

- [Home](#)
- [Dispatch.com](#)
- [RSS](#)
- [About](#)

Dispatch Politics

[ShareThis](#)

Teachers to sacrifice for pensions

[ShareThis](#)

Moves to fix plan include a later retirement age, bigger deduction

Friday, January 28, 2011 02:52 AM

BY [DARREL ROWLAND](#)

THE COLUMBUS DISPATCH

Almost \$11 billion is coming out of the pockets of Ohio teachers to bring their ailing retirement system back to financial health.

The State Teachers Retirement System board voted 7-3 yesterday to raise teachers' retirement age, increase the amount taken from their paychecks for pensions and reduce cost-of-living raises they get in retirement. Teachers would receive 77percent of their final average salary with 35 years of service.

"Unless some changes were made, there was going to be a time in the future where we were not going to be able to pay benefits," said Laura Ecklar, STRS communications director.

The new plan, which now goes to the legislature, is designed to save \$10.9 billion in accrued liabilities without asking for additional taxpayer money. It also would bring STRS into compliance with Ohio law, which requires state pension funds to be able to cover their financial obligations over the next 30 years.

"Our members understand that some changes have to be made because the priority has to be the solvency of the pension system," said Sue Taylor, president of the Ohio Federation of Teachers. "We hope to do it in a way that has the least negative impact on the members."

The three dissenting votes yesterday came from active teachers serving on the board, Ecklar said.

"No one's happy with these changes because it is a reduction in benefits," she said, "but what they hope is that our membership understands that these changes are needed. The alternative in the long

PREVIOUS COVERAGE

- [Police & Fire pension fund not complying with state law](#) (Jan. 27)
- [Five pension funds to outline future](#) (Jan. 26)

DispatchPolitics

- [DispatchPolitics.com](#)
Complete coverage of Ohio politics
- [The Daily Briefing](#)
The Dispatch's public affairs team sates the appetites of political junkies with bite-sized portions of the news and what's behind it.
- [Buckeye Forum](#)
Veteran political reporters examine Ohio politics in this weekly podcast.

Today's political news

- [Drugmaker objects to Ohio's new execution plan](#)
- [Teachers to sacrifice for pensions](#)

term would be no pensions."

Under the plan approved yesterday, teachers, who now can retire after 30 years of service regardless of age, would have to work at least 35 years and be age 60 before getting full benefits. The retirement age would increase from 56 for teachers retiring by 2017 and climb to 60 by 2023.

Teachers also must fork over 3 percent more of their pay to cover retirement, growing from the current 10percent to 13 percent by 2014. Public employees in Ohio do not pay into Social Security.

The current annual cost-of-living adjustment for retirees is 3 percent. That would drop to 2 percent in 2012. Those retiring after 2012 would not see that 2percent yearly hike until five years after leaving the job.

The STRS board did not touch retirees' health-care benefits, which are covered by an annual assessment on employers of 1 percent of the teacher's salary. Ecklar said teachers pay up to 50 percent of the cost in premiums. The board will examine those benefits next month because the fund has enough assets to cover only the next 10 or 11 years of health-care expenses, she said.

The action yesterday brought to a close a painful recalibration of all five Ohio public-employee pension systems. Each was forced to come up with a plan to fix financial woes brought on by investment losses from the Great Recession, changing demographics and increasing health-care costs.

A bill encompassing plans from the five systems is expected to be introduced in the House in the next few days, although it is expected to be just a placeholder.

drowland@dispatch.com

- [Portman on Armed Services Committee](#)
- [JobsOhio approved by panel in House](#)
- [Governor unveils new attack on algae](#)
- [Funding for Delaware County call center at issue](#)
- [Executive director retiring at Children Services](#)
- [Ex-speaker Gingrich takes time for Ohio](#)
- [Blacks ask Senate to reject Kasich's all-white cabinet](#)
- [As president spoke, Tiberi was stashed](#)
- [U.S. Rep. Pence rules out presidential bid in 2012](#)
- [Senate's 4-member Tea Party Caucus brews big plans](#)
- [Obama expected to name new press secretary soon](#)
- [Fund chief: 7,575 oil-spill claims may be scams](#)
- [Filibusters stay, but with some revisions](#)
- [Emanuel can run for mayor of Chicago, state court rules](#)
- [Disagreements dull impact of financial-crisis report](#)
- [Army knew leaker was a problem, probe says](#)

Recommend

[Read all 72 comments »](#)

Type in your comments below

Name
(appears
on your
post)

You are currently logged in as **Paul_Lambert**. [Not Paul_Lambert?](#)

Comments

Characters left: 4000

Type the numbers you see in the image on the right:

Post Comment



*Please note by clicking on "Post Comment" you acknowledge that you have read the [Terms of Service](#) and the comment you are posting is in compliance with such terms. **Be polite.** Inappropriate posts may be removed by the moderator.*

©2011, The Columbus Dispatch, Reproduction prohibited