

July 1, 2015 Changes to STRS Contributions and Mitigating Rate

We would like to call your attention to a recent announcement by STRS regarding changes to the mitigating rate for participants in the Alternative Retirement Plan (ARP) and STRS Defined Contribution Plan (STRS DC), as well as remind you of upcoming changes to employee contributions to STRS and ARP plans that were included in STRS' recent pension reforms .

Mitigating Rate: STRS has announced the mitigating rate will increase to 5% July 1, 2015 and 5.5% July 1, 2016. The current mitigating rate is 4.5%. The STRS announcement regarding the mitigating rate can be reviewed on their Board News site (<https://www.strsoh.org/aboutus/retirementboard/boardnews.html#boardnews>). The mitigating rate is a fee is charged to members in STRS defined contribution plan and ARP to lessen the impact on the Defined Benefit Plan of people opting out for the DC plan or ARP. The mitigating rate is deducted from the employer contributions. STRS is making this change to maintain the financial stability and integrity of the Defined Benefit Plan.

Employee Contributions: In 2012 the State Teachers Retirement System (STRS) announced employee contributions to STRS and Alternative Retirement Plans (ARP) will increase by 1% each year from July, 2013 through July, 2016. The increases were included in pension reform legislation enacted in September 2012 to strengthen Ohio's statewide retirement systems. Pension reform details, including changes to employee contributions, are available at the STRS Pension Legislation site: <https://www.strsoh.org/news/legislation/legislation.html>

The university will update the mitigating rate and employee contributions automatically. Employees do not need to take any action regarding these changes. The changes will be reflected in pays for any work performed after July 1.

- Faculty paid 9 over 12 months will see the new rates on their first pay of the fall semester - 8/31/15. Their deferred pay will continue at the old rates through 7/31/15.
- Faculty paid 9 over 12 months with summer appointments will see the new rates on their summer session pay beginning on 7/31/15, but their deferred pay will continue at the old rates through 7/31/15.
- Faculty paid 12 over 12 will see the new rates on all pay after 07/01/15

The below chart reflects the impact of these upcoming changes:

Contributions	STRS Defined Benefit & Combined Plans			ARP & STRS DC Plan		
	Current	July 2015	July 2016	Current	July 2015	July 2016
Employee Contribution to your Retirement Account	12.0%	13.0%	14.0%	12.0%	13.0%	14.0%
WSU Contribution to your Retirement Account	14.0%	14.0%	14.0%	9.5%	9.0%	8.5%
Total Contribution to your Retirement Account	26.0%	27.0%	28.0%	21.5%	22.0%	22.5%
WSU Contribution to STRS Mitigating Rate	--	--	--	4.5%	5.0%	5.5%
Total Contribution	26.0%	27.0%	28.0%	26.0%	27.0%	28.0%

If you have any questions about this information, please contact STRS at (888) 227-7877.