



# Saving For Retirement

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](http://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 booklet 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. OPERS is not required to provide health care coverage to retirees or their dependents and will only do so at the discretion of the Board of Trustees.

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As a public employee in Ohio, you have options to help ensure your financial security during retirement. While you are required to contribute to the Ohio Public Employees Retirement System (OPERS), there are other ways to create additional retirement income. In fact, you can supplement your mandatory contributions through two different programs.

One is offered by OPERS and the other is through the Ohio Public Employees Deferred Compensation Program, a 457(b) plan. **Please read on to educate yourself and learn more about the mandatory and voluntary ways you can save for your retirement.**

## Mandatory Contributions

### Employee Contributions

As a member of OPERS, you participate in and contribute to one of three retirement plans: The Traditional Pension Plan, the Member-Directed Plan or the Combined Plan. Both law enforcement and public safety officers contribute to the Traditional Pension Plan.

You make employee contributions to OPERS through payroll deduction. The rate is currently 10 percent of your earnable salary. If you are a public safety officer, your contribution rate is currently 12 percent. As a law enforcement officer, you contribute at a rate of 13 percent.

Employee contributions for members participating in the Traditional Pension Plan are paid into a savings account and are invested as determined by the OPERS Board of Trustees. If you participate in the Member-Directed or Combined plan, employee contributions (less an administrative fee and mitigating rate) are paid to your individual defined contribution account and invested in the 16 OPERS Investment Options as you direct.

### Employer Contributions

Your employer also contributes to OPERS on the basis of a percentage of reportable payroll. Currently, state and local employers contribute 14 percent and law enforcement/public safety employers contribute 18.10 percent.

If you participate in the Traditional Pension Plan or the Combined Plan, employer contributions are combined into an employer fund and invested, as determined by the OPERS Board, for the purpose of funding retirement, disability and survivor benefits as well as health care coverage.

If you participate in the Member-Directed Plan a percentage of the employer contribution is credited to your individual OPERS account and invested as you direct. As a Member-Directed Plan participant, a portion of the employer contribution deposited into a Retiree Medical Account (RMA) to be used for qualified health care expenses after you take a distribution of your individual account.

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## Ohio Deferred Compensation

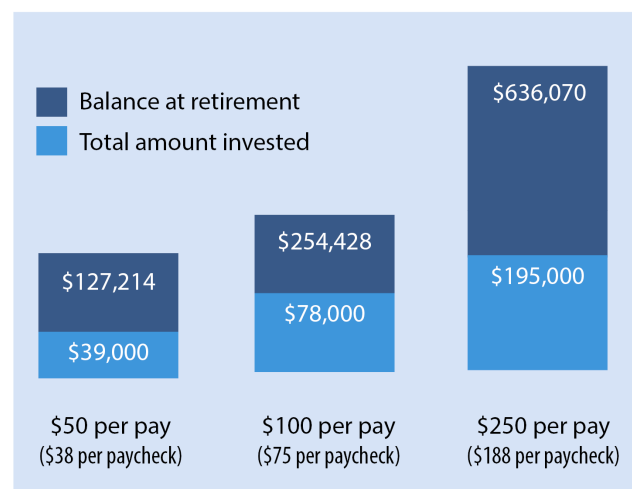
Ohio Deferred Compensation provides a tax-deferred, supplemental retirement income plan that can help bridge the gap between what you have and what you will need.

**The Time is Right—Now.** It's never too soon (or too late) to begin investing. And time is your new best friend. No matter what your age, you should be financially preparing for retirement. The minimum contribution amount to get started is just \$15 per biweekly pay or \$30 per monthly pay. And, the more time money has to grow, the more you could potentially have at retirement.

**What is the Power of Time?** To give you an idea, we've provided this hypothetical illustration to show how different deferral amounts per biweekly paycheck could accumulate over 30 years, given a 7 percent annual effective rate of return. In the following graphs, the light blue sections show how much is actually deferred, and the dark blue sections show how much could be earned by those deferrals over 30 years.

**The Tax-Deferred Advantage.** Ohio DC is tax-deferred—the money that goes into your account comes out of your paycheck before state and federal income taxes. So, more goes into your account than comes out of your paycheck (as illustrated by the example). Plus, the assets in your account, including any earnings, will have the opportunity to grow tax-deferred until you decide to withdraw them—usually in retirement. Withdrawals will be taxed as ordinary income. Remember, there are no guarantees. Investing involves risk, including possible loss of principal. Ohio DC does not pay commissions or use investments that charge front or back-end loads, and there are no surrender fees.

