>
<td>Combined Plan</td>
<td>Same as the Traditional Pension Plan</td>
</tr>
</tbody>
</table>

**Years of participation in the Member-Directed Plan**

<table>
<thead>
<tr>
<th>Years of participation in the Member-Directed Plan</th>
<th>Percent vested in RMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 years</td>
<td>0%</td>
</tr>
<tr>
<td>1 year</td>
<td>20%</td>
</tr>
<tr>
<td>2 years</td>
<td>40%</td>
</tr>
<tr>
<td>3 years</td>
<td>60%</td>
</tr>
<tr>
<td>4 years</td>
<td>80%</td>
</tr>
<tr>
<td>5 years</td>
<td>100%</td>
</tr>
</tbody>
</table>

You have 180 days from your start date to make your plan selection. Log on to www.opers.org.
## Step 1: Compare features and benefits of the three plans (continued)

### ARE SURVIVOR, DEATH OR DISABILITY BENEFITS AVAILABLE UNDER THE PLANS?

<table>
<thead>
<tr>
<th>Plan</th>
<th>Survivor benefits</th>
<th>Death benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Pension Plan</td>
<td>Yes. Your qualified survivor(s) may be eligible to receive monthly survivor benefits, based on your years of service in the Plan and the number of qualified survivors. Your qualified survivors will be eligible for survivor benefits, if at the time of your death, (1) you had at least 18 months of contributing service in the Plan with three of those months occurring within the two and one-half years immediately before your death, or (2) you were receiving a disability benefit from Ohio PERS, or (3) you were eligible for age and service retirement under the plan but did not retire. If you do not meet these requirements, a refund of your accumulated contributions will be made to your qualified survivors.</td>
<td>Yes. If you were receiving an OPERS retirement or disability benefit at the time of your death, a lump sum death benefit ranging from $500 to $2,500 (depending on your years of service) is paid to your beneficiary(ies).</td>
</tr>
<tr>
<td>Member-Directed Plan</td>
<td><strong>Survivor and Death benefits</strong>&lt;br&gt;No monthly survivor benefits or death benefits are provided through OPERS. In the event of your death, the vested portion of your individual account balance is available to your beneficiaries as a refund.&lt;br&gt;&lt;br&gt;In addition, qualified dependents as defined by the IRS may use the remaining vested portion of your Retiree Medical Account for the payment of qualified health care expenses.</td>
<td><strong>Disability benefits</strong>&lt;br&gt;No monthly disability benefits are available through OPERS. However, the vested portion of your individual account balance would be available as a refund after your employment is terminated.</td>
</tr>
</tbody>
</table>
| Combined Plan               | Yes. Same as the Traditional Pension Plan.  
**Please note:** Prior to payment of a survivor or disability benefit, you or your survivors must agree to transfer both your employer contributions and your individual account to the Traditional Pension Plan for payment of the benefit. |
**Step 1: Compare features and benefits of the three plans (continued)**

### IS THERE A COST-OF-LIVING ADJUSTMENT (COLA) AFTER I RETIRE?

<table>
<thead>
<tr>
<th>Plan</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Pension Plan</td>
<td>Currently an annual 3 percent fixed COLA, based on the original benefit amount at retirement is provided. <em>Please note:</em> This increase in amount is not compounded.</td>
</tr>
<tr>
<td>Member-Directed Plan</td>
<td>If your individual account balance is converted to a fixed lifetime annuity through OPERS, an annual 3 percent fixed COLA, based on the original benefit amount at retirement, is provided. <em>Please note:</em> This increase in amount is not compounded.</td>
</tr>
<tr>
<td>Combined Plan</td>
<td>Same as the Traditional Pension Plan for the defined benefit portion, and same as the Member-Directed Plan for the defined contribution portion.</td>
</tr>
</tbody>
</table>

