



## Mitigating rate reduced for Defined Contribution Plan and alternative retirement plans

Alternative retirement plans (ARPs) were originally offered as an alternative to STRS Ohio's Defined Benefit Plan in 1997. At that time, Ohio law deemed a percentage of the employer contribution (known as the mitigating rate) is necessary to mitigate any negative financial impact of the ARPs on the state retirement systems. STRS Ohio's Defined Contribution (DC) Plan participants pay a mitigating rate.

**The STRS Ohio DC Plan mitigating rate will decrease to 2.91% from the current 4.47%, effective July 1, 2022.** The Retirement Board voted to reduce this rate to align with the ARP mitigating rate change to 2.91% which is based on a formula set forth in Ohio law. The mitigating rate is subject to review every five years. The rate impacts the member's account as shown below. (Figures reflect the new rate.)

<b>Member contribution</b>		<b>14%</b>
<b>Employer contribution to member account</b>	<b>+</b>	<b>11.09%</b> <i>(Balance after mitigating rate is deducted from 14% employer contribution)</i>
<b>Total contributed to member's account and managed by member</b>	<b>=</b>	<b>25.09%</b>

## Faculty in fifth year of STRS Ohio membership now eligible for plan reselection

Faculty members who enrolled as new STRS Ohio members between **July 1, 2017**, and **June 30, 2018**, and selected the **Defined Contribution Plan** or **Combined Plan**, will receive information in March from STRS Ohio concerning their eligibility to change plans. Upon reaching five years of STRS Ohio membership, members have the one-time opportunity to remain in their current retirement plan or change to one of the other two STRS Ohio retirement plans.

The deadline for this permanent decision is **June 1, 2022**. Members who do not notify STRS Ohio of a plan change will remain in their current plan. Members can indicate their plan selection using their Online Personal Account at

[www.strsoh.org](http://www.strsoh.org), where an online presentation with reselection details will be available in March. No action is required by members who are not changing retirement plans.



# STRS Ohio investments return 29.16% (net) for fiscal 2021

STRS Ohio's total fund net return for the fiscal year ending June 30, 2021, was +29.16% — **the highest fund return since 1983**. The net return is calculated after all management fees and costs, including carried interest and other fund expenses. The net return beat the total fund benchmark by 1.18%. STRS Ohio's active management of the funds, rather than relying on index funds, added approximately \$790 million in value after all costs during the year. Total fund assets increased by \$17.7 billion during the fiscal year and stood at approximately \$94.8 billion as of June 30, 2021.

STRS Ohio's fiscal 2021 return ranked in the top 20% of Callan's public fund sponsor database of more than 200 public funds. Callan serves as an investment consultant to the State Teachers Retirement Board. STRS Ohio currently manages about 70% of its assets through its in-house Investment Department. A report by CEM Benchmarking, a leading global research company, shows this in-house investment strategy is a key reason why STRS Ohio has among the lowest investment costs in its peer group of 17 large U.S. public fund sponsors.

## Several planning resources available for faculty approaching retirement

STRS Ohio offers webinars, videos and online tools to help members who are approaching retirement prepare for a smooth transition. These resources are all accessible via the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

**Retirement Countdown webinar** — This program offers important details about completing the online *Service Retirement Application*, including plan of payment options, designation of single or multiple beneficiaries and enrollment in the STRS Ohio Health Care Program (applicable to Defined Benefit and Combined Plan participants). An overview is also provided about what to expect during the retirement process. Upcoming dates and registration details are available in the *During Your Career* section of the website.

**Benefits Counseling** — This one-on-one opportunity is recommended at least three years before and again six to 12 months before retirement. These sessions are available through teleconference or videoconference. During this appointment, the benefits counselor will review personal account information, a retirement estimate, benefits information, retirement application processes and deadlines and health care coverage information (applicable to Defined Benefit Plan and Combined Plan participants). Members can make an appointment using their Online Personal Account, accessible from the home page of the website.

**Benefit estimate calculator** — This calculator is available in the Online Personal Account area of the website. The calculator populates with the member's current STRS Ohio account information, minimizing the amount of data the member needs to enter. Members can prepare multiple estimates which can be helpful in evaluating various retirement dates or scenarios.

**Online Service Retirement Application** — Members can securely complete and submit their retirement application online using their Online Personal Account. The application provides step-by-step instructions, the ability to complete in stages, a summary of selections and processing status updates.

**Getting Retirement Ready video series** — These brief videos focus on steps and information members should consider 12–18 months, 6–12 months and 1–6 months before retirement and can be accessed at in the Resources section of the website, under Videos.

