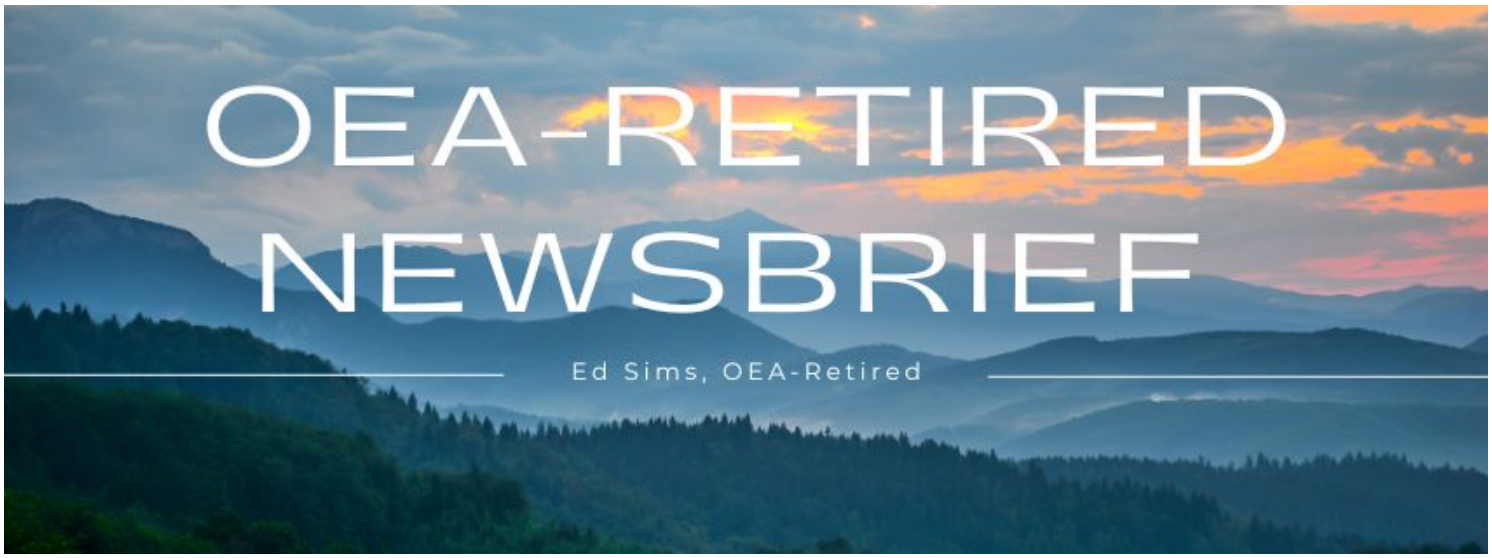
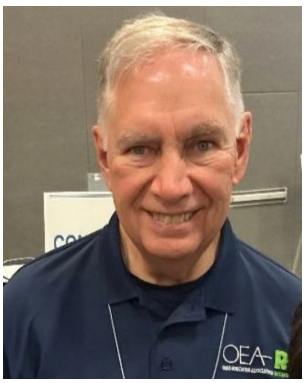


Navigating the 32-Year STRS Ohio Retirement Milestone



Welcome! I am the OEA-R representative for ECOEA. Through this column, I hope to share information that both our retired and active members will find genuinely useful.

In this edition:

- **Navigating the 32-Year STRS Ohio Retirement Milestone**

Pros, Cons, and the Pre-65 Healthcare Bridge

Reaching 32 years of service credit is a monumental milestone for Ohio educators. Under the current rules extended by the State Teachers Retirement Board through May 1, 2035, achieving 32 years of service unlocks a 100% unreduced pension benefit at any age.

For a 54-year-old teacher, retiring at this point is an incredibly attractive option, but it comes with a major structural challenge: managing an 11-year healthcare bridge before becoming eligible for Medicare at age 65.

Understanding the Social Security Timeline Gap

While your STRS pension begins immediately at 54, you cannot collect Social Security right away. The absolute earliest age to file for retirement benefits is 62, which leaves an 8-year gap. Furthermore, filing at 62 locks in a permanent reduction of up to 30%. Benefits increase about 8% per year until you get to 100% of your earned benefit at age 70; holding out past 70 provides no additional delayed retirement credits.

Weighing the Pros and Cons of Retiring at 32 Years

The Pros



- Unreduced Pension Base: You lock in a pension calculated at 2.2% of your Final Average Salary (FAS) for every year taught, with zero age-based penalties.
- Maximum Health Care Subsidy: With 32 years, you secure the top-tier STRS health insurance subsidy. STRS Ohio calculates this at 2.47% per year of service for non-Medicare retirees, meaning the system pays 79% of your base medical plan cost.
- Starting the COLA Clock Early: Retirees must wait until the fifth anniversary of their retirement date to become eligible for any cost-of-living adjustments (COLA) approved by the board. Retiring at 54 gets this waiting period out of the way earlier in life.