### ARE THERE FEES OR OTHER DEDUCTIONS MADE FROM THE PLANS?

<table>
<thead>
<tr>
<th>Plan</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Pension Plan</td>
<td>None</td>
</tr>
<tr>
<td>Member-Directed Plan</td>
<td>An administrative fee of 0.1 percent of your earnable salary ($1 for every $1,000 of salary) will be deducted from your member contributions. The fee is used for the administration of your individual account. You will be charged a monthly fee of $2 to $6 if your defined contribution account balance is under $5,000 and no contributions have been made to the plan for the last 90 days. If the OPERS actuary determines that the number and demographic characteristics of members who have elected to participate in the Member-Directed Plan or Combined Plan results in a negative financial impact on the Traditional Pension Plan, a portion of the employer contributions may be withheld and credited to the Traditional Pension Plan. This impact, known as the mitigating rate, is reviewed each year. More information is available by visiting “Selecting Your Plan” at <a href="http://www.opers.org">www.opers.org</a>, in the “Members” section.</td>
</tr>
<tr>
<td>Combined Plan</td>
<td>Same as the Member-Directed Plan</td>
</tr>
</tbody>
</table>
Step 1: Compare features and benefits of the three plans

AFTER I MAKE THIS INITIAL RETIREMENT PLAN SELECTION, CAN I CHANGE MY MIND?

Each of the OPERS retirement plans is a separate qualified retirement plan. Among other things, that means, except to the extent permitted by the rules governing purchasing service credit, contributions and service credit under the three OPERS retirement plans are not combined for purposes of determining eligibility for or calculating benefits (including calculating vesting percentages and years of participation). Except in certain instances, contributions and service credit accrued under each plan are governed by the terms of that plan. Before changing retirement plans, you should meet with an OPERS counselor to make sure you fully understand the potential advantages and consequences of changing retirement plans.

You should make the initial retirement plan selection that is best for you during this 180-day enrollment period. Once made, your initial plan selection cannot be retroactively changed; however, with certain exceptions, active members will have up to three opportunities to change to another retirement plan during the following periods:

- Once prior to attaining five years of total service credit;
- Once after attaining five years, but prior to attaining 10 years of total service credit; and
- Once at any point after attaining 10 years of total service credit.

A plan change opportunity that is not used in a specified period may not be carried over to the next period.

Changing your retirement plan means that you stop contributing to one OPERS plan and begin contributing to a different OPERS plan. This has important consequences that will impact both the benefits you have accrued under the plan in which you are participating and the benefits you will accrue in your new retirement plan. If you change your retirement plan, the service credit and contributions you have accumulated do not move from one plan to the other. However, in certain circumstances you can purchase service in your new OPERS retirement plan representing the contributing service in your prior plan. Please note that if you initially select or default to the Traditional Pension Plan, your service credit in the Traditional Pension Plan cannot be moved to or purchased in the Combined or Member-Directed Plan if you later change to one of those plans.

Members in the groups required by state law to participate in the Traditional Pension Plan (for example law enforcement officers) or the OPERS Money Purchase Plan, cannot change plans. See pages 2 and 19 for details about these members.

You have 180 days to call 1-866-OPERS-4-U (1-866-673-7748) or log on to www.opers.org to make your plan selection.
Now that you have compared the plans, keep in mind your planned length of employment to help you determine which plan is right for you. The number of years you work under OPERS-covered employment affects what benefits you are eligible to receive from each plan.

**Lifetime Retirement Benefit**
Your length of employment and your attained age are factors that determine if you are eligible to receive a lifetime retirement benefit under each plan. The eligibility requirements to receive a lifetime retirement benefit under each plan are:

- **Traditional Pension Plan**
  - 5 years of service in the Plan and at least age 60
  - 25 years of service in the Plan and at least age 55
  - 30 years of service in the Plan and any age

- **Member-Directed Plan**
  - At age 55

- **Combined Plan**
  - Same as the Traditional Pension Plan

**Refund**
When you leave public employment, if you are not eligible for a lifetime retirement benefit in your plan, you are only eligible to receive a refund of your account. A refund is a lump sum withdrawal of your current account value. A refund cancels your service credit (or contributing months) and you forfeit your rights to all benefits in the plan, which can include disability and survivor benefits and access to health care coverage in retirement. A refund distribution can be made payable to you, or, you can roll over your refund amount to another retirement plan that accepts direct rollovers.

**Other benefits and features**
Your length of employment also affects your eligibility for other benefits and features, such as survivor and disability benefits, access to health care coverage in retirement, and vesting in a Retiree Medical Account (RMA). See pages 14 and 15 to learn which plans offer these features and how long you must work to be eligible for them.
Step 2: Consider your situation (continued)

Do you want to direct the investment of your account?

OPERS offers two retirement plans in which you must direct the investment of your individual account, the Member-Directed Plan and defined contribution portion of the Combined Plan. Information about the OPERS investment options can be found in the enclosed Retirement Plan Investment Guide. OPERS offers educational tools and resources to help you manage your account throughout your career.

