

Agenda



- Purchasing Service Credit
- Payment Options
- Payroll Deduction
- Purchasing Leaves of Absence
- Current Fiscal Year Absence or Leave
- Past Absence or Leave



Purchasing Service Credit

- Members may purchase service credit for certain types of past employment and leaves of absence
- Why purchase?
 - · Increase retirement income
 - Enable earlier retirement



Purchasing Service Credit

Types of purchasable service credit that require employer certification and/or employer contributions:

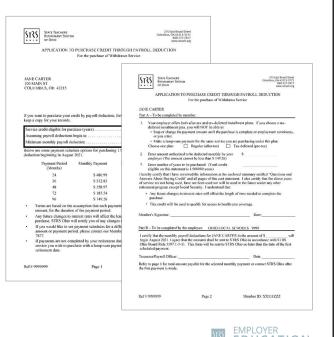
- Current fiscal year and past leaves of absence
- Ohio noncontributing public teaching
- Other Ohio public service
- Previously exempted or waived Ohio public service
- Service as an Ohio public school board member



Payment Options • Lump-sum payment • Payroll deduction • Tax-deferred rollover from a retirement savings plan



- Member requests Application to Purchase Credit Through Payroll Deduction and completes Part A
- Employer completes Part B and submits to STRS Ohio with first payroll deduction



Payroll Deduction

- Employers with employees purchasing service credit through payroll deduction will receive a monthly purchase service credit (PSC) report in Employer Self Service (ESS)
- ESS Instructions available for help completing report
- Deductions made by the employer and the PSC report are due to STRS Ohio no later than the 15th day of the month following the payroll deduction



Payroll Deduction

- Employers may offer after-tax and tax-deferred (pretax) payroll deduction plans, or they may offer only one type of plan
- To adopt a tax-deferred plan for purchased service credit:
 - Pass a board resolution agreeing to deduct and remit payments on pretax basis
 - Complete Notification of Adoption of a Tax-Deferred Payroll
 Deduction form and submit with copy of board resolution before plan
 effective date
 - STRS Ohio will send confirmation letter upon receipt



Payroll Deduction



After-tax Payroll Deduction

- Member may change the amount of payroll deduction amount (request in writing to employer)
- Member may terminate payroll deduction at any time
- Termination of employment will discontinue deduction



Pretax Payroll Deduction

- All federal and state taxes are deferred
- Cannot change amount of deduction or skip payment
- Member agrees to continue payroll deductions until purchase is complete or employment terminated



Payroll Deduction

- If there is an employer cost associated with a purchase through payroll deduction, employer will receive annual billing invoice or invoice when member completes purchase
- If there is an employer cost associated with a lump-sum purchase, employer will receive an invoice once the member has made full payment





Purchasing Leaves of Absence

- Defined Benefit Plan only
- Circumstances
- Types
- Employer liability



Current Fiscal Year Absence or Leave

- Reasons to purchase
- Member contacts employer
- Current Leave of Absence Calculator available on STRS Ohio Employer Website



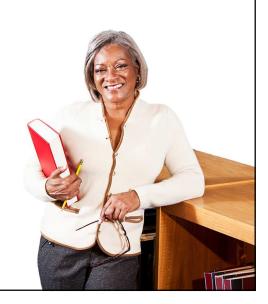
Current Fiscal Year Absence or Leave

- Options for purchase
 - Purchase through remaining payroll
 - Purchase with a lump-sum payment
- <u>Lump-Sum Purchase of Current Fiscal</u> Year Absence or Leave form



Past Absence or Leave

- Member contacts STRS Ohio
- Process



Questions?

We're here to assist you

• Send an email: report@strsoh.org

• Call toll-free: 888-535-4050

Visit our website: www.strsoh.org/employer



Thank You!

- This webinar will be available in the Education & Training section of the employer website
- Certificates of completion will be emailed within two weeks
- Please complete evaluation