The Cons

- The 11-Year "Pre-65" Premium Gap: Because you are in a non-Medicare risk pool until age 65, your monthly out-of-pocket healthcare costs will be significantly higher than they would be post-65.
- Secondary Payer Rule: If you retire from teaching and take a private-sector job that offers health insurance, STRS Ohio rules dictate that your new employer's insurance must become your primary coverage, moving STRS to secondary status.

The Financial Reality: Healthcare, Dental, and Vision Cost Breakdown

While STRS Ohio heavily subsidizes the primary benefit recipient's medical plan, dependent coverage for a spouse or child is completely unsubsidized. Additionally, ancillary dental and vision plans are 100% unsubsidized and remain at a flat rate regardless of your Medicare eligibility status.

The tables below outline your total monthly out-of-pocket deductions under the Aetna Basic Medical Plan, Delta Dental, and VSP Vision:

Monthly Medical Premiums



- Retiree Only: $387 / month (Pre-Medicare, Ages 54-64) | $45 / month (Medicare Era, Age 65+ plus Part B)
- Spouse Only: $1,495 / month (Pre-Medicare, Ages 54-64) | $418 / month (Medicare Era, Age 65+)
- Per Child: $362 / month (Pre-Medicare, Ages 54-64) | $214 / month (Medicare Era, Age 65+)

Standalone Dental & Vision Premiums (Flat Rates at All Ages)

- Retiree Only: $41.08 / month ($34.38 dental + $6.70 vision)
- Retiree + Spouse: $92.95 / month ($79.54 dental + $13.41 vision)
- Retiree + Children: $74.59 / month ($60.16 dental + $14.43 vision)
- Full Family: $126.45 / month ($105.32 dental + $21.13 vision)

The Family Premium "Sticker Shock": If a 54-year-old retiring teacher covers themselves, a spouse, and one child under the basic medical, dental, and vision plans, their total monthly deduction will be $2,360.03 per month before age 65. At age 65, that same family profile drops to $803.45 per month.

The Financial Incentive: Continuing to Teach Beyond 32 Years

If an educator elects to bypass retirement and continues teaching, their ultimate lifetime pension benefit increases through a compounding mathematical mechanism:

1. The Multiplier Increase: For every extra year you stay in the classroom, your pension multiplier climbs by exactly 2.2%. At 32 years, your base pension multiplier is 70.4%. By year 35, it climbs to 77.0%. By year 40, it reaches 88.0%.
2. FAS Inflation: Because your pension is pegged to your Final Average Salary (FAS)—the average of your 5 highest-earning years—working extra years drops older, lower-earning contract years out of the calculation and replaces them with your highest-tier seniority pay.

Summary Checklist: Should I Stay or Should I Go?

Use this quick-reference summary to help evaluate your final readiness at the 32-year milestone.

Reasons to GO (Retire at 32 Years)

[ ] Lock in an Unreduced Benefit: You want to secure 100% of your earned benefit with zero age-based penalties.
[ ] No Dependent Healthcare Needs: You only need to cover yourself, or you have a spouse with active, affordable employer coverage elsewhere.
[ ] Private Sector Transition: You want to jump into a second career or part-time job where you can collect a full salary alongside your STRS pension.
[ ] Future Social Security Value: You want to protect/earn your future eligibility to draw 100% of your Social Security benefits down the road (reduced beginning at age 62, increasing about 8% per year until you reach age 70).
[ ] Start the COLA Clock: You want to get the mandatory 5-year waiting period out of the way as early as possible so you are eligible for future adjustments sooner.

Reasons to STAY (Teach Beyond 32 Years)

[ ] Family Coverage Constraints: You need to keep a spouse or children covered and prefer your school district's low active-employee premium rates over commercial STRS rates.
[ ] Shorten the Pre-65 Gap: You want to minimize the number of years you spend paying expensive non-Medicare premiums before transitioning to the $45/month Medicare Advantage plan at 65.
[ ] Compound Your Lifetime Pension: You want to add 2.2% to your pension multiplier for every additional year you teach while driving up your Final Average Salary (FAS).
[ ] Emotional Readiness: You still find immense fulfillment in the classroom, student extracurriculars, or peer mentoring, and you aren't ready to exit the school community.

Deciding to retire is a personal decision based on your situation. Decide what is best for you based on all of the relevant information. Be sure to go to Columbus to meet personally with an STRS benefits expert to be sure what you are expecting is what is real.