OPERS investment professionals manage the investment of all contributions to the Traditional Pension Plan, the defined benefit portion (employer contributions) of the Combined Plan, and the employer contributions to the Retiree Medical Account in the Member-Directed Plan.

Do you or your spouse have other retirement accounts?

Not only is it important for you to understand the features and benefits of the three OPERS retirement plans available to you, but also that you understand the retirement plans and benefits available to your spouse, whether or not they contribute to OPERS. To avoid overlapping benefits, you may want to consider how all of your retirement accounts could work together. You may consider talking with your financial planner.

SPECIAL CONSIDERATIONS

Do you have service credit you can purchase?

Having service credit you can purchase (i.e. redeposit of a refund, military, etc.) may affect your retirement plan decision. Not all types of service credit can be purchased in all three plans. For example, if you previously took a refund from OPERS, that service can only be restored in the plan from which it was originally refunded. See Purchased service credit in the Benefits of Membership Handbook at www.opers.org for additional information.

Do you work seasonally or intermittently?

Working only part of a year and not contributing consistently to OPERS may affect you if you choose the Member-Directed or Combined Plan. If your defined contribution account balance is less than $5,000, inactive fees will be assessed if no contributions have been made to your Member-Directed or Combined Plan account for a period of 90 days or more which can occur during periods in which you are not working. These fees range from $2 to $6 each month.

Do you plan to work in an OPERS-covered law enforcement or public safety position?

Members who work in an OPERS-covered law enforcement or public safety position must contribute to the Traditional Pension Plan. If you are currently in a non-law position, but later begin working in an OPERS-covered law enforcement or public safety position, state law requires you to start contributing to the Traditional Pension Plan. The same is true for a member who is currently in the police academy – as soon as you graduate and begin working in an OPERS-covered law enforcement position, you must begin contributing to the Traditional Pension Plan. Therefore, if you select the Member-Directed or Combined Plan and then later begin working in a law enforcement or public safety position and begin contributing to the Traditional Pension Plan, you will have two separate plans and your service cannot be aggregated between the plans to determine your benefits. In addition, if your defined contribution account balance in the Member-Directed or Combined Plan is less than $5,000, your account could be charged a monthly inactive fee ranging from $2 to $6 (even if you continue working and contributing to the Traditional Pension Plan).
Step 2: Consider your situation (continued)

SPECIAL CONSIDERATIONS (continued)

Do you have service credit with another Ohio retirement system?

If you have service with Ohio’s State Teachers Retirement System (STRS) or School Employees Retirement System (SERS), the Traditional Pension Plan is the only plan that allows you to combine non-concurrent service credit in order to receive a larger retirement benefit or to retire earlier. Non-concurrent service refers to time that you contributed to only one system. (Concurrent service refers to the time that you contributed to one of the other systems at the same time you were contributing to OPERS. This service can never be combined.)

Service credit earned with SERS or STRS cannot be combined with contributing months in the Member-Directed Plan or service credit in the Combined Plan.

If you have service with the Ohio Police and Fire Pension Fund (OP&F), Highway Patrol Retirement System (HPRS) or the Cincinnati Retirement System (CRS) that you would like to transfer to OPERS, the service may be transferred only to the Traditional Pension or Combined Plan (see Purchased service credit under the Traditional Pension and/or Combined Plans only in the Benefits of Membership Handbook at www.opers.org). However, the service impacts benefit calculations differently in the Traditional Pension Plan and the Combined Plan.

If you are eligible to receive a retirement or disability benefit from another Ohio retirement system, you have an important consideration to make when selecting your OPERS retirement plan. If you are working in an OPERS-covered position and receiving a retirement or disability benefit from another Ohio retirement system, state law requires you to contribute to the OPERS Money Purchase Plan. Therefore, if you select the Member-Directed or Combined Plan and later begin receiving a benefit from another Ohio retirement system and contributing to the OPERS Money Purchase Plan, you will have two separate plans with OPERS and your service credit cannot be aggregated between the plans to determine your benefits. In addition, if your defined contribution account balance in the Combined or Member-Directed Plan is less than $5,000 your account could be charged a monthly inactive fee (even if you continue working and contributing to the Money Purchase Plan).