You may also take advantage of rolling your Traditional IRA, 401(k), 401(a) or 403(b) account into the Program. You may choose from a variety of investment options, including a stable value option, mutual funds, and professionally managed asset allocation portfolios to simplify investing.



*This illustration is a hypothetical compounding example that assumes biweekly deferrals (for 30 years) at a 7% annual effective rate of return. It illustrates the principle of time and compounding. It is not intended to predict or project the investment results of any specific investment. Investment returns are not guaranteed and will vary depending on investments and market experience. If fees, taxes, and expenses were reflected, the hypothetical returns would be less.*

### Contact Ohio DC today.

Visit [Ohio457.org](http://Ohio457.org) or call 1-877-644-6457 to enroll, check yearly deferral limits, or to get more information by using our planning tools. You can also visit the Service Center for a one-on-one consultation with our Account Executives.



OHIO DEFERRED  
COMPENSATION  
OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

257 East Town Street  
Suite 457  
Columbus, Ohio 43215

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## Voluntary Contributions

### Additional Contributions for OPERS Member-Directed and Combined Plan Participants

If you participate in the OPERS Member-Directed or Combined plan, you may make additional, after-tax contributions to your individual defined contribution account.

These contributions will be invested in the OPERS investment options you selected for your individual defined contribution account. These deposits are limited by federal tax law. To see current limits, visit the Forms & Documents page on [opers.org](http://opers.org) to access the Voluntary Contribution worksheets for the Combined or Member-Directed plans (VOL-CO or VOL-MD forms).

In addition to voluntary after-tax deposits, other retirement accounts you have may be rolled over to your individual OPERS account. For example, retirement savings held in a traditional IRA, Roth IRA, SEP, SIMPLE, Section 401(k), Keogh, or Section 401(a) retirement plan may be rolled over at any time with no maximum deposit limits. Section 403(b) or Section 457(b) accounts also may be rolled in subject to certain limits. These funds will retain their tax-deferred status as long as they remain with OPERS.

If you would like to make a deposit by personal check, money order or cashier's check into your individual defined contribution account, please complete the appropriate Voluntary Deposit form. To roll over eligible retirement accounts, in addition to the Voluntary Deposit form, complete and submit any transfer or rollover distribution form(s) required to your current plan administrator.

### Additional Annuity Contributions for Traditional Pension Plan Members

The Additional Annuity Program is designed to supplement your retirement income. It provides an additional opportunity to invest money specifically for supplementing pension benefits. The program is an account, independent of your OPERS contributions, that allows you to deposit funds while you are a member of OPERS.

Your Additional Annuity deposits purchase investment shares in the OPERS Stable Value Fund. As you work toward retirement, your account is subject to the daily gains or losses of the Stable Value Fund and your potential earnings are tax-deferred until you retire or refund your account. Traditional Pension Plan contributors and re-employed retirees contributing to a Money Purchase Account are eligible to participate in the Additional Annuity program.

Actively contributing members may make after-tax deposits of \$15 or more any time with a personal check, money order or cashier's check payable to OPERS. In addition to voluntary after-tax deposits, other retirement accounts may be rolled over to your Additional Annuity account. Once you have established an account, you may roll funds over to your OPERS Additional Annuity account with no maximum deposit limits.

Inactive members may make a deposit at any time via a rollover distribution only.

**For more information visit  
[opers.org](http://opers.org) or contact the OPERS Member Services Center at 1-800-222-7377.**

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## Voluntary Contributions (Continued)

OPERS can accept eligible rollover distributions from the following plans:

- Section 401(a) or 401(k) qualified employer plan
- SIMPLE IRA
- Roth IRA
- Section 403(a) annuity plan
- Simplified Employee Pension (SEP) IRA plan
- Traditional IRA (Section 408)
- Keogh plan
- Section 403(b) accounts
- Section 457(b) accounts (such as the Ohio Public Employees Deferred Compensation Program)

**These plans can be rolled over without limits, provided that the rollover of funds to your OPERS Additional Annuity account is completed within 120 days after retirement or termination of your employment. These funds will retain their tax-deferred status as long as they are left with OPERS.**

**For more information, see the *Additional Annuity Program* leaflet, available at [opers.org](http://opers.org).**







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