If any of these special considerations apply to you, call OPERS at 1-800-222-7377 and schedule an appointment for plan selection counseling.
**Step 3: Learn more about the three plans**

Remember, you have 180 days from your start date to select an OPERS retirement plan. You will find it worthwhile to learn as much as possible about all three of the plans so that you feel confident in selecting the best plan for your situation. Listed below are the educational resources and tools provided by Ohio PERS to help you decide which retirement plan is right for you.

**Informational Seminars - (in-person seminar, live interactive web seminar or video seminar)**

During your 180-day enrollment period, you should plan to attend one of the informational seminars offered throughout Ohio or participate in a live and interactive web seminar. These seminars provide participants the following:

- Features and benefits of the three OPERS retirement plans
- Resources available to help you select your OPERS retirement plan
- An opportunity to ask questions and learn from questions asked by other participants
- Learn which of the three OPERS retirement plans is best suited for your career and unique retirement goals
- Learn at a local in-person seminar or from the comfort of your own office/home computer through a live interactive web or video seminar

Please visit www.opers.org for the most up-to-date schedule of seminars. Registration is required for the live, interactive web seminar. You also can view the seminar as a video at www.opers.org anytime of the day or night.

**The OPERS website and the Plan Comparison Calculator**

The OPERS website, www.opers.org, presents details about the three retirement plans and current information about the System. The *Benefits of Membership Handbook*, which we refer to throughout this guide, is available online where you can view it or order a copy.

The Plan Comparison Calculator is another tool to help you compare the three OPERS retirement plans. The calculator will prompt you for details about your situation, including your current income level and how many years until retirement, and will then estimate the refund amounts and retirement benefits you could receive under each plan. The calculator will provide a personalized side-by-side comparison of the three retirement plans.

**Call the OPERS Help Line at 1-866-OPERS-4-U (1-866-673-7748)**

Representatives are available to answer any questions you may have and can walk you through the features of each retirement plan. They are knowledgeable professionals who do not work on commission. Their purpose is to help you make the decision that is best for you. Representatives are available weekdays from 7:30 a.m. to 5 p.m. Eastern Standard Time (except for stock exchange holidays).
Step 4: Select a retirement plan and enroll

Once you have completed Steps 1 through 3 and have taken adequate time to learn about the OPERS retirement plans and to consider your situation, you should be ready to select your retirement plan. If you are still unsure about which OPERS retirement plan is most appropriate for you call the OPERS Help Line at 1-866-OPERS-4-U (1-866-673-7748) to speak with a representative.

Remember, you have 180 days from your start date to select one of the OPERS retirement plans, and your retirement plan selection is effective retroactive to your start date. Ohio PERS must receive your retirement plan selection on or before the last day of your 180-day enrollment period. If your 180-day enrollment period ends on a non-business day (weekend or holiday), OPERS must receive your plan selection by the prior business day. If you do not select a retirement plan on or before the last day of your 180-day enrollment period, you will automatically become a participant in the Traditional Pension Plan.

If you are considering the Member-Directed or Combined Plan, you also must select your investment options. Please visit www.opers.org to review the Retirement Plan Investment Guide for choosing your investment options before you enroll.

Three convenient ways to enroll

1. **Call 1-866-OPERS-4-U (1-866-673-7748)** to speak with a representative to enroll over the telephone. [This is the best option if you are close to the end of your 180-day enrollment window. Determine your investment options if you are choosing the Member-Directed or Combined Plan. You will have to provide them when you call to enroll.]

2. **Complete the enclosed Retirement Plan Selection Form** and return it in the enclosed postage-paid envelope. Please allow at least two weeks mailing time. If you are within two weeks of the end of your 180-day enrollment window, please do not mail in the form. Instead, enroll over the phone to ensure you don’t miss your deadline.

3. **Visit the OPERS website** at www.opers.org and enroll online. If you want to make a selection using our website, you will need an OPERS Personal Identification Number (PIN) for security reasons. Obtaining a PIN is easy. Go to www.opers.org and follow the links for the My Benefits System (MBS). On your first visit to MBS, you will need to click on the link entitled “Register Now” and follow the steps for the registration process.
The 11-member OPERS Board of Trustees is responsible for the administration and management of OPERS. Seven of the 11 members are elected by the groups that they represent (i.e., college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retirees); the Director of the Department of Administrative Services for the State of Ohio is a statutory member, and three members are investment experts appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate.

For a current listing of OPERS Board members, please visit www.opers.org

It is your responsibility to be certain that OPERS has your current address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account.

This guide is written in plain language for use by members of the